


2018 REGULAR SESSION
ACTUARIAL NOTE HB 14

<p>House Bill 14 HLS 18RS-180 Engrossed with House Retirement Committee Amendment #2847</p> <p>Author: Representative Smith Date: April 23, 2018 LLA Note HB 14.02</p> <p>Organizations Affected: Teachers' Retirement System of Louisiana</p> <p>EG INCREASE APV</p>	<p>This Note has been prepared by the Actuarial Services Department of the Legislative Auditor with assistance from either the Fiscal Notes staff of the Legislative Auditor or staff of the Legislative Fiscal Office. The attachment of this Note provides compliance with the requirements of R.S. 24:521 as amended by Act 353 of the 2016 Regular Session.</p> <p> Paul T. Richmond, ASA, MAAA, EA Manager Actuarial Services</p>
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Bill Header: RETIREMENT/TEACHERS: Provides relative to the reemployment of retired interpreters, educational transliterators, and certified educators of the hearing impaired in positions covered by the Teachers' Retirement System of Louisiana.

Cost Summary:

The estimated actuarial and fiscal impact of HB 14 on the retirement systems and their plan sponsors is summarized below. Actuarial costs pertain to estimated changes in the *actuarial present value of future benefit payments*. Fiscal costs or savings pertain to changes to all cash flows over the next five year period including retirement system cash flows, OPEB cash flows, or cash flows related to other government entities.

An increase in actuarial costs is denoted throughout the actuarial note by “Increase” or a positive number. Actuarial savings are denoted by “Decrease” or a negative number. An increase in expenditures or revenues (fiscal impact) is denoted by “Increase” or a positive number. A decrease in expenditures or revenues is denoted by “Decrease” or a negative number.

Estimated Actuarial Impact:

The top part of the following chart shows the estimated change in the *actuarial present value of future benefit payments and expenses*, if any, attributable to the proposed legislation. The bottom part shows the effect on cash flows.

Actuarial Costs Pertaining to:		Actuarial Cost
The Retirement Systems		Increase
Other Post Employment Benefits (OPEB)		Negligible
Other Government Entities		0
Total		Increase
Five Year Fiscal Cost Pertaining to:	Expenses	Revenues
The Retirement Systems	Increase	Increase
Other Post Employment Benefits	Negligible	0
Other Government Entities	0	0
Total	Increase	Increase

This bill complies with the Louisiana Constitution which requires unfunded liabilities created by an improvement in retirement benefits to be amortized over a period not to exceed ten years.

Bill Information

Current Law

Current law suspends the benefits of a reemployed retired member of the Teachers’ Retirement System of Louisiana (TRSL) unless he is reemployed in a Reemployment-Eligible Position which is defined as:

1. A position as a substitute classroom teacher who teaches any student in pre-kindergarten through twelfth grade;
2. A position assigned to instructing adults through an adult educational or literacy program administered through a public institution of elementary or secondary education, provided the instructor has a valid Louisiana teaching certificate;
3. A position as an adjunct professor; and
4. A position for a school nurse.

Benefits payable to a retiree reemployed in a Reemployment-Eligible Position are subject to the following suspension of benefit rules.

1. If a retiree is reemployed in a Reemployment-Eligible Position before the first anniversary of his original date of retirement, the retiree’s benefit will be suspended until the earlier of the date he terminates reemployment and the first anniversary date of his original retirement. The retiree’s income from employment is unlimited.

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2. After a year of retirement a retiree may continue to work in a Reemployment-Eligible Position and earn an unlimited income from employment. However, his pension benefit will be reduced one dollar for each dollar he earns from employment that exceeds 25% of his original pension benefit. Once his pension benefit has been reduced to 25% of his original benefit no further benefit reduction will occur.
3. The benefits of a retiree who retired on or before June 30, 2010 and who is now returning to work for the first time will not be suspended.

There are also exceptions for retirees who are reemployed in a Reemployment-Eligible Critical Shortage Position which is defined as:

1. A position for a full-time or part-time classroom teacher who teaches any student in kindergarten through twelfth grade in a school *where a critical shortage exists*;
2. A position for a full-time certified speech therapist, speech pathologist, audiologist, educational diagnostician, school social worker, school counselor, or school psychologist whose position of employment requires a valid Louisiana ancillary certificate approved and issued by the State Department of Education in a school district *where a critical shortage exists*.

