

~ ACTUARIAL COST NOTE ~ ~ REGULAR SESSION 2008 ~

House Bill 740; HLS 08RS-309  
 Original No Amendments  
 Author: Representatives Ligi et al  
 Tuesday, April 15, 2008  
 LA # 47.01  
**PUBLIC RETIREMENT SYSTEMS**  
**OR SEE ACTUARIAL NOTE**  
**Bill Provisions**

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**RETIREMENT BENEFITS: (Constitutional Amendment) Provides for forfeiture of public retirement benefits by certain persons who are convicted of felony acts associated with their positions**

**Estimated Fiscal Impact**

EXPENDITURES	2008-09	2009-010	2010-11	2011-12	2012-13	5 YEAR TOTAL
State General Fund	*	*	*	*	*	*
Agy Self Generated	*	*	*	*	*	*
Stat Deds/Other	*	*	*	*	*	*
Federal Funds	*	*	*	*	*	*
Local Funds	*	*	*	*	*	*
<b>ANNUAL TOTAL</b>	<b>See Below</b>	<b>See Below</b>	<b>See Below</b>	<b>See Below</b>	<b>See Below</b>	<b>See Below</b>

REVENUES	2008-09	2009-010	2010-11	2011-12	2012-13	5 YEAR TOTAL
State General Fund	*	*	*	*	*	*
Agy Self Generated	*	*	*	*	*	*
Stat Deds/Other	*	*	*	*	*	*
Federal Funds	*	*	*	*	*	*
Local Funds	*	*	*	*	*	*
<b>ANNUAL TOTAL</b>	<b>See Below</b>	<b>See Below</b>	<b>See Below</b>	<b>See Below</b>	<b>See Below</b>	<b>See Below</b>

\* See comments.

**Purpose:** Constitutional amendment to allow that the legislature may provide for the forfeiture of benefits from a public retirement system in this state of any person who is convicted of a felony associated with their service in a public office or position. Adds new Article X, Section 29(F) under Retirement and Survivor's Benefits.

This proposed amendment shall be submitted to the electors of the state of Louisiana at the statewide election to be held on November 4, 2008.

**Actuarial Cost Impact**

**Since the impact of this proposed Constitutional amendment would involve additional legislation and approval by the electorate we are not able to quantify total potential financial impacts.**

The actuarial impact on liabilities and assets of the pension trusts and required funding obligations would be dependent on any laws enacted relative to the proposed legislation assuming electorate approval. Funding considerations could involve impacts on benefits and account values, changes to a member's elections and rights and those of their beneficiaries, marital spousal rights, divorced spousal rights and Qualified Domestic Relations Orders (QDROs), and child support requirements. Also involved are member service purchases and any military service provisions applicable. Administrative expense requirements may also have to be considered, including the potential for any court or legal requirements necessary to defend assertions by those impacted under federal, state, or local laws.

**Actuarial Analysis**

The proposed legislation applies to benefit forfeiture from any public retirement system in this state. Potential enabling legislation could therefore apply to any of the state and statewide retirement systems, which includes almost 214,000 active employees and Deferred Retirement Option Plan (DROP) participants of the total 353,000 membership. Additionally, there are about 9,000 participants in Optional Retirement Plan (ORP).

The State and Statewide Public Retirement Systems are:

- |                                                   |                                                         |
|---------------------------------------------------|---------------------------------------------------------|
| (1) Assessors' Retirement Fund                    | (8) Municipal Employees' Retirement System of Louisiana |
| (2) Clerks' of Court Retirement and Relief Fund   | (9) Parochial Employees' Retirement System of Louisiana |
| (3) District Attorneys' Retirement System         | (10) Registrars of Voters Employees' Retirement System  |
| (4) Firefighters' Retirement System               | (11) Sheriffs' Pension and Relief Fund                  |
| (5) Louisiana School Employees' Retirement System | (12) State Police Pension and Retirement System         |
| (6) Louisiana State Employees' Retirement System  | (13) Teachers' Retirement System of Louisiana           |
| (7) Municipal Police Employees' Retirement System |                                                         |