

Regular Session, 2009

# ACT No. 270

HOUSE BILL NO. 96

BY REPRESENTATIVE PEARSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

1 AN ACT

2 To enact R.S. 11:247, 446(A)(6), and 783(A)(4), relative to state and statewide retirement  
3 systems; to provide relative to cost-of-living adjustments; to permit the selection of  
4 a retirement option that would provide for automatic cost-of-living adjustments  
5 subject to an actuarial reduction of benefits; and to provide for related matters.

6 Notice of intention to introduce this Act has been published  
7 as provided by Article X, Section 29(C) of the Constitution  
8 of Louisiana.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:247, 446(A)(6), and 783(A)(4) are hereby enacted to read as  
11 follows:

12 §247. Automatic cost-of-living adjustments

13 A.(1) Upon application for retirement or participation in the Deferred  
14 Retirement Option Plan, any member of a state or statewide retirement system may  
15 elect to receive an actuarially reduced retirement allowance plus an annual two and  
16 one-half percent cost-of-living adjustment. Such an election shall be irrevocable  
17 after the effective date of retirement or after the beginning date of participation in the  
18 Deferred Retirement Option Plan. The retirement allowance together with the cost-  
19 of-living adjustment shall be certified by the system actuary to be actuarially  
20 equivalent to the member's maximum or optional retirement allowance and shall be  
21 approved by the system's board of trustees.

1           (2) The annual cost-of-living adjustment of such retirees shall be based on  
2           the retirement allowance received pursuant to the retirement plan option selected by  
3           the member and the monthly benefit being paid pursuant thereto on the effective date  
4           of the increase, inclusive of cost-of-living adjustments paid pursuant to this Section,  
5           but exclusive of cost-of-living adjustments paid pursuant to any other provision of  
6           law.

7           (3)(a) The annual cost-of-living adjustment of any Deferred Retirement  
8           Option Plan participant shall be credited to the participant's Deferred Retirement  
9           Option Plan subaccount during the participation period.

10          (b) Following participation in the Deferred Retirement Option Plan, the  
11          annual cost-of-living adjustment shall be applied to the monthly benefit allowance  
12          amount determined by the retirement plan option selected, inclusive of cost-of-living  
13          adjustments paid pursuant to this Section, but exclusive of cost-of-living adjustments  
14          paid pursuant to any other provision of law. The monthly benefit allowance upon  
15          retirement shall reflect the annual benefit adjustments set forth in this Paragraph.

16          (c) Upon retirement of a Deferred Retirement Option Plan participant, the  
17          annual cost-of-living adjustment shall also be applied to any supplemental benefit  
18          earned after the participation period in accordance with applicable law.

19          (d) The provisions of this Section shall not apply to any participant in a  
20          Back-Deferred Retirement Option Plan or Program.

21          (4) If a retiree or Deferred Retirement Option Plan participant has chosen an  
22          optional retirement allowance wherein a spouse who has been designated as  
23          beneficiary will receive a continuing benefit upon the retiree's or Deferred  
24          Retirement Option Plan participant's death, the spouse's cost-of-living adjustment  
25          shall be payable based on the spouse's allowance on the effective date of the  
26          increase.

27          B. The annual cost-of-living adjustment authorized by Subsection A of this  
28          Section shall be effective annually on the retirement anniversary date of the retiree  
29          and shall be payable to any retiree who is age fifty-five or older and not before the



1           after the effective date of retirement or the beginning date of participation in the  
 2           Deferred Retirement Option Plan, to receive an actuarially reduced retirement  
 3           allowance plus an annual two and one-half percent cost-of-living adjustment  
 4           pursuant to R.S. 11:247.

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§783. Selection of option for method of payment after death of member

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9           (4) Annual Cost-of-Living Adjustment Option. In addition to any of the  
 10          above options, upon application for retirement or participation in the Deferred  
 11          Retirement Option Plan, any member may make an election, which is irrevocable  
 12          after the effective date of retirement or the beginning date of participation in the  
 13          Deferred Retirement Option Plan, to receive an actuarially reduced retirement  
 14          allowance plus an annual two and one-half percent cost-of-living adjustment  
 15          pursuant to R.S. 11:247.

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17          Section 2. This Act shall become effective on July 1, 2009; if vetoed by the governor  
 18          and subsequently approved by the legislature, this Act shall become effective on July 1,  
 19          2009, or on the day following such approval by the legislature, whichever is later.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_