

2013 LOUISIANA LEGISLATIVE SESSION
RSEA LEGISLATIVE REPORT
7/1/2013

RSEA
Position
Oppose

Bill Description

HB 34 by Representative Barrow – *WITHDRAWN/WAS NOT CONSIDERED*

Allows members of LASERS and TRSL who are employed by a state hospital and whose jobs are affected by a layoff plan approved by the State Civil Service Commission or the director of Civil Service to transfer, regardless of years of service, an amount equal to their accrual benefit to another qualified plan or a retirement account (like an IRA).

Oppose

HB 35 by Representative Barrow

Adds a provision for members of LASERS and TRSL who are employed by a state hospital, who have 25 years or more of service, and whose jobs are affected by a layoff plan or a layoff avoidance plan filed with State Civil Service Commission. Upon approval of such a plan, these members are eligible for retirement, regardless of age, and would not have their benefit actuarially reduced.

Final Status – Did Not Pass

Oppose

HB 57 by Representative Pearson

Provides for funding and benefit computation for the four state retirement systems: LASERS, TRSL, La School Employees' and La. State Police. Increases employee contribution rate for all members by two percent (1% beginning July 1, 2015 and 1% beginning July 1, 2017). The increased contributions shall be applied only to the unfunded accrued liability. Provides that the employee rate increase shall not be applied toward reducing the employee portion of the normal cost. Further provides that until all the unfunded accrued liability that existed at LASERS on June 30, 2004 is fully paid off, the employer contribution rate cannot fall below 15% unless the system is 90% funded. Provides for a 60-month final average compensation period and 15% anti-spiking rate for all LASERS members except for legislators, governor, lieutenant governor, clerk and sergeant-at-arms of the House of Representatives and secretary and sergeant-at-arms of the Senate.

Final Status – Did Not Pass

Oppose

HB 60 by Representative Talbot

Originally relative to state and statewide retirement systems requires the suspension of benefits for reemployed retirees who retire on or after July 1, 2013 and prohibits the accrual of additional benefits during such reemployment. Substitute bill provides that all persons enrolled in a public retirement system must be public employees, and provides grandfather provisions for certain members.

Final Status – Did Not Pass

Oppose

HB 61 by Representative Badon

Provides for a "divided benefit" for members whose actual earnings in a calendar month are 30 percent or more above his average monthly earnings for the immediate preceding 12 months.

Final Status – Did Not Pass

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RSEA Position	<u>Bill Description</u>
Support	HB 63 by Representative Robideaux – <i>WITHDRAWN/WAS NOT CONSIDERED</i> Authorizes a 1% permanent benefit increase to be paid all retirees of the four state retirement systems and their beneficiaries who meet system eligibility requirements for the increase. The cost of providing the increase must be paid from state funds statutorily dedicated for such purpose. The increase will be paid on the first \$20,000 of benefits currently being received.
Support With Amendments	HB 65 by Representative Johnson Relative to health insurance premiums for certain retirees; provides relative to payment of insurance premiums for certain retirees of the Hazardous Duty Services Plan in LASERS. Final Status – Act 376
Oppose	HB 284 by Representative Ortego Transfers governance and control of state hospitals from LSU to human services districts and authorities of the state. Employees who are transferred to the human services districts and authorities (except for certain pool employees) will be members of LASERS. Final Status – Did Not Pass
Support	HB 417 by Representative Ritchie Creates the Louisiana Healthier Families Fund and dedicates a portion of the Fund to the payment of the UAL of LASERS and TRSL. Final Status – Did Not Pass
Oppose	HB 729 by Representative Pearson (Substitute bill for HB 68 by Representative Pearson) Re-enacts the Cash Balance Plan and makes changes regarding membership, withdrawals, interest, transfers, reciprocals, disability and survivor benefits, reemployment, purchases and dual plan membership. Final Status – Did Not Pass
Oppose	Governor’s Proposed Tax Reform Package HB 571 by Representative Robideaux – originally created various tax rebate programs HB 653 by Representative Robideaux – originally increased state sales tax from 4% to 6.25% Above two bills were amended and subsequently did not impact retirees or active state employees. Both bills were passed. HB 639 by Representative Robideaux – repeals state tax levied on taxable income of individuals Final Status – Did Not Pass

