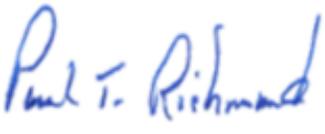


**2013 REGULAR SESSION
ACTUARIAL NOTE HB 58**

<p>House Bill 58 HLS 13RS-357 Engrossed with SRC Amend #2401</p> <p>Author: Representative Franklin J. Foil Date: May 21, 2013</p> <p>LLA Note HB 58.03</p> <p>Organizations Affected: Municipal Police Employees’ Retirement System</p> <p>EG1 NO IMPACT APV</p>	<p>This Note has been prepared by the Actuarial Services Department of the Office of the Legislative Auditor. The attachment of this Note to HB 58 provides compliance with the requirements of R.S. 24:521.</p> <div style="text-align: center;">  Paul T. Richmond, ASA, MAAA, EA Manager Actuarial Services </div>
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Bill Header: RETIREMENT/MUNICIPAL POL: Provides relative to the definition of “employee” for the Municipal Police Employees’ Retirement System

Cost Summary:

The estimated actuarial and fiscal impact of the proposed legislation is summarized below. Actuarial costs pertain to changes in the *actuarial present value of future benefit payments*. A cost is denoted by “Increase” or a positive number. Savings are denoted by “Decrease” or a negative number.

Actuarial Cost/(Savings) to Retirement Systems and OGB	\$0
Total Five Year Fiscal Cost	
Expenditures	\$0
Revenues	\$0

Estimated Actuarial Impact:

The chart below shows the estimated change in the *actuarial present value of future benefit payments*, if any, attributable to the proposed legislation. A cost is denoted by “Increase” or a positive number. Savings are denoted by “Decrease” or a negative number. Present value costs associated with administration or other fiscal concerns are not included in these values.

Actuarial Cost/(Savings) to:	<u>Change in the Actuarial Present Value</u>
All Louisiana Public Retirement Systems	\$0
Other Post Retirement Benefits	\$0
Total	\$0

Estimated Fiscal Impact:

The chart below shows the estimated fiscal impact of the proposed legislation. This represents the effect on cash flows for government entities including the retirement systems and the Office of Group Benefits. Fiscal costs include estimated administrative costs and costs associated with other fiscal concerns. A fiscal cost is denoted by “Increase” or a positive number. Fiscal savings are denoted by “Decrease” or a negative number.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-2018	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-2018	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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Bill Information:

Current Law

Current law identifies who may be a member in Municipal Police Employees' Retirement System (MPERS).

Proposed Law

HB 58 provides that persons satisfying the following conditions may be members of MPERS:

- Any legal investigator employed by the City of Baton Rouge and Parish of East Baton Rouge in the parish attorney's office who receives state supplemental pay and who transferred into the MPERS on the date of February 26, 2000, as a result of the merger agreement between the system and the city-parish of that date. Such a legal investigator with a break in service after February 26, 2000, shall retain membership or retiree status only to the extent of his deferred vested benefit attributable to service earned prior to the break in service.

HB 58 will be applied retroactively and prospectively because it has been deemed to be remedial, curative and procedural. The effective date shall be June 30, 2013, upon the approval of the governor or the legislature.

Implications of the Proposed Changes

Individuals satisfying the membership criteria proposed by HB 58 have already been participating in MPERS. HB 58 provides language that merely codifies a long standing practice of the retirement system.

Cost Analysis:

Analysis of Actuarial Costs

Retirement Systems

There is no actuarial cost associated with HB 58.

Other Post Retirement Benefits

There is no actuarial cost associated with HB 58 for post-employment benefits other than pensions.

Analysis of Fiscal Costs

There are no fiscal costs associated with HB 58.

Actuarial Credentials:

Paul T. Richmond is the Manager of Actuarial Services for the Louisiana Legislative Auditor. He is an Enrolled Actuary, a member of the American Academy of Actuaries, a member of the Society of Actuaries and has met the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinion contained herein.

Dual Referral:

Senate

13.5.1 \geq \$100,000 Annual Fiscal Cost

13.5.2 \geq \$500,000 Annual Tax or Fee Change

House

6.8(F) \geq \$500,000 Annual Fiscal Cost

6.8(G) \geq \$500,000 Annual Tax or Fee Change