

HB 23 (COLA BILL) UPDATE

What You Need to Know about House Bill 23 of the 2026 Legislative Session

AT A GLANCE:

- **Proposed COLA:** 2% (applies to the first \$81,201 of your annual benefit)
- **Effective Date:** July 1, 2026 (if approved) • **Eligibility:** Based on age and time receiving benefits (*see below*)

ANSWERS TO FREQUENTLY ASKED QUESTIONS:

1 *When will the COLA appear in my benefit payment?*

If approved, eligible retirees and beneficiaries will see the 2% increase beginning with their **July 1, 2026, benefit payment.**

2 *Who is eligible to receive the COLA?*

Eligibility is defined by state law and depends on your retirement status.

Retirees must:

- Have been receiving a benefit for **at least one year prior to July 1, 2026, AND**
- Be **age 60 or older** by July 1, 2026

Beneficiaries (non-retirees):

- Benefits must have been paid for **at least one year, AND**
- The retiree would have **reached age 60** by July 1, 2026

Disability retirees and survivors:

- Benefits must have been paid for at least one year, but **no age requirement applies.**

3 *How is the COLA amount determined?*

Louisiana law establishes the COLA amount based on specific conditions such as funded ratio and investment returns. Current conditions permit a **2% COLA.**

4 *Why is the COLA applied only to the first \$81,201 of my benefit?*

State law limits the portion of a benefit eligible for a COLA. For HB 23, the COLA applies to the **first \$81,201 of your annual benefit.**

This structure helps balance providing meaningful benefit increases while maintaining the long-term financial stability of the retirement system.

5 *Why haven't COLAs been provided more frequently?*

Historically, COLAs have been funded through the Experience Account, which is credited with excess investment returns.

To grant a COLA under this method, the Experience Account must accumulate sufficient funds—which occurs only after the system satisfies strict actuarial requirements, including paying down the unfunded accrued liability.

While recent investment performance has been strong, the Experience Account method has not consistently produced enough funding to support regular COLAs.

6 *What is changing to allow more regular COLAs in the future?*

LASERS and state leaders recognized the need for a more reliable approach.

Under **Act 184 of the 2023 Legislative Session**:

- The Experience Account is being **phased out**
- A new funding model is being implemented
- **Employers will directly fund COLAs** as part of the annual contribution rate
- Contributions will go into a **dedicated COLA account**

This new approach is designed to provide **more predictable and sustainable COLAs over time**, while still requiring legislative approval.

The transition to the new model is expected to be completed around **2030**.

7 *Where can I learn more?*

For additional details about COLAs and recent legislative changes, visit:

 <https://lasersonline.org/retirees/colas/>



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