

## **Public Retirement Systems Actuarial Committee**

Minutes of Meeting  
2020-2021 Interim  
December 14, 2020

### **I. CALL TO ORDER**

Representative Lance Harris, chairman of the Public Retirement Systems Actuarial Committee, called the meeting to order at 9:18 a.m. in Senate Room A/B, in the state capitol in Baton Rouge, Louisiana. The division executive assistant recorded the roll.

### **II. ROLL CALL**

#### **MEMBERS PRESENT:**

Representative Lance Harris, chairman  
Senator Ed Price, vice chairman  
John Broussard  
Greg Curran  
Shelley R. Johnson  
Rick McGimsey, proxy for Barbara Goodson  
Daryl Purpera

#### **STAFF MEMBERS PRESENT:**

Joey David, House legislative analyst  
Bryan Vincent, House division director  
Valarie Banks, House Governmental Affairs Division executive assistant

#### **ADDITIONAL ATTENDEES PRESENT:**

Piotr Krekora, Louisiana legislative auditor, via telephone  
Nicole Edmonson, Louisiana legislative auditor  
Myrtis Jarell, sergeant at arms  
Danny Leming, sergeant at arms  
Fate Mitchell, sergeant at arms  
Jeanell Waldrep, Senate communications streamer

### III. PUBLIC COMMENT

There was no public comment.

### IV. OTHER BUSINESS

#### Approval of August 19, 2020, minutes

Daryl Purpera offered a motion to approve the minutes of the August 19, 2020, meeting. Without objection, the motion passed by a vote of 7 yeas and 0 nays. Representative Harris, Senator Price, Mr. Broussard, Mr. Curran, Ms. Johnson, Mr. McGimsey, and Mr. Purpera voted yea.

#### Discussion and approval of 2020 annual actuarial valuations and the required contributions and dedication of revenues contained therein for Louisiana State Employees' Retirement System

Shelley Johnson presented the valuation for the system, contained in Exhibit A which is in the records of this meeting, and explained the effects of various factors on the fund's cost structure that increase or decrease the normal cost accrual rate. She explained valuation results for the system from last year.

Piotr Krekora and Nicole Edmonson presented the Louisiana Legislative Auditor's Actuarial Review of the 2020 Actuarial Valuation of the Louisiana State Employees' Retirement System, Exhibit B, and provided assessments of the review's actuarial treatment of cost of living adjustments, assumed net investment return, and assumed mortality rates. This review is contained in the records of this meeting.

Cindy Rougeou, executive director of Louisiana State Employees' Retirement System, 8901 United Plaza Boulevard, Baton Rouge, LA, (225) 922-0604, said that changes have resulted in a \$1.7 billion increase in the unfunded accrued liability (UAL). She stated that the board continued to get where they need to be but wanted to do so responsibly. The board has been very supportive in trying to reach a lower discount rate and did so, lowering the inflation rate from 3% to 2.3%.

Ms. Johnson offered a motion to adopt the actuarial funding valuation report for the Louisiana State Employees' Retirement System dated June 30, 2020, as presented by Foster & Foster Inc., as the official valuation for the system, and as specified in the report, to include all assumptions contained therein, including the 7.55% discount rate, the 7.40% discount rate for the projected contribution rate, the drop rate of 3.44%, the aggregate employer contribution rate of 40.2% for the fiscal year ending 2022, and the specific contribution rates contained on page 2 of Exhibit A.

Without objection, the motion passed by a vote of 7 yeas and 0 nays. Representative Harris, Senator Price, Mr. Broussard, Mr. Curran, Ms. Johnson, Mr. McGimsey, and Mr. Purpera voted yea.

**Discussion and approval of 2020 annual actuarial valuations and the required contributions and dedication of revenues contained therein for Teachers' Retirement System of Louisiana**

Shelley Johnson presented the valuation for the system, contained in Exhibit A which is in the records of this meeting, and explained the effects of various factors on the fund's cost structure that increase or decrease the normal cost accrual rate. She explained valuation results for the system from last year.

Piotr Krekora and Nicole Edmonson presented the Louisiana Legislative Auditor's Actuarial Review of the 2020 Actuarial Valuation of the Teachers' Retirement System of Louisiana, Exhibit B, and provided assessments of the review's actuarial treatment of cost of living adjustments, assumed net investment return, and assumed mortality rates. This review is contained in the records of this meeting.

