

2016 Legislation Impacting LASERS/Retirement Final Outcomes:

SB 2 (Peacock) Position Taken: Support

Final Outcome: Passed Act 93

Systems Impacted: All State Retirement Systems

Authorizes a COLA of up to 1.5 percent (based on the amount of funds available in the Experience Account) for LASERS retirees and beneficiaries.

SB 5 (Peacock) Position Taken: Support

Final Outcome: Passed Act 94

Systems Impacted: All State Retirement Systems.

Includes noninvestment related administrative expenses in calculating the required employer contribution rate.

SB 18 (Peacock) Position Taken: Support

Final Outcome: Passed Act 95

Systems Impacted: All State Retirement Systems

Clarifies provisions created in Act 399 of 2014 regarding excess investment earnings, employer contributions and COLAs. **Note: SB 5 and SB18 must pass for SB 2 to be enacted.**

HB 14 (Pearson) Position Taken: Neutral

Final Outcome: Passed Act 621

Systems Impacted: State and Statewide Systems

Replaces the Chairman of the House Committee on Retirement with a member of the House Retirement Committee appointed by the Speaker of the House as a trustee on each state and statewide retirement system board.

HB 32 (Jones) Position Taken: Support

Final Outcome: Passed Act 512

Systems Impacted: All State Retirement Systems

Authorizes a COLA of up to 1.5 percent (based on the amount of funds available in the Experience Account) for LASERS retirees and beneficiaries and provides for the order in which credits and debits shall be applied to the Experience Account.

HB 33 (Jones) Position Taken: Support if Amended Final Outcome: Did Not Pass

Systems Impacted: All State Retirement Systems

Authorizes the LASERS Board of Trustees to grant COLAs without legislative approval when the COLA conditions are met. COLAs shall be based on the first \$60,000 of the retiree's annual benefit and the \$60,000 limit shall increase based on any increase in the CPI-U beginning July 1, 2028.

HB 45 (Ivey) Position Taken: Oppose Final Outcome: Did Not Pass

Systems Impacted: All State Retirement Systems **(Note: Constitutional Amendment)**

Constitutional Amendment - *Modifies existing constitutional guarantees to provide that only benefits annuitized by a state retirement system will be guaranteed by the State and that the accrued benefits of members that are annuitized and calculated based on accrual rate and average compensation shall not be diminished or impaired. Current constitutional language provides that the "state shall guarantee benefits payable to a member of a state retirement system or retiree or to his lawful beneficiary upon his death." And, that "accrued benefits shall not be diminished or impaired."*

HB 46 (Ivey) Position Taken: Oppose Final Outcome: Did Not Pass

Systems Impacted: All State Retirement Systems **(Note: Constitutional Amendment)**

Constitutional Amendment- *For new hires on or after July 1, 2017, whose benefits are guaranteed by the Constitution, the member and employer shall share equally in the normal cost of the member's benefit and any UAL associated with an augmentation of the member's benefit.*

HB 48 (Ivey) Position Taken: Oppose Final Outcome: Did Not Pass

Systems Impacted: All State Retirement Systems

Adds five members to the LASERS Board of Trustees. The members and their immediate families shall not be active or retired members of the system. Two members shall be appointed by Speaker of the House, two by the President of the Senate and one by the Legislative Auditor. The only qualification for the new members is that they shall have filed state income tax returns for the previous five consecutive years.

HB 49 (Ivey) Position Taken: Oppose

Final Outcome: Did Not Pass

Systems Impacted: All State Retirement Systems

Rather than a set rate, contribution rates for new hires on or after July 1, 2017, shall be calculated each year to 50% of the normal cost, plus that year's amortization payment of any UAL associated with benefit augmentations, plus that year's amortization of overpayment or underpayment of employee contributions. Change is contingent upon passage of a constitutional amendment.

HB 50 (Ivey) Position Taken: Oppose

Final Outcome: Did Not Pass

Systems Impacted: All State Retirement Systems

Creates a new retirement plan with tiered accrual rates for new hires on or after July 1, 2018. Accrual rates for rank-and-file employees will be applied to years of creditable service as follows:

- < 5 years - 1.50%
- 5 – 9 years - 1.75%
- 10-14 years - 2.00%
- 15-24 years - 2.50%
- 25-29 years - 3.00%
- 30-34 years – 3.25%
- 35 + years - 4.00%

HB 62 (Ivey) Position Taken: Support

Final Outcome: Did Not Pass

System Impacted: All State Retirement Systems

Sets minimum employer contribution rate of 20% if the system is less than 100% funded or if the system reaches 100% funded status and the funded ratio later drops below 90%, and creates a funding deposit account

HB 65 (Ivey) Position Taken: Oppose

Final Outcome: Did Not Pass

System Impacted: All State Retirement Systems

Creates a new hybrid retirement plan for new hires on or after July 1, 2018.

HB 66 (Ivey) Position Taken: Oppose

Final Outcome: Did Not Pass

System Impacted: All State Retirement Systems

Creates a new hybrid retirement plan for new hires on or after July 1, 2017.

House Bill 603 (Act 679) and House Bill 696 (Act 639) (Leger):

Proposed Constitutional Amendment that will be placed before voters on the November ballot to establish the **Revenue Stabilization Trust Fund** and to provide for the **allocation of mineral revenues**. A portion of the mineral revenues allocated in the proposed constitutional amendment would be **proportionately dedicated to the initial unfunded accrued liability (IUAL) of LASERS & Teachers' Retirement as of June 30, 1988**, after certain thresholds are reached. Act 639 is companion legislation to Act 679. **This legislation will become effective, if the constitutional amendment language set forth in Act 679 is approved by voters in November.**