Benefits payable to a retiree reemployed in a Reemployment-Eligible Critical Shortage Position are subject to the following suspension of benefit rules.

1. If a retiree is reemployed in a Reemployment-Eligible Critical Shortage Position before the first anniversary (third anniversary if he retired with a reduced benefit) of his original date of retirement, the retiree's benefit will be suspended until the earlier of the date he terminates reemployment and the first anniversary date (third anniversary date if he retired with a reduced benefit) of his original retirement. The retiree's income from reemployment is unlimited.
2. If a retiree is reemployed in a critical shortage position thereafter, the retiree may continue to work in the Reemployment-Eligible Critical Shortage Position and earn an unlimited income from employment. He will also receive his full pension benefit as long as the Board of Elementary and Secondary Education and the board of trustees of TRSL have received certification that a critical shortage exists.
3. The employing school board must recertify annually to the Board of Elementary and Secondary Education and the TRSL board of trustees that a critical shortage continues to exist.

Proposed Law

HB 14 adds the position for a member of clerical staff in an elementary or secondary school to the list of Reemployment-Eligible Positions. The definition of a Reemployment-Eligible Retiree is also expanded to include members who have been retired for at least five years instead of members who retired on or before June 30, 2010.

In addition, HB 14 adds the positions of interpreter, educational transliterator, educator of the deaf or hard of hearing, and pre-kindergarten teacher to the list of Reemployment-Eligible Critical Shortage Positions.

Implications of the Proposed Changes

Retirement-Eligible Positions

HB 14 permits a member of clerical staff to return to work and earn an income from employment that is unlimited. However, his original pension benefit will be reduced one dollar for each dollar that he earns in excess of 25% of his original pension.

Both he and his employer will be required to make contributions during the reemployment period. The member's contributions will be returned when he leaves reemployment; however the employer contributions will remain in the fund.

Benefits for the reemployed retirees will not be increased to reflect the additional service. The additional employer contributions are expected to offset the costs of paying 25% of the pension benefits to the reemployed retirees.

Retirement-Eligible Critical Shortage Positions

HB 14 also permits a retired member of TRSL to return to work in a critical shortage position as an interpreter, educational transliterator, educator of the deaf or hard of hearing, or a pre-kindergarten teacher and continue to receive his retirement benefit from TRSL under certain circumstances. Under current law, pension benefits of a person in any of these positions are suspended if he is reemployed.

Proposed law does not change current law with regard to reemployment before the first anniversary (third anniversary if he retired with a reduced benefit) of his original date of retirement. The reemployed retiree's pension benefit will be suspended until the earlier of the date he terminates reemployment and the first anniversary date (third anniversary date if he retired with a reduced benefit) of his original retirement.

Thereafter, he may receive his annual pension benefit (assuming the critical shortage position is certified on an annual basis) in addition to his employment earnings.

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I. ACTUARIAL ANALYSIS SECTION

**A. Analysis of Actuarial Costs
(Prepared by the LLA)**

This section of the actuarial note pertains to actuarial costs or savings associated with the retirement systems, with OPEB, and with other government entities.

1. Retirement Systems

Example 1: Retiree is reemployed in a Reemployment-Eligible Position

- a. A member of clerical staff has been retired for more than one year.
- b. His annual pension benefit is \$30,000 a year.
- c. His salary as a member of clerical staff is \$48,000 a year.

Benefits Payable by TRSL under Current Law

HB 14 is not enacted. The clerical staff member is reemployed for a year and earns a salary of \$48,000. His pension from TRSL is suspended. He receives no pension from TRSL for as long as he is reemployed.

Because he is a retired member, but is not in a Reemployment-Eligible Position under current law, neither the reemployed clerical officer nor his employer will make contributions to the system, and the reemployed clerical officer will not accrue additional retirement benefits.

Benefits Payable by TRSL under HB 14

HB 14 is enacted. The clerical staff member is reemployed in a Reemployment-Eligible Position for a year and earns a salary of \$48,000. TRSL will pay the staff member \$7,500 in pension benefits for the year. The remaining \$22,500 of his \$30,000 annual pension will be suspended. He will receive \$7,500 a year from TRSL for as long as he is reemployed.

