



2011 Regular Legislative Session Update April 26, 2011

Provided below is a list of bills to be monitored by LRTA during the 2011 Regular Session.

House Bill No. 32 by Representative James R. "Jim" Fannin

This bill provided for the ancillary expenses of state government. In the section regarding the Office of Group Benefits found on page 5, lines 25-29 of the original version of the bill, there is language dealing with the transfer into the Overcollections Fund in the Department of the Treasury the proceeds generated as a result of the sale or other transaction by the Office of Group Benefits which has the effect of transforming its operations.

LRTA will oppose this language in the Ancillary Expenses bill.

House Bill No. 150 by Representative Hollis Downs

This bill would allow a retired educator who has at least 30 years of service credit in TRSL, who is at least 60 years of age, and who has been retired at least 12 months to return to work as an adjunct professor at an institution of higher education, and continue to receive retirement benefits while working. Earnings may not exceed the uniform schedule of pay for the post-secondary institution for adjunct professors. If compensation does exceed the uniform pay schedule, the retirement benefit received by the retiree will be reduced by the amount of the excess earnings.

LRTA supports this legislation.

House Bill No. 151 by Representative Frank Hoffman

This bill will allow any retired member of TRSL who has been retired at least 12 months to return to work in a position covered by TRSL and earn up to 25% of their retirement benefit in any given fiscal year. If earnings exceed 25% of the benefit in any fiscal year, the benefit shall be reduced by the excess earnings.

LRTA supports this legislation.

House Bill No. 369 by Representative Gary Smith

This bill will allow any retired member of TRSL who has been retired for at least 12 months to return to work on a part-time basis in a TRSL covered position and continue to receive their retirement benefit while working.

LRTA supports this legislation.

House Bill No. 384 by Representative J. Kevin Pearson and Senator D. A. “Butch” Gautreaux

This bill is a constitutional amendment that would dedicate a minimum of 10% of any money designated in the official revenue forecast as nonrecurring to be applied to the unfunded accrued liabilities of the Louisiana State Employees’ Retirement System and the Teachers’ Retirement System of Louisiana.

LRTA supports this legislation.

House Bill No. 386 by Representative Joel C. Robideaux

This bill allows a state retirement system to effectuate life insurance on its members and retirees when the beneficiary is the same retirement system. Any member of the retirement systems may make a written objection to the selected insurer ten (10) days after the policy is delivered to the retirement system, and the policy shall be voided for such member.

LRTA will monitor this legislation.

House Bill No. 417 by Representative P. Page Cortez

This bill allows retired educators to return to work as a substitute teacher in a K through 12 classroom and continue receiving retirement benefits if they have been retired for at least twelve months, have 30 years of credited service in TRSL, and are at least age 60. If the period of reemployment exceeds 90 days in a fiscal year, then retirement benefits shall be reduced by the amount earned beyond 90 days of substitute teaching.

LRTA supports this legislation.

House Bill No. 426 by Chuck Kleckley

This bill adds the commissioner of administration to the boards of trustees of the Louisiana State Employees’ Retirement System, the Louisiana School Employees’ Retirement System and the Teachers’ Retirement System of Louisiana.

LRTA will monitor this legislation.

House Bill No. 435 by Representative J. Kevin Pearson and Senator D. A. “Butch” Gautreaux

This bill dedicates a minimum of 10% of any of money designated in the official revenue forecast as nonrecurring to be applied to the unfunded accrued liabilities of the Louisiana State Employees’ Retirement System and the Teachers’ Retirement System of Louisiana. This is the companion bill to House Bill No. 384.

LRTA supports this legislation.

House Bill No. 436 by Representative Reed Henderson

This bill levies a tax on the transportation of natural gas through pipelines in Louisiana and provides that revenues generated shall be deposited into the Fair Share Fund.

LRTA supports this legislation.

House Bill No. 479 by Representative M. "Kirk" Talbot

This bill increases the employee contributions for members of the Louisiana State Employees' Retirement System by 3%.

LRTA will monitor this legislation.

House Bill No. 495 by Representative J. Kevin Pearson and Senator D. A. "Butch" Gautreaux

This bill provides that the state treasurer, beginning with the 2012-2013 FY, shall pay certain UAL amortization payments directly to the Teachers' Retirement System of Louisiana. The payments shall be deducted from monies appropriated to the employer for that employer's proportionate share of the total amortization payment. The bill further provides if an employer objects to the direct payments, then the employer will pay the rate without the applied reductions for direct payments.

LRTA supports this legislation.

House Bill No. 530 by Representative J. Kevin Pearson

This bill increases employee contributions for TRSL members in higher education in any fiscal year in which the employer contribution rate exceeds 23%. Rates shall be increased by 1.5% for the first \$50,000 in salary, and by 3% on any amount of salary earned over \$50,000. The increase in the employee contribution rate shall be used to reduce the portion of the employer contribution rate paid by state general funds. The bill also proposes to reduce the amount of salary increases to be computed in determining final average compensation from 15% to 5%. The effective date of this legislation is July 1, 2011.

LRTA opposes this legislation.

Senate Bill No. 6 by Senator D. A. "Butch" Gautreaux

This bill requires a TRSL employing agency to pay its proportionate share of the system's unfunded accrued liability if it terminates participation in the retirement system.

LRTA supports this legislation.

Senate Bill No. 10 by Senator B. L. “Buddy” Shaw

This bill eliminates certain provisions of Act 497 of 2009 to allow for the deposit of 50% of excess interest earnings into the Employee Experience Account, to provide for the payment of permanent benefit increases to eligible retirees age 55 and older, and to provide for the distribution of funds from the Employee Experience Account before TRSL reaches 80% of full funding. The bill eliminates the “hurdles” that were incorporated into Act 497.

LRTA supports this legislation.

Senate Bill No. 12 by Senator D. A. “Butch” Gautreaux

This bill creates a second tier of benefits for all public employee retirement systems. Employee contributions for Tier 2 participants increase by 0.5%. Requirements to be met for an unreduced retirement benefit are 5 years of service at age 65. An actuarially reduced benefit is available to members in Tier 2 with 25 years of service at any age. Benefits will be determined using a 60-month final average compensation calculation. Enrollment of employees in Tier 2 is at the option of the employer. Employers participating in plans whose plan year begins on July 1 must notify employees by the previous December 31. Benefit calculations of employees who have accrued service in Tier 1 and in Tier 2 shall be governed by current reciprocal recognition of service laws.

LRTA opposes this legislation.