

PUBLIC RETIREMENT SYSTEMS' ACTUARIAL COMMITTEE

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Public Retirement Systems' Actuarial Committee

Minutes of Meeting October 19, 2016

I. CALL TO ORDER

Senator Peacock, Chairman of the committee, called the meeting to order in Senate Committee Room A at the State Capitol in Baton Rouge, Louisiana, at 8:30 a.m. The secretary called the roll.

II. ROLL CALL

MEMBERS PRESENT

Senator Barrow Peacock, Designee for Senate President John Alario
Mr. Daryl Purpera, Louisiana Legislative Auditor (LLA)
Ms. Barbara Goodson, Designee for Commissioner Jay Dardenne
Mr. Thomas Enright, Designee for Treasurer John Kennedy
Mr. Gary S. Curran, FCA, MAAA, ASA, EA
Shelly R. Johnson, ASA, MAAA, Actuary, Foster & Foster Actuaries & Consultant

MEMBERS ABSENT

Representative Kevin Pearson, Designee for House Speaker Taylor Barras

STAFF MEMBERS PRESENT

Margaret Corley, Senate Attorney
Debbie Odom, Senate Administrative Secretary
Joshua Marcelle - Sergeant at Arms - Louisiana State Senate

III. APPROVAL OF MINUTES

Mr. Purpera moved the minutes of the June 7, 2016 meeting be adopted to which Ms. Goodson seconded. There being no objection, the minutes were adopted.

IV. DISCUSSION ITEM

Discussion and approval of December 31, 2015, annual actuarial valuations and the required contributions and dedication of revenues contained therein for the Parochial Employees' Retirement System (Plans A & B)

Mr. Curran explained the parochial system has two separate sets of benefits and two separate sets of trust funds. Plan A members do not participate in social security and Plan B members do. He indicated there is a slight increase in the active and retired population, slight increase in payroll and an increase in benefits and payment because of the continuation of the demographic of more and more people retiring. The prior year there was \$137 million in benefits and payment and now we are up to about \$147 million. The funding deposit account is a side account that can be used to offset fluctuation and costs to fund COLAs and that is up significantly from \$23 - \$49 million and it is up because the plan is collecting more than the minimum required contributions. (Rainy Day fund) The actuarial accrued liability is up as more people earn service and the funded ratio is up slightly.

Mr. Curran continued to Plan B by stating in summary the plan is smaller and the benefit is smaller because they have social security in this plan. There was an increase in payroll that had some impact from \$91.6 to \$98.1 million and that has impact on cost benefit payments as more people retire. The accrued liability is up about \$18M. The recommendation is to set the rate at 10.5% for plan for Plan A and 7.25% for Plan B for FY17.

Mr. Paul Richmond, Actuarial Services Manager with the Legislative Auditor, appeared before the committee, and commended and complimented the Parochial Employees' Retirement System (PERS) because they have dedicated themselves to getting this plan funded and have reached the point where all the costs are the true costs of the benefit service that is going to be earned in the coming year. There is very little residual payments left for the benefits prior to the valuation date. A milestone has been reached with this funding mechanism. He commented, this is the best funded public retirement plan in the state of Louisiana. Mr. Curran moved adoption of the valuation to which Mr. Purpera seconded. There being no objection, the valuation has been adopted as official.

V. CONSIDERATION OF ANY OTHER MATTERS THAT MAY COME BEFORE THE COMMITTEE

There being no further business, Mr. Curran moved to adjourn to which there was no objection.

VI. ADJOURNMENT

Meeting adjourned.

Approved: _____ November 30, 2016
Date