

SENATE BILL NO. 16

BY SENATOR GUILLORY AND REPRESENTATIVE ROBIDEAUX AND SENATORS
ALARIO, APPEL, BROOME, BROWN, BUFFINGTON, CHABERT,
CORTEZ, CROWE, DONAHUE, DORSEY-COLOMB, HEITMEIER,
JOHNS, KOSTELKA, LONG, MILLS, MURRAY, NEVERS,
PEACOCK, RISER, GARY SMITH, JOHN SMITH, WALSWORTH
AND WHITE AND REPRESENTATIVES ARMES, BADON,
BARROW, BERTHELOT, BILLIOT, WESLEY BISHOP,
BROADWATER, BROWN, HENRY BURNS, TIM BURNS,
BURRELL, CARMODY, CHANEY, COX, DOVE, EDWARDS,
GAINES, GISCLAIR, GREENE, GUILLORY, HARRIS, HARRISON,
HAVARD, HAZEL, HILL, HOFFMANN, HUNTER, HUVAL,
KATRINA JACKSON, JEFFERSON, JONES, KLECKLEY, NANCY
LANDRY, LEBAS, LOPINTO, MACK, MILLER, MONToucET, JAY
MORRIS, JIM MORRIS, ORTEGO, POPE, PRICE, RICHARD,
RITCHIE, SCHEXNAYDER, SEABAUGH, SHADOIN, ST.
GERMAIN, THIBAUT, THIERRY, THOMPSON, WHITNEY,
PATRICK WILLIAMS AND WILLMOTT

1 AN ACT

2 To grant a permanent benefit increase to retirees and beneficiaries of the Louisiana State
3 Police Retirement System in conformity with the statutory provisions governing the
4 system's experience account.

5 Notice of intention to introduce this Act has been published.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. The legislature finds that the experience account of the Louisiana State
8 Police Retirement System was created for the purpose of accumulating money sufficient to
9 provide actuarial funding of permanent post-retirement benefit increases for certain retirees
10 and beneficiaries of the system. The legislature further finds that the experience account is
11 credited with a portion of the system's investment gain in excess of certain thresholds and
12 with interest on funds in the account; provided, however, that the amount in the experience
13 account shall in no event exceed the reserve necessary to grant two permanent benefit
14 increases.

15 Section 2. The legislature finds that permanent benefit increases funded by the
16 experience account monies are payable to regular retirees who have been retired for at least
17 one year and who have attained the age of sixty years; to disability retirees who have been
18 retired at least one year regardless of age; to beneficiaries of retirees who would have met
19 the applicable criteria to receive the increase if they had survived; and to nonretiree
20 beneficiaries who have been receiving benefits for at least a year and whose benefits are

1 derived from service of deceased members who would have attained age sixty. The
2 legislature further finds that any increase payable in 2014 shall be calculated on the first
3 ninety-four thousand three hundred thirteen dollars of a retirement benefit only.

4 Section 3. The legislature finds that, in accordance with the provisions of R.S.
5 11:1332, the board of trustees of the Louisiana State Police Retirement System is expected
6 to send a resolution recommending to the president of the Senate and the speaker of the
7 House of Representatives that the legislature grant a permanent benefit increase to the
8 eligible retirees and beneficiaries of the system in accordance with the provisions of R.S.
9 11:1332 and Article X, Section 29(F) of the Constitution of Louisiana.

10 Section 4. The legislature finds that the resolution presented to the presiding officers
11 of this body is expected to contain a recitation of the statutorily-required conditions and
12 specification of the satisfaction of each as follows:

13 (A) For the plan year that ended June 30, 2013, the Louisiana State Police
14 Retirement System earned an actuarial rate of return of sixteen and seventy-seven one-
15 hundredths percent, which exceeded the board-approved actuarial valuation rate of seven
16 percent.

17 (B) For any year in which the system's rate of return is at least seven percent, R.S.
18 11:1332(C) provides that a permanent benefit increase shall not exceed the lesser of three
19 percent or the increase in the consumer price index, U.S. city average for all urban
20 consumers, as prepared by the U.S. Department of Labor, Bureau of Labor Statistics, for the
21 calendar year immediately preceding the increase.

22 (C) The system actuary has determined that the actuarial liability created by
23 providing a permanent base benefit increase of one percent is approximately three million
24 one hundred thirty-one thousand dollars. The system actuary has determined that the
25 actuarial liability created by providing a permanent supplemental benefit increase pursuant
26 to R.S. 11:1332(F) is approximately three million eight hundred sixty-two thousand dollars.
27 The system actuary computed the balance in the experience account to be over eighteen
28 million dollars, an amount sufficient to fund a base benefit increase up to three percent and
29 a supplemental increase pursuant to R.S. 11:1332(F).

30 Section 5. The legislative auditor has confirmed that the legislative auditor's actuary

1 is in the process of determining whether he agrees with the determinations of the system
2 actuary.

3 Section 6. The consumer price index, U.S. city average for all urban consumers, as
4 prepared by the U.S. Department of Labor, Bureau of Labor Statistics, for the 2013 calendar
5 year, released January 16, 2014, was determined to be one and one-half of one percent,
6 which does not exceed three percent.

7 Section 7.(A) Contingent upon satisfaction of all necessary conditions contained in
8 R.S. 11:1332, the first ninety-four thousand three hundred thirteen dollars of the current
9 benefit of each retiree and beneficiary of the Louisiana State Police Retirement System who
10 meets the eligibility criteria contained in the statute and recited herein shall be increased by
11 the applicable 2013 consumer price index of one and one-half of one percent effective July
12 1, 2014.

13 (B) Contingent upon satisfaction of all necessary conditions contained in R.S.
14 11:1332(F), each retiree and beneficiary of the Louisiana State Police Retirement System
15 who meets the eligibility criteria contained in the statute shall receive the supplemental
16 increase pursuant to R.S. 11:1332(F).

17 Section 8. If any of the instruments which originated as Senate Bill No. 18, Senate
18 Bill No. 19, Senate Bill No. 21, or House Bill No. 1225 of the 2014 Regular Session of the
19 Legislature does not become effective, this Act shall be null and void and of no effect.

20 Section 9. This Act shall become effective on June 30, 2014; if vetoed by the
21 governor and subsequently approved by the legislature, this Act shall become effective on
June 30, 2014, or on the day following such approval by the legislature, whichever is later.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____