Because he is in a Reemployment-Eligible Position under HB 14, both the reemployed staff member and his employer will make contributions to the system. Employer contribution rates for TRSL are expected to be 26.5% of pay. Employer contribution based on a salary of \$48,000 would be \$12,720.

The reemployed member of clerical staff will not accrue additional retirement benefits and, upon subsequent termination of employment, will receive a refund of his contributions without interest.

Conclusion

In this example, the member of clerical staff is reemployed for a year. TRSL's pension expenditure will increase by \$7,500 for the year with the enactment of HB 14, and the system will collect \$12,720 more in contributions from the employer over the same period. Employer contributions will exceed the TRSL expenditure.

If the reemployed staff member stays only a few months, employer contributions will be less than the pension expenditure. However, it is reasonable to assume that, overall, additional employer contributions will cover the additional pension expenditures.

Example 2: Retiree is reemployed in a Reemployment-Eligible Critical Shortage Position

- a. An interpreter, educational transliterator, educator of the deaf or hard of hearing, or a pre-kindergarten teacher who did not retire with a reduced benefit has been retired for more than one year.
- b. He has already been reemployed.
- c. His salary is \$48,000 a year.
- d. His unsuspended pension benefit is \$30,000 a year.

Benefits Payable by TRSL under Current Law

HB 14 is not enacted and he continues to be reemployed and earn a salary of \$48,000 per year. His pension from TRSL continues to be suspended and he continues to receive \$0 from TRSL for as long as he is reemployed.

Because an interpreter, an educational transliterator, an educator of the deaf or hard of hearing, or a pre-kindergarten teacher is not in a Reemployment-Eligible Critical Shortage Position under current law, neither the reemployed retiree nor his employer will make contributions to the system, and the reemployed retiree will not accrue additional retirement benefits.

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Benefits Payable by TRSL under HB 14

HB 14 is enacted and the retiree continues to be reemployed and earn a salary of \$48,000 per year. He will also be eligible to receive his \$30,000 annual pension. He will continue to receive both his pension and his employment income for as long as he is reemployed and the critical shortage is certified annually.

Because he is in a Reemployment-Eligible Critical Shortage Position, the reemployed retiree and his employer will make contributions to the system, but the re-employed retiree will not accrue additional retirement benefits. Upon subsequent termination of employment, the reemployed retiree will receive a refund of his contributions without interest. Employer contributions will remain with the TRSL.

Conclusion

TRSL's pension expenditures will increase \$30,000 a year with the enactment of HB 14. The system will collect contributions from both the school and the reemployed retiree, with employee contributions being refunded when the reemployed retiree leaves active employment.

a. Statistical analysis

HB 14 will have an actuarial cost based on the number and characteristics of reemployed retired, interpreters, educational transliterators, educators of the deaf or hard of hearing, or pre-kindergarten teachers. There is an actuarial cost associated with HB 14 because, in our opinion, some of the specified retirees will continue to be reemployed for more than one year and will be allowed to commence their pensions while still reemployed.

The actuarial present value cost will be moderately large relative to the salary paid to the reemployed retiree. However, the actuarial present value cost will be small relative to the total actuarial present value for all actively employed members of TRSL.

b. Words of caution

We were unable to develop a more precise conclusion about costs or savings associated with HB 14 because we could not obtain critical information. The following data would have been useful to us.

- 1). The number of positions for interpreters, educational transliterators, or educators of the deaf or hard of hearing, including pre-kindergarten teachers in the state of Louisiana.
- 2). The number of vacant positions for interpreters, educational transliterators, or educators of the deaf or hard of hearing including pre-kindergarten teachers.
- 3). The number of positions for interpreters, educational transliterators, or educators of the deaf or hard of hearing including pre-kindergarten teachers that are being filled by TRSL retirees.
- 4). The number of retired interpreters, educational transliterators, or educators of the deaf or hard of hearing including pre-kindergarten teachers in total, and the number who are between the ages of 60 and 70.
- 5). A spreadsheet showing the number of active interpreters, educational transliterators, or educators of the deaf or hard of hearing, including pre-kindergarten teachers, by age and service, with the total salary being received by those in each cell.
- 6). A spreadsheet showing the number of retired interpreters, educational transliterators, or educators of the deaf or hard of hearing, including pre-kindergarten teachers, by age and working status (either working or not working) along with the total pension benefit being paid by TRSL to interpreters, educational transliterators, or educators of the deaf or hard of hearing, including pre-kindergarten teachers, in each cell.

