



2012 Regular Legislative Session Update No. 2 March 12, 2012

Provided below is a list of bills to be monitored by LRTA during the 2012 Regular Session. The listing provides the position on each of the bills taken by LRTA.

Note: Three new bills have been added to the listing provided in Update No. 1. They are: House Bill No. 134 which provides for the budget of the Office of Group Benefits, House Bill No. 860 which provides for additional funding of the state retirement system, and House Bill No. 963 which requires legislative authorization prior to the sale or privatization of programs offered by the Office of Group Benefits.

House Bill No. 14 by Representative M. "Kirk" Talbot

This bill will eliminate retiree return-to-work provisions currently in place for all state and statewide retirement systems for active members of these systems who retire on or after July 1, 2012. The bill further provides that any retiree will be prohibited from accruing additional benefits in any state or statewide retirement system after retirement.

- LRTA will oppose this legislation.

House Bill No. 19 by Representative Frank A. Hoffmann and Representative Robert A. Johnson

This bill will allow a retiree who has been retired for at least twelve months to return to work as a substitute classroom teacher who teaches students in kindergarten through twelfth grade. The retiree would be permitted to earn up to 25% of their benefit being received in any fiscal year. If earnings during a fiscal year exceed the 25% limit, then the benefit payable to the retiree shall be reduced by the excess amount earned over 25% of the benefit being received by the retiree.

- LRTA will support this legislation.

House Bill No. 20 by Representative Frank A. Hoffmann

This bill will allow a retiree who has been retired for at least twelve months to return to work as an adjunct professor. The retiree would be permitted to earn up to 25% of their benefit being received in any fiscal year. If earnings during a fiscal year exceed the 25% limit, then the benefit payable to the retiree shall be reduced by the excess amount earned over 25% of the benefit being received by the retiree.

- LRTA will support this legislation.

House Bill No. 53 by Representative J. Kevin Pearson

This bill increases the eligible retirement age for active members employed by an institution of postsecondary education, the Board of Regents, or a postsecondary education management board who were born on or after July 1, 1957, and who are not members of the Optional Retirement Plan offered by TRSL. Members hired prior to January 1, 2013 may retire under current plan provisions, but their retirement benefit will be actuarially reduced from age 67. The individual who retires early will not be permitted to receive distributions from a DROP account until age 67.

- LRTA will oppose this legislation.

House Bill No. 54 by Representative J. Kevin Pearson

This bill will add the Commissioner of Administration, ex officio, or his designee 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. 55 by Representative J. Kevin Pearson

This bill changes final average compensation from a period of 36 consecutive highest months of earnings to a period of 60 consecutive highest months of earnings for employees of institutions of higher education, the Board of Regents, and all other boards of supervisors.

- LRTA will oppose this legislation.

House Bill No. 56 by Representative J. Kevin Pearson

This bill increases the employee contribution rates for certain members of state retirement systems. New members hired on or after January 1, 2011 and who are employed by an institution of postsecondary education, the Board of Regents, or a postsecondary education management board who are not members of the optional retirement plan will contribute 11% of salary, up from 8% of salary.

- LRTA will monitor this legislation.

House Bill No. 60 by Representative J. Kevin Pearson

This bill transfers the Louisiana School Employees' Retirement System to the Teachers' Retirement System of Louisiana, and establishes the Teachers' Retirement Plan and Louisiana School Employees' Retirement Plan. Each plan is designed to operate separately within the combined system. The merger will become effective July 1, 2012.

- LRTA will monitor this legislation.

House Bill No. 61 by Representative J. Kevin Pearson

This bill creates a cash balance retirement plan for employees hired by an institution of postsecondary education on or after January 1, 2013 who do not elect to join the optional retirement plan. Members employed in K-12 classrooms will have the opportunity to make an irrevocable decision to move from the defined benefit plan to the cash balance plan. Upon retirement, the employee account will be annuitized.

- LRTA will oppose this legislation.

House Bill No. 134 by Representative James Fannin

This bill provides appropriations for the operation of state agencies that self-generate operating funds. The appropriation for the Office of Group Benefits is found on page 4 of the bill. The amount recommended provides funding for the staff to continue the PPO plan through December 31, 2012, at which time, the administration plans to contract program administration to a third party administrator.

- LRTA will oppose the privatization of the PPO plan offered by OGB, and will oppose the provisions in House Bill No. 134 regarding the budget for the office.

House Bill No. 860 by Representative Hunter Greene

This bill is a constitutional amendment which will require the state treasurer to remit to the Teachers' Retirement System of Louisiana, and other state retirement systems, any savings to the state general fund that is generated by the reduction in the normal cost of operating the retirement system as compared to the normal cost established in effect on January 1, 2012.

- LRTA will support this legislation.

House Bill No. 963 by Representative Robert Johnson

This bill will require prior legislative approval for the Office of Group Benefits to enter into any contractual agreement for the sale or privatization of any program offered by the office.

- LRTA will support this legislation.

Senate Bill No. 1 by Senator Gerald Long

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 eliminated the "hurdles" that were incorporated into Act 497.

- LRTA will support this legislation.

