

Public Retirement Systems Actuarial Committee

Minutes of Meeting
2021-2022 Interim
December 16, 2021

I. CALL TO ORDER

Representative Lance Harris, chairman of the Public Retirement Systems Actuarial Committee, called the meeting to order at 1:00 p.m. in House Committee Room 4, in the state capitol in Baton Rouge, Louisiana. The committee administrative assistant recorded the roll.

II. ROLL CALL

MEMBERS PRESENT:

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

STAFF MEMBERS PRESENT:

Joey David, House legislative analyst
Jennifer Watson, House administrative assistant

ADDITIONAL ATTENDEES PRESENT:

Michael Battle, Louisiana legislative auditor
Louis Carral, Jr., Senate sergeant at arms
Representative Phillip DeVillier
Kenneth Herbold, Louisiana legislative auditor
Anthony Lumbard, Senate sergeant at arms
Angela McKnight, House sergeant at arms

III. PUBLIC COMMENT

There was no public comment.

IV. OTHER BUSINESS

Approval of August 17, 2021, minutes

John Broussard offered a motion to approve the minutes of the August 17, 2021, meeting. Without objection, the motion passed by a vote of 7 yeas and 0 nays. Representative Harris, Mr. Broussard, Mr. Curran, Ms. Johnson, Mr. McGimsey, Senator Price, and Mr. Waguespack voted yea.

Discussion and approval of 2021 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 in the records of this meeting, explained the effects of various factors on the fund's cost structure that increase or decrease the normal cost accrual rate, and discussed valuation results for the system from 2021.

Kenneth Herbold, Louisiana legislative auditor, no witness card provided, presented the Louisiana Legislative Auditor's Actuarial Review of the 2021 Actuarial Valuation of the Louisiana Assessors' Retirement Fund, contained in Exhibit A, and provided assessments of the review's actuarial treatment of cost of living adjustments, assumed net investment return, and assumed mortality rates.

Ms. Johnson offered a motion to adopt the actuarial funding valuation report for the Louisiana State Employees' Retirement System dated June 30, 2021, 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 7.40% discount rate, the 7.25% discount rate for the projected contribution rate, the drop rate of 9.45%, the aggregate employer contribution rate of 41.0% for the fiscal year ending in 2023, 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, Mr. Broussard, Mr. Curran, Ms. Johnson, Mr. McGimsey, Senator Price, and Mr. Waguespack voted yea.

Discussion and approval of 2021 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 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.

Kenneth Herbold, Louisiana legislative auditor, no witness card provided, presented the Louisiana Legislative Auditor's Actuarial Review of the 2021 Actuarial Valuation of the Louisiana Assessors' Retirement Fund, contained in Exhibit A, and provided assessments of the review's actuarial treatment of cost of living adjustments, assumed net investment return, and assumed mortality rates.

Ms. Johnson offered a motion to adopt the actuarial funding valuation report for the Teachers' Retirement System of Louisiana dated June 30, 2021, as presented by Foster & Foster Inc., as the official valuation for the Teachers' Retirement System of Louisiana for fiscal year ending in 2023 and, as specified in the report, to include all of the assumptions contained therein, particularly the 7.40% discount rate and the 7.25% discount rate for the projected contribution rate, the drop rate of 12.15%, and the employer contribution rates in aggregate of 24.7%, including 24.8% for K-12 and 24.1% for higher education.

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

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.

Kenneth Herbold, Louisiana legislative auditor, no witness card provided, presented the Louisiana Legislative Auditor's Actuarial Review of the 2021 Actuarial Valuation of the Louisiana Assessors' Retirement Fund, contained in Exhibit A, and provided assessments of the review's actuarial treatment of cost of living adjustments, assumed net investment return, and assumed mortality rates.

Mr. Curran offered a motion to adopt the actuarial funding valuation report for the Louisiana School Employees' Retirement System dated June 30, 2021, 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, to make the minimum recommended employer contribution rate for fiscal year 2022 27.6% along with the rate of return on non-money market DROP accounts of 9.08%.

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

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 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 presented and explained valuation results for the system from last year.

Kenneth Herbold, Louisiana legislative auditor, no witness card provided, presented the Louisiana Legislative Auditor's Actuarial Review of the 2021 Actuarial Valuation of the Louisiana Assessors' Retirement Fund, contained in Exhibit A, and provided assessments of the review's actuarial treatment of cost of living adjustments, assumed net investment return, and assumed mortality rates.

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, to make the minimum recommended net directed employer contribution rate for fiscal year 2023 to make 62.9% 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 10.88%.

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

V. ANNOUNCEMENTS

There were no announcements.

VI. ADJOURNMENT

The meeting was adjourned at 2:03 p.m.

Respectfully submitted,



Chairman Phillip DeVillier
Public Retirement Systems Actuarial Committee

Date approved: 2-23-2022

The committee has acknowledged on February 23, 2022, that these minutes were prepared in accordance with the rules of the House of Representatives.