2. Other Post-Employment Benefits (OPEB)

The actuarial cost or savings of HB 14 associated with OPEB, including retiree health insurance premiums, is expected to be negligible. Our analysis is summarized below.

When a retired TRSL member returns to active employment with coverage for health insurance, he is no longer receiving other post-employment benefits. Therefore, the OPEB costs and liabilities are decreased to reflect the time he will be expected to remain employed until his subsequent second retirement. However, the post-employment benefit decrease is approximately offset by a comparable increase in benefits while the reemployed retiree is in active employment.

The liability for post-retirement medical insurance protection provided to members by school districts remains approximately the same regardless of whether a TRSL retiree is reemployed or remains in retired status. The liability is based on the present value of estimated claims and the estimated claims will not change just because the member's status has changed from retiree to employee.

However, depending on the respective rules, the allocation of premiums between the employee and the employer may change slightly (but not materially) as an employee moves from a retired status to an active reemployed status. Therefore:

- a. OGB or LSU revenues may increase slightly or decrease slightly as a result of HB 14.

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b. Employer premium expenditures may increase slightly or decrease slightly as a result of HB 14.

3. Other Government Entities

The actuarial cost or savings of HB 14 associated with government entities other than TRSL and its sponsors in HB 14, is expected to be \$0.

B. Actuarial Data, Methods and Assumptions
(Prepared by the LLA)

Unless indicated otherwise, the actuarial note for HB 14 was prepared using actuarial data, methods, and assumptions as disclosed in the most recent actuarial valuation report adopted by PRSAC. The data, methods and assumptions are being used to provide consistency with the actuary for the retirement system who may also be providing testimony to the Senate and House retirement committees.

C. Actuarial Caveat
(Prepared by the LLA)

There is nothing in HB 14 that will compromise the signing actuary’s ability to present an unbiased statement of actuarial opinion.

II. FISCAL ANALYSIS SECTION

Tables A, B, C, and D have been prepared by the LLA. These tables include information developed by the LLA from its own sources as well as information supplied by Tanesha Morgan of the Legislative Fiscal Office (LFO). Table D includes all costs and savings pertaining to Louisiana government.

The LFO has requested that the information supplied by Tanesha Morgan be included in the actuarial note verbatim and without any changes. This information is shown below under Fiscal Costs Developed by the LFO. The reader should note that complete fiscal cost information is contained within Table D. Fiscal costs developed by the LFO only reflect the portion of Table D that was supplied by the LFO.

Table A pertains to fiscal costs or savings associated with the retirement systems; Table B pertains to OPEB; Table C pertains to fiscal costs associated with government entities other than the retirement systems and sponsors. Table D is the cumulative sum of Tables A, B, and C.

A. Estimated Fiscal Impact – Retirement Systems
(Prepared by the LLA)

1. Narrative

Table A shows the estimated fiscal impact of the proposed legislation on the retirement systems and the government entities that sponsor them. Fiscal costs and savings include both administrative and actuarial costs and savings. A fiscal cost is denoted by “Increase” or a positive number. Fiscal savings are denoted by “Decrease” or a negative number. A revenue increase is denoted by “Increase” or a positive number. A revenue decrease is denoted by “Decrease” or a negative number.