Senate Bill No. 17 by Senator Barrow Peacock

This bill is a constitutional amendment to authorize the creation of a defined contribution plan for all state retirement systems. Senate Bill 26 is the companion legislation that would place this constitutional provision into the statutes.

- LRTA will oppose this legislation.

Senate Bill No. 19 by Senator P. Page Cortez

This bill will allow a retiree who has been retired for at least twelve months to return to work as a substitute classroom teacher who teaches students in kindergarten through twelfth grade. The retiree would be permitted to earn up to 25% of their benefit being received in any fiscal year. If earnings during a fiscal year exceed the 25% limit, then the benefit payable to the retiree shall be reduced by the excess amount earned over 25% of the benefit being received by the retiree.

- LRTA will support this legislation.

Senate Bill No. 20 by Senator P. Page Cortez

This bill will allow a retiree who has been retired for at least twelve months to return to work as an adjunct professor. The retiree would be permitted to earn up to 25% of their benefit being received in any fiscal year. If earnings during a fiscal year exceed the 25% limit, then the benefit payable to the retiree shall be reduced by the excess amount earned over 25% of the benefit being received by the retiree.

- LRTA will support this legislation.

Senate Bill No. 25 by Senator Elbert L. Guillory

This bill provides for the payment of regularly scheduled permanent benefit increases to retirees of the state retirement systems. Increases will be 2% per year beginning January 1, 2017, and each odd year thereafter. Eligible retirees must be retired for at least 12 months and 62 years of age. For those not yet retired, benefit increases will begin on January 1, 2023, and each odd year thereafter. Eligible retirees must be retired for at least 12 months and 65 years of age. An increase in employee contributions to the retirement system of 2% will be used to finance the benefit increases.

- LRTA will support this legislation.

Senate Bill No. 26 by Senator Barrow Peacock

This bill provides for the implementation of a defined contribution plan for new employees working in nonhazardous positions who are enrolled in the state retirement systems after December 31, 2012. This is companion legislation to Senate Bill No. 17.

- LRTA will oppose this legislation.

Senate Bill No. 42 by Senator P. Page Cortez

This bill changes final average compensation from a period of 36 consecutive highest months of earnings to a period of 60 consecutive highest months of earnings for employees of institutions of higher education, the Board of Regents, and all other the boards of supervisors.

- LRTA will oppose this legislation.

Senate Bill No. 45 by Senator Elbert L. Guillory

This bill transfers school food service employees, retirees, beneficiaries and survivors, and the assets and obligations associated with those employees to the Louisiana School Employees Retirement System on June 30, 2012.

- LRTA will monitor this legislation.

Senate Bill No. 46 by Senator P. Page Cortez

This bill transfers the Louisiana School Employees' Retirement System to the Teachers' Retirement System of Louisiana, and establishes the Teachers' Retirement Plan and Louisiana School Employees' Retirement Plan. Each plan is designed to operate separately within the combined system. The merger will become effective July 1, 2012.

- LRTA will monitor this legislation.

Senate Bill No. 47 by Senator Elbert L. Guillory

This bill changes final average compensation from a period of 36 consecutive highest months of earnings to a period of 60 consecutive highest months of earnings for employees of institutions of higher education, the Board of Regents, and all other boards of supervisors.

- LRTA will oppose this legislation.

Senate Bill No. 48 by Senator Elbert L. Guillory

This bill will add the Commissioner of Administration, ex officio, or his designee 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.

Senate Bill No. 51 by Senator Elbert L. Guillory

This bill increases the eligible retirement age for active members employed by an institution of postsecondary education, the Board of Regents, or a postsecondary education management board who were born on or after July 1, 1957, and who are not members of the Optional Retirement Plan offered by TRSL. Members hired prior to January 1, 2013 may retire under current plan provisions, but their retirement benefit will be actuarially reduced from age 67. The individual who retires early will not be permitted to receive distributions from a DROP account until age 67.

- LRTA will oppose this legislation.

Senate Bill No. 52 by Senator Elbert L. Guillory

This bill increases the employee contribution rates for certain members of state retirement systems. New members hired on or after January 1, 2011 and who are employed by an institution of postsecondary education, the Board of Regents, or a postsecondary education management board who are not members of the optional retirement plan will contribute 11% of salary, up from 8% of salary.

- LRTA will monitor this legislation.

Senate Bill No. 53 by Senator Elbert L. Guillory

This bill creates a cash balance retirement plan for employees hired by an institution of postsecondary education on or after January 1, 2013 who do not elect to join the optional retirement plan. Members employed in K-12 classrooms will have the opportunity to make an irrevocable decision to move from the defined benefit plan to the cash balance plan. Upon retirement, the employee account will be annuitized.

- LRTA will oppose this legislation.

Senate Bill No. 56 by Senator Elbert L. Guillory

This bill merges the Louisiana School Employees' Retirement System with the Teachers' Retirement System of Louisiana, and establishes the Teachers' Retirement Plan and Louisiana School Employees' Retirement Plan. Each plan is designed to operate separately within the combined system. The merger will become effective July 1, 2012.

- LRTA will monitor this legislation.