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RSEA Position	<u>Bill Description</u>
Support	HCR 2 by Representative Harrison Suspends the provisions of the Cash Balance Plan until July 1m 2014. Final Status – Approved by House and Senate
Support	HCR 40 by Representative Harrison Memorizes congress to review and eliminate the provisions of federal law, which reduce Social Security benefits for person receiving pensions from federal, state, or local governmental retirement systems. In the alternative, requests congress to consider eliminating the Government Pension Offset and applying the Windfall Elimination Provision to spousal and survivor benefits instead. Final Status – Approved by House and Senate
	HCSR 3 by Representative Thompson Requests a study of the conversion of annual and sick leave to retirement credit by members of state and statewide retirement systems. Final Status – Approved by House and Senate
Support	SB 4 by Senator Guillory (WITHDRAWN) Changes the actuarial funding method from projected unit credit to entry age normal.
Oppose	SB 7 by Senator Peacock (Replaced by Substitute Bill SB 259 which only applied to Firefighters System) Provides that all state and statewide retirement systems use a 60-month final average compensation period for the calculation of benefits. The bill also sets 15% as the maximum anti-spiking threshold for all members. Exempts legislators, governor, lieutenant governor, clerk and sergeant-at-arms of the House of Representatives, and secretary and sergeant-at-arms of the Senate. Bill is effective January 1, 2014.
Oppose	SB 9 by Senator Guillory – WITHDRAWN/WAS NOT CONSIDERED Removes judges from the Cash Balance Plan.
Oppose in Present Form	SB 11 by Senator Guillory Increases employee contributions by three percent beginning July 1, 2013, provides for a 60 month FAC, and a 15 percent anti-spiking rate for all LASERS members, except for legislators, governor, lieutenant governor, clerk and sergeant-at-arms of the House of Representatives, and secretary and sergeant-at-arms of the Senate. Eliminates the Experience Account as a funding mechanism to fund COLAs and authorizes use of the additional contributions and savings created by changes to current member benefits as funding sources. Future COLAs would be one to two percent, on the first \$50,000 of benefits,

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and payable in odd-numbered years. In addition to funding their own future COLAs with additional contributions and plan changes, some active members would partially subsidize COLAs for current retirees.

Final Status – Did Not Pass

Neutral

SB 14 by Martiney

Allows a member to upgrade their accrual rate on transferred service to the accrual rate of the receiving system by paying the actuarial cost of the upgrade. Allows for reverse transfers in certain instances.

Final Status – Act 365

Support

SB 17 by Senator Guillory

Provides for 2% of revenue collections in excess of FY 2011-2012 levels to be dedicated to liquidating the unfunded accrued liabilities of the four state retirement systems and to funding benefit increases for retirees of the state retirement systems. The dedicated excess revenue shall be deposited into a newly created State Retirement Fund. State Retirement Funds deposits shall be allocated as follows:

Louisiana State Employees Retirement System	37.0%
Teachers' Retirement System of Louisiana	56.7%
Louisiana School Employees' Retirement System	4.5%
Louisiana State Police Retirement System	1.8%

First 80% of the monies allocated to the retirement systems from the fund shall be applied to addressing the initial Unfunded Accrued Liability amortization base. Second, to the Employee Experience Account amortization base, if any, and Third, to the balance of the oldest outstanding amortization base. Then the remaining 20% shall be credited to the Employee Experience Account. Effective date of legislation is June 20, 2013.

Final Status – Did Not Pass

Support

SCR 1 by Senator Cortez

Suspends the implementation date of the Cash Balance Plan until June 30, 2014.

Final Status – Did Not Pass