Retirement System Fiscal Cost: Table A						
EXPENDITURES	2018-19	2019-2020	2020-2021	2021-2022	2022-23	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	Increase	Increase	Increase	Increase	Increase	Increase
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	Increase	Increase	Increase	Increase	Increase
Annual Total	Increase	Increase	Increase	Increase	Increase	Increase

REVENUES	2018-19	2019-2020	2020-2021	2021-2022	2022-23	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	Increase	Increase	Increase	Increase	Increase
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	Increase	Increase	Increase	Increase	Increase

The effects on retirement related fiscal costs or savings during the five year measurement period are shown in Table A and in Items 2 and 3 below. A precise cost or savings cannot be determined because the actual cost or savings depends upon the age, service, and salary characteristics of retired interpreters, educational transliterators, educators of the deaf or hard of hearing, and pre-kindergarten teachers, who return to work and upon the ratio of interpreters, educational transliterators,

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educators of the deaf or hard of hearing, and pre-kindergarten teachers that continue reemployment to those who are induced to retire. The best estimate that can be provided relative to retirement related fiscal costs or savings, based on the information available to us, is that costs will increase and that the increase in cost will be small; probably less than \$100,000 a year.

- 2. Expenditures:
 - a. TRSL expenditures (Agy Self-Generated) will increase under HB 14 because TRSL will distribute more in benefits each year under HB 14 than it will under current law.
 - b. TRSL may incur administrative costs to make minor software modifications to existing computer programs to identify members that are rehired under this measure. These costs are negligible and are anticipated to be absorbed through the agency’s existing budget.
 - c. Expenditures from Local Funds will increase under HB 14 because school districts will contribute more per year, on average, to TRSL with the enactment of HB 14 than would have been contributed under current law.
- 3. Revenues:
 - a. TRSL revenues (Agy Self-Generated) will increase each year if HB 14 is enacted because school districts will contribute more per year to TRSL under HB 14 than they would have contributed under current law.

B. Estimated Fiscal Impact – OPEB
(Prepared by the LLA)

- 1. Narrative

Table B shows the estimated fiscal impact of HB 14 on actuarial costs or savings associated with OPEB and the government entities that sponsor these benefit programs. Fiscal costs or savings in Table B include administrative costs associated with the government entity sponsoring the OPEB program. A fiscal cost is denoted by “Increase” or a positive number. Fiscal savings are denoted by “Decrease” or a negative number. A revenue increase is denoted by “Increase” or a positive number. A revenue decrease is denoted by “Decrease” or a negative number.

OPEB Fiscal Cost: Table B						
EXPENDITURES	2018-19	2019-2020	2020-2021	2021-2022	2022-23	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	Negligible	Negligible	Negligible	Negligible	Negligible	Negligible
Annual Total	Negligible	Negligible	Negligible	Negligible	Negligible	Negligible

REVENUES	2018-19	2019-2020	2020-2021	2021-2022	2022-23	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

HB 14 will have the following effects on OPEB related fiscal costs and revenues during the five-year measurement period.

- 2. Expenditures:
 - a. Expenditures by local school districts for medical benefits may increase or decrease depending on the employment status of employees and/or retirees and whether retirees pay a larger or smaller percentage of the medical premium. Eventually, however, the reemployed retiree will re-retire and the retirees share of the insurance premium will be the same it would have been had the retiree not returned to work. The state does not maintain sufficient records to enable us to determine how employer costs will be affected in individual school districts. In our opinion, the cost difference between HB 14 and current law will be negligible.
- 3. Revenue
 - a. This bill is not expected to have a fiscal impact on revenue.

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C. Estimated Fiscal Impact: Other Government Entities (unrelated to the retirement systems or OPEB)
(Prepared by Tanesha Morgan, Legislative Fiscal Office)

1. Narrative

From time to time, legislation is proposed that has an indirect effect on cash flows associated with other government entities, unrelated to the retirement systems or OPEB. Table C shows the estimated fiscal impact (administrative and actuarial) of HB 14 on such government entities. A fiscal cost is denoted by “Increase” or a positive number. Fiscal savings are denoted by “Decrease” or a negative number.

Fiscal Costs for Other Government Entities: Table C

EXPENDITURES	2018-19	2019-2020	2020-2021	2021-2022	2022-23	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

REVENUES	2018-19	2019-2020	2020-2021	2021-2022	2022-23	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

HB 14 will have the following effects on fiscal costs and revenues related to other government entities during the five year measurement period.

2. Expenditures:

- a. There is no anticipated direct material effect on expenditures for governmental entities other than TRSL as a result of this measure. However, there may be implementation costs to make minor software modifications to existing computer programs to identify members that are rehired under this measure. These costs are negligible and are anticipated to be absorbed through TRSL’s existing budget.