Ms. Johnson offered a motion to adopt the actuarial funding valuation report for the Teachers' Retirement System of Louisiana dated June 30, 2020, as presented by Foster & Foster Inc., as the official valuation for the Teachers' Retirement System of Louisiana for fiscal year ending 2022, and as specified in the report, to include all of the assumptions contained therein, particularly the 7.45% discount rate and the 7.40% discount rate for the projected contribution rate, the drop rate of 6.30%, and the employer contribution rates in aggregate of 25.1%, including 25.2% for K-12 and 24.5% for higher education.

Without objection, the motion passed by a vote of 7 yeas and 0 nays. Representative Harris, Senator Price, Mr. Broussard, Mr. Curran, Ms. Johnson, Mr. McGimsey, and Mr. Purpera voted yea.

Witness cards submitted by individuals who did not speak are as follows: 1 for information only.

**Discussion and approval of 2020 annual actuarial valuations and the required contributions and dedication of revenues contained therein for Louisiana School Employees' Retirement System**

Greg Curran presented the valuation for the system, labeled Exhibit A and contained in the records of this meeting, and explained the effects of various factors on the fund's cost structure that increase or decrease the normal cost accrual rate. He explained valuation results for the system from last year.

Piotr Krekora and Nicole Edmonson presented the Louisiana Legislative Auditor's Actuarial Review of the 2020 Actuarial Valuation of the Louisiana School Employees' Retirement System and provided assessments of the review's actuarial treatment of cost of living adjustments, assumed net investment return, and assumed mortality rates. The presentation, Exhibit B, is contained in the committee records.

Mr. Curran offered a motion to adopt the actuarial funding valuation report for the Louisiana School Employees' Retirement System dated June 30, 2020, as presented by G. S. Curran & Company, Ltd., as the official valuation for the Louisiana School Employees' Retirement System, and as specified in the report, the minimum recommended employer contribution rate for fiscal year 2022 shall be 28.7% along with the rate of return on non-money market DROP accounts of 4.11%.

Without objection, the motion passed by a vote of 7 yeas and 0 nays. Representative Harris, Senator Price, Mr. Broussard, Mr. Curran, Ms. Johnson, Mr. McGimsey, and Mr. Purpera voted yea.

Witness cards submitted by individuals who did not speak are as follows: 4 for information only.

**Discussion and approval of 2020 annual actuarial valuations and the required contributions and dedication of revenues contained therein for Louisiana State Police Retirement System**

Greg Curran presented the valuation for the system, labeled Exhibit C and contained in the records of this meeting, and explained the effects of various factors on the fund's cost structure that increase or decrease the normal cost accrual rate. He presented and explained valuation results for the system from last year.

Piotr Krekora and Nicole Edmonson presented the Louisiana Legislative Auditor's Actuarial Review of the 2020 Actuarial Valuation of the Louisiana State Police Retirement System and provided assessments of the review's actuarial treatment of cost of living adjustments, assumed net investment return, and assumed mortality rates. The presentation, Exhibit B, is contained in the committee records.

Mr. Curran offered a motion to adopt the actuarial funding valuation report for the Louisiana State Police Retirement System dated June 30, 2020, as presented by G. S. Curran & Company, Ltd., as the official valuation for the Louisiana State Police Retirement System, and as specified in the report, the minimum recommended net directed employer contribution rate for fiscal year 2022 shall be 58.8% as approved by the board; to recognize the receipt of a \$1,500,000 allocation in insurance premium taxes; and to recognize a non-money market DROP account interest credit rate of 5.06%.

Without objection, the motion passed by a vote of 7 yeas and 0 nays. Representative Harris, Senator Price, Mr. Broussard, Mr. Curran, Ms. Johnson, Mr. McGimsey, and Mr. Purpera voted yea.

Witness cards submitted by individuals who did not speak are as follows: 3 for information only.

**V. ANNOUNCEMENTS**

There were no announcements.

**VI. ADJOURNMENT**

The meeting was adjourned at 11:28 a.m.

Respectfully submitted,

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Lance Harris, Chairman  
Public Retirement Systems Actuarial Committee

Date approved: \_\_\_\_\_