

# **PUBLIC RETIREMENT SYSTEMS' ACTUARIAL COMMITTEE**

Thursday, July 10, 2014  
1:30 p.m.  
House Committee Room 2  
State Capitol  
Baton Rouge, Louisiana

## **MINUTES**

### **1. Call to Order**

The meeting was called to order by Chairman Daryl Purpera at 1:34 p.m.

### **2. Roll Call**

#### Members Present:

Mr. Daryl Purpera, Chairman, Louisiana Legislative Auditor (LLA)  
Mr. Benjamin Huxen, Vice Chairman, Designee for Commissioner Kristy Nichols,  
Senator Elbert Guillory, Designee for Senate President John Alario  
Representative Kevin Pearson, Designee for House Speaker Charles Kleckley  
Mr. Ron Henson, Designee for Treasurer John Kennedy  
Mr. Gary Curran, FCA, MAAA, ASA, EA  
Mr. Charles Hall, FCA, MAAA, ASA, EA

#### Also attending:

Mr. Paul Richmond, EA, ASA, MAAA, FCA, Manager of Actuarial Services, LLA  
Ms. Liz Martin, Secretary

### **3. Approval of Minutes**

Senator Guillory moved to approve the minutes for the March 18, 2014, meetings. Mr. Huxen seconded the motion, and with no objection, the motion was approved.

### **4. Discussion and Approval of September 30, 2013, Actuarial Report, Contributions, and Tax Sharing Allocations for the Louisiana Assessors' Retirement Fund**

Mr. Curran presented the highlights of the Actuarial Valuation for the Louisiana Assessors' Retirement Fund. The full report was provided to the committee members. (Document is also available on the Division of Administration's website: [www.doa.louisiana.gov/PRSAC/retire\\_systems](http://www.doa.louisiana.gov/PRSAC/retire_systems))

Senator Guillory made a motion to set the minimum net direct employer contribution rate for FY 15 to 7.00%, to allocate to the system \$12,630,704, which is the full amount of ad valorem taxes and revenue sharing available under the statute, and to adopt the FY13 valuation report. Mr. Huxen seconded the motion. Mr. Richmond said he reviewed the report and recommend its adoption. With no objection, the motion passed unanimously.

**5. Discussion and Approval of December 31, 2013, Actuarial Report, Contributions, and Tax Sharing Allocations for the Parochial Employees' Retirement System (Plans A&B)**

Mr. Curran presented the highlights of the Actuarial Valuation for the Parochial Employees' Retirement System (Plans A&B). The full report was provided to the committee members. (Document is also available on the Division of Administration's website: [www.doa.louisiana.gov/PRSAC/retire\\_systems](http://www.doa.louisiana.gov/PRSAC/retire_systems)) Mr. Curran elaborated on changes in Plan B for aggregate funding, changes the following year due to GASB 67/68, and further factors.

Representative Pearson asked if any problems anticipated because a large hospital was allowed to get out of a retirement system - such as an increased employer contribution rate. Mr. Curran explained why there will be an equity issue in term of cost allocation.

Representative Curran made a motion to set the minimum net direct employer contribution rate in Plan A to 13.00%, and in Plan B to 8.5% for FY15, and set both of the ad valorem and revenue sharing at the maximum statutory amounts. Mr. Henson seconded the motion.

Mr. Richmond said he reviewed the report for compliance with actuarial standards of practice and Louisiana Law, and recommended its approval. With no objection, the motion passed unanimously.

**6. Discussion of Future Meetings**

Mr. Purpera explained Act 648 from the 2014 Regular Session, which the PRSAC committee will receive the cooperative endeavor agreement (CEA) by October 1, 2014, and must consider for approval by December 31, 2014. The members discussed meeting for review and approval of the four state retirement systems' valuation reports and the CEA in mid-November.

**7. Other Business**

Mr. Richmond brought to the committee's attention the difference between state and statewide retirement systems relative to the granting of Cost-of-Living Adjustments (COLAs). Mr. Richmond said some of the statewide systems have granted or will be granting COLAs which he believes it may be a question if COLAs were granted in accordance with the law. Thus a legal issue for when PRSAC does the approval of valuations the following year.

**8. Adjournment**

Senator Guillory moved to adjourn and with no objection, the meeting was adjourned at 2:07 p.m.

*Approved by PRSAC:* \_\_\_\_\_ **November 19, 2014**  
*Date*