3. Revenues:

- a. There is no anticipated direct material effect on revenues for governmental entities other than TRSL as a result of this measure.

D. Estimated Fiscal Impact – All Retirement Systems, OPEB, and All Government Entities
(Prepared by the LLA)

1. Narrative

Table D shows the estimated fiscal impact of HB 14 on all government entities within the state of Louisiana. Cell values in Table D are the sum of the respective cell values in Table A, table B, and Table C. A fiscal cost is denoted by “Increase” or a positive number. Fiscal savings are denoted by “Decrease” or a negative number. A revenue increase is denoted by “Increase” or a positive number. A revenue decrease is denoted by “Decrease” or a negative number.

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Total Fiscal Cost: Table D (Cumulative Costs from Tables A, B, & C)

EXPENDITURES	2018-19	2019-2020	2020-2021	2021-2022	2022-23	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	Increase	Increase	Increase	Increase	Increase	Increase
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	Negligible	Increase	Increase	Increase	Increase	Increase
Annual Total	Increase	Increase	Increase	Increase	Increase	Increase

REVENUES	2018-19	2019-2020	2020-2021	2021-2022	2022-23	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	Increase	Increase	Increase	Increase	Increase
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	Increase	Increase	Increase	Increase	Increase

The “increase” amounts shown in Chart D are small to negligible in value.

Fiscal Costs Received by the LLA from the LFO

1. Narrative

Present law provides that in certain circumstances a retiree may return to work in a "critical shortage area" (defined in present law) without reduction of benefits. Such circumstances include returning as a certified classroom teacher, as a certified speech therapist, speech pathologist, audiologist, educational diagnostician, school social worker, school psychologist, or school counselor. Proposed law adds interpreter, educational transliterator, or educator of the hearing impaired to the list of certified professionals who may return to work in a critical shortage area without reduction of benefits.

Fiscal Costs for Other Government Entities

EXPENDITURES	2018-19	2019-2020	2020-2021	2021-2022	2022-23	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

REVENUES	2018-19	2019-2020	2020-2021	2021-2022	2022-23	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

HB 14 will have the following effects on fiscal costs and revenues related to other government entities during the five year measurement period.

2. Expenditures:

There is no anticipated direct material effect on governmental expenditures as a result of this measure. However, there may be implementation costs to make minor software modifications to existing computer programs to identify members that are rehired under this measure. These costs are negligible and are anticipated to be absorbed through the agency’s existing budget.

3. Revenues:

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Credentials of the Signatory Staff:

Paul T. Richmond is the Manager of Actuarial Services for the Louisiana Legislative Auditor. He is an Enrolled Actuary, a member of the American Academy of Actuaries, a member of the Society of Actuaries and has met the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinion contained herein.

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John D. Carpenter, Legislative Fiscal Officer, has supervised the preparation of the fiscal analyses contained herein.

Information Pertaining to Article (10)(29(F) of the Louisiana Constitution

☒ HB 14 contains a retirement system benefit provision having an actuarial cost.

Some individual members of TRSL will receive a larger retirement benefit if HB 14 is enacted than would be received without HB 14.

Dual Referral Relative to Total Fiscal Costs or Total Cash Flows:

The information presented below is based on information contained in Table D for the first three years following the 2018 regular session.

Senate		House	
<input type="checkbox"/>	13.5.1 Applies to Senate or House Instruments. If an annual fiscal cost \geq \$100,000, then bill is dual referred to: Dual Referral: Senate Finance	<input type="checkbox"/>	6.8F Applies to Senate or House Instruments. If an annual General Fund fiscal cost \geq \$100,000, then the bill is dual referred to: Dual Referral to Appropriations
<input type="checkbox"/>	13.5.2 Applies to Senate or House Instruments. If an annual tax or fee change \geq \$500,000, then the bill is dual referred to: Dual Referral: Revenue and Fiscal Affairs	<input type="checkbox"/>	6.8G Applies to Senate Instruments only. If a net fee decrease occurs or if an increase in annual fees and taxes \geq \$500,000, then the bill is dual referred to: Dual Referral: Ways and Means