

**Louisiana State Employees' Retirement System  
Legislative Committee Meeting  
March 21, 2019**

The Legislative Committee of the Louisiana State Employees' Retirement System met on Friday, March 21, 2019 in the fourth floor conference room of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana.

Judge William Kleinpeter, Chair of the Committee, called the meeting to order at 2:09 p.m. Roll was called by Beth Labello, recording secretary.

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Members present: Mr. Thomas Bickham, Ms. Virginia Burton, Ms. Beverly Hodges, Mr. Rick McGimsey (designee of the Commissioner), Ms. Amy Mathews (designee of the Treasurer), Judge William Kleinpeter, Ms. Janice Lansing, Ms. Barbara McManus, Ms. Lori Pierce, Ms. Lorry Trotter

Members absent: Ms. Shannon Templet, Senator Barrow Peacock, Representative Kevin Pearson

Staff present: Ms. Cindy Rougeou, Executive Director; Ms. Maris LeBlanc, Deputy Director and Chief Operating Officer; Mr. Trey Boudreaux, Chief Administrative Officer; Ms. Tina Grant, Executive Counsel; Ms. Tricia Gibbons, Retirement Benefits Administrator; Mr. Artie Fillastre, Chief Fiscal Officer; Mr. Ryan Babin, Audit Director; Ms. Tonja Normand; Public Information Director; Mr. Dan Bowden, IT Director; Mr. Steve Stark, Deputy General Counsel; Mr. Trey Roche, Special Counsel; Mr. Jacob Trosclair, Retirement Benefits Analyst; Ms. Amanda Celestine, Executive Management Officer; Ms. Beth Labello, recording secretary

Also present: Ms. Shelley Johnson, Foster & Foster, Mr. Tyler Bosworth, House Retirement Committee

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A quorum was declared present and the meeting opened for business.

**Public Comment**

Judge Kleinpeter called for public comment. No public comments were made.

## **Regular Business**

Judge Kleinpeter called for approval of the minutes of the May 17, 2018 Legislative Committee meeting. **Ms. Trotter moved, seconded by Ms. McManus, to approve the minutes. With no objection or discussion, the motion carried.**

## **New Business**

Ms. LeBlanc gave an update on the five bills LASERS is tracking for the 2019 Regular Session of the Legislature, which begins on April 8, 2019.

She noted that **HB 28** by Rep. Ivey would create a new Hybrid Plan for employees hired on or after July 1, 2020, and eligible for membership in LASERS, the Teachers' Retirement System, the School Employees' Retirement System, and the State Police Retirement System. The Hybrid Plan would have a defined benefit (DB) and a defined contribution (DC) component. For LASERS members, the following are elements of the plan:

- Employee contribution rate would be variable
- Employees would share the cost of any unfunded accrued liability of their plan
- Accrual rate for rank-and-file members would be 1% in the DB portion of the plan; HAZ plan members would have a 1.33% accrual rate
- Employees would have a separate account for the DC portion of the plan with a third-party provider; rank-and-file members would receive a 10% credit each month; HAZ Plan members 12%
- COLAs on first \$50,000 of benefit would be payable in odd-numbered years: 2% or the CPI-U for the South, whichever is lower.
- Retirement eligibility for rank-and-file would be 5 years of service at age 65 or 20 years of service at age 55, actuarially reduced; HAZ Plan members eligibility would be 12 years of service at age 57 or 20 years at any age, actuarially reduced
- Members terminating with less than 5 years of service only receive employee contributions; members terminating with more than 5 years required to leave funds in DC plan until reaching retirement age
- At least 75% of DC account balance must be annuitized upon retirement

**After discussion, Ms. Hodges moved, seconded by Ms. McManus, to oppose HB 28 by Rep. Ivey. With no objection, the motion carried.**

Ms. LeBlanc stated that the staff recommended that a neutral position be taken on the remaining four bills, as follows:

### **HB 29 – Johnson**

#### **Systems Impacted: LASERS**

Removes the increase in insurance premiums for Hazardous Duty Services Plan members who transfer service and retire with an unreduced benefit.

### **SB 9 – Peterson**

#### **Systems Impacted: LASERS**

Employees of the Regional Transit Authority (RTA) hired on or after July 1, 2019, shall not be members of LASERS. Employees currently enrolled in LASERS retain their membership. The LASERS actuary shall determine the portion of the LASERS unfunded

accrued liability (UAL) attributable to the RTA as of June 20, 2019. That portion of the UAL shall be amortized over ten years and paid to LASERS by the RTA in equal monthly installments.

Ms. LeBlanc requested the authority for Shelley Johnson and Trey Roche to work with the author of SB 9 to possibly suggest different language about the UAL for the existing members of LASERS.

#### **SB 14 – Peacock**

**Systems Impacted:** State and Statewide

Provides for term limits for retirement system boards of trustees. Trustees would be limited to 12 consecutive years of service, unless limits otherwise apply.

Trustees for LASERS are already subject to a limit of three consecutive four-year terms.

#### **SB 15 – Long**

**Systems Impacted:** LASERS

Changes the qualifications for eligibility in the Hazardous Duty Plan (HAZ Plan) for firefighters employed by the Department of Agriculture and Forestry. Firefighters must be trained as wildland firefighters, as provided in R.S. 3:4276(9), to qualify for membership in the HAZ Plan.

**After discussion, Ms. McManus moved, seconded by Ms. Hodges, to remain neutral on HB 29, SB 9, SB 14, and SB 15. With no objection, the motion carried.**

Ms. LeBlanc informed the board that HB 13 concerning the Registrar of Voters System by Rep. Carpenter was withdrawn.

#### **Other Business**

There was no further business to discuss.

#### **Adjournment**

The meeting adjourned at 2:20 p.m.