

LRTA Spring 2017

Organizational Presentation

Legislative Topics

- Louisiana Legislative Special Session: February 13-23
- Louisiana Legislative Regular Session: April 10 - June 8
- United States Congress: Spring 2017

Louisiana Legislative Special Session: February 13-23

- Opposed cuts to K-12 education, Minimum Foundation Plan (MFP)
- State Legislature spared cuts to K-12 education
- Cuts to MFP would have increased the burden of local school districts from:
- Paying the already high employers share of retirement costs, as well as
- Paying down the mounting Unfunded Accrued Liability (UAL/retirement debt) due to the current market rate of return on investments
- Note: In 10 years the employer share will reduce to less than Social Security and the debt will be paid off

Louisiana Legislative Regular Session: April 10 - June 8

- Support the recommendations of the Task Force on Budget and Tax Reform
- Everyone will be affected by the tax reform but it will be more equitable for all citizens and create a tax structure that avoids future debt and provides for state services
- Maintains the exemption on state income tax on retirement benefits
- Oppose legislation that changes the current accepted actuarial standards of practice
- Oppose legislation that shifts our benefit plan from a Defined Benefit (DB) to a Defined Contribution (DC)
- Support legislation that continues to reform our current Defined Benefit structure

Reasons to Maintain our Current Defined Benefit Plan and Exemption on State Income Tax

- A defined benefit plan (pre-funded guaranteed pension) has a high correlation to teacher retention
- Research shows that teacher retention and enhanced student performance are highly correlated
- Louisiana continues to lose citizens annually. 88% of TRSL retirees stay in Louisiana and fuels our economy by more than \$1.75 billion

United States Congress: Spring 2017

- Oppose legislation that diminishes or amends Medicare benefits
- Current discussions include providing citizens with a voucher for the amount of their current Medicare policy
- Consumers would shop for their own policy
- Analysts predict that consumers may not find a supplemental policy at the Medicare rate, and
- The policies would likely pay less than the current policy provisions

United States Congress: Spring 2017

- Support HR 1205 by Congressman Rodney Davis of Illinois
- HR 1205 repeals the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) provisions of Social Security
- Contact your member of Congress at www.legis.la.gov/legis/CongressMaps.aspx or through the LRTA website under the Social Security Administration Issues button
- Note: We endorsed last year's attempt to repeal the WEP under SB 1651 that failed. We are attempting again this year through HB 1205

A “Call to Action”

- Stay connected to LRTA through continued membership
- Email club, Face Book, Newsletters, Membership Meetings, etc.
- When called on:
- Contact legislators through: phone calls, letters, emails, face to face conversations, and
- Attendance at appropriate legislative meetings (Senate and Retirement Finance Committees)