



## 2015 Regular Legislative Session Update No. 4 April 23, 2015

Provided below is a list of bills that were filed for consideration by the Legislature during the upcoming Regular Session which could have a potential impact on you as a retired educator and/or your retirement system.

The bills are listed by subject, and then in numerical order for both the House of Representatives, and then the Senate. LRTA will be providing periodic updates of actions taken by the legislature. These updates are usually prepared every Friday the legislature is in session, and actions taken by the legislature on individual bills will be denoted in **red**.

### PERMANENT BENEFIT INCREASES

#### House Bill No. 42 by Representative Sam Jones

This bill provides for the payment of a permanent benefit increase out of the balance on deposit in the Experience Account to eligible members of the Teachers' Retirement System of Louisiana to begin on July 1, 2015. The benefit increase will be provided to those eligible individuals receiving a benefit from TRSL who have been retired for at least 12 months, and who are at least age 60, on June 30, 2015. The benefit increase will be applied to the first \$60,000 of the annual benefit currently received from TRSL. The benefit increase will also be paid to disability retirees and to the beneficiaries of retirees and disability retirees who would have met the above stated eligibility requirements.

Similar PBIs are authorized for members of the Louisiana State Employees' Retirement System, the Louisiana School Employees' Retirement System and the Louisiana State Police Retirement System.

LRTA will support this legislation.

#### House Bill No. 83 by Representative Patrick Jefferson

This bill provides for the continuation of nutrition assistance for retirees of the four state retirement systems who are at least 80 years of age and whose SNAP benefits are reduced or eliminated due to income gained from the granting of a permanent benefit increase.

LRTA will support this legislation.

## RETURN-TO-WORK RETIREES

### House Bill No. 43 by Representative Harvey LeBas

This bill provides for an increase in the cap a retired teacher is allowed to earn when reemployed as a substitute teacher from 25% to 50% of the annual benefit paid by TRSL to the return-to-work retiree.

LRTA will support this legislation.

### Senate Bill No. 20 by Senator Gerald Long

This bill removes the grandfather provision which currently exists, and allows individuals who retired on or before June 30, 2010 to return to work without suspension of benefits. The bill will also allow school counselors to return to work without suspension of benefits.

LRTA will support this legislation.

**Passed by the Senate Retirement Committee on April 20 with amendments. The amendments add school counselors to the critical shortage category and allow retirees serving as substitute teachers under the 25% earnings limit to proctor certain tests.**

## RETIREMENT SYSTEM FUNDING

### House Bill No. 41 by Representative Joseph Harrison

This bill provides for the payment of employer contributions directly to TRSL from the state treasury rather than through the Minimum Foundation Program.

LRTA will monitor this legislation.

**This legislation was withdrawn from the files of the House prior to introduction on April 3, 2015.**

### House Bill No. 55 by Representative Harold Ritchie and Senator Ben Nevers

This bill is a constitutional amendment that levies a tax on usage at hydrocarbon processing facilities. The provisions of the constitutional amendment stipulate that \$250 million of the tax proceeds each year be dedicated to both the Louisiana State Employees' Retirement System and to the Teachers' Retirement System of Louisiana. Each year's payment to the systems will be in proportion to the balance of the unfunded accrued liabilities of the systems.

LRTA will support this legislation.

House Bill No. 562 by Representative Kenny Havard

This bill proposes to set aside excess nonrecurring revenue collected in any given fiscal year that is not credited to the Budget Stabilization Fund to be allocated to the payment of the initial unfunded accrued liability (IUAL) of TRSL and LASERS.

LRTA will support this legislation.

Senate Bill No. 14 by Senator Elbert Guillory

This bill requires that projected noninvestment related administrative expenses for all state retirement systems for any given fiscal year be included as a factor in determining the retirement system's employer contribution rate.

LRTA will support this legislation.

**Voluntarily deferred by the author on April 20.**

Senate Bill No. 15 by Senator Ben Nevers and Representative Harold Ritchie

This bill is a constitutional amendment that levies a tax on usage at hydrocarbon processing facilities. The provisions of the constitutional amendment stipulate that \$250 million of the tax proceeds each year be dedicated to both the Louisiana State Employees' Retirement System and to the Teachers' Retirement System of Louisiana. Each year's payment to the systems will be in proportion to the balance of the unfunded accrued liabilities of the systems.

LRTA will support this legislation.

Senate Bill No. 16 by Senator Elbert Guillory

This bill provides for technical corrections to Act No. 399 of 2014 dealing with the mechanics of the Experience Accounts held at TRSL and the other three state retirement systems. The bill also removes the prohibition that PBIs cannot be granted in consecutive years.

LRTA will support this legislation.

**Passed by the Senate Retirement Committee on April 20 with amendments. The amendments made technical adjustments to the bill.**

Senate Bill No. 18 by Senator Robert Adley

This bill allows higher education systems (i.e. the LSU system, the State College and University System, the Southern University System) to opt out of TRSL. Opting out of TRSL will require the higher education system to pay TRSL for its proportionate share of existing system liabilities. No additional liabilities in the retirement system can be incurred. The higher education system will then create a new retirement plan for its employees. Funding for the payment of the liabilities may come from any income source including proceeds from the sale of bonds.

LRTA will oppose this legislation.

## RETIREMENT SYSTEM MEMBERSHIP

### House Bill No. 10 by Representative J. Kevin Pearson

This bill allows a current TRSL member to purchase service credit for time spent teaching in an elementary or secondary nonpublic school that was located in another state and was approved by that state's educational agency during the time the teaching service was rendered.

LRTA will support this legislation.

**Passed by the House Retirement Committee on April 22.**

## OFFICE OF GROUP BENEFITS

### House Bill No. 370 by Representative Chris Broadwater, Representative John Bel Edwards and Representative Robert Shadoin

This bill establishes the Group Benefits Actuarial Committee and requires an annual actuarial study of the premium rate structure. Members of the commission will include the commissioner of insurance, the state treasurer, and the legislative auditor. Rates must be approved by the committee prior to implementation.

LRTA will support this legislation.

### House Bill No. 643 by Representative J. Kevin Pearson

This bill establishes the State Employer Health Insurance Fund to be managed by the State Treasurer. Monies in the fund shall be appropriated to state agencies to pay the employer portion of the cost to provide health and life insurance benefits to retirees of agencies, departments, boards and commissions of the state.

LRTA will monitor this legislation.

### Senate Bill No. 260 by Senator Sharon Weston Broome and Senator Daniel Claitor

This bill establishes the Group Benefits Estimating Conference. The estimating conference shall develop official information relating to group health and life insurance planning, premium rates, and budgeting. All plan benefits offered and contracts negotiated to administer the plans must be approved by the appropriate standing legislative committees and through the Administrative Procedure Act. The Group Benefits Policy and Planning Board shall use any official information provided by the Group Benefits Estimating Conference to review and approve benefit plans and rate structures.

This bill also increases the representation of retired educators from one to two representatives on the Group Benefits Policy and Planning Board.

LRTA will support this legislation.