



Louisiana Retired Teachers Association

Letter to the Editor

June 26, 2009

Proposed Veto of Senate Bill No. 296

The Louisiana Retired Teachers Association (LRTA) has always supported full funding of the Teachers' Retirement System of Louisiana (TRSL) and will continue to do so in the future. During the 2009 Regular Legislative Session, Senate Bill No. 296 was enacted. The bill is designed to level future payments to be made by the state to the retirement system, which will ultimately result in lowering payments required to address the unfunded portion of the retirement system. The bill also utilizes approximately \$290 million on deposit in the Employee Experience Account to help level off those future payments.

The Employee Experience Account exists at TRSL to provide for future benefit increases to retired educators based on factors that are designed to adjust benefits due to increases in inflation. Money reserved for retirement benefit increases will now be utilized to pay for a portion of the state's obligation to the retirement system. Retired educators met their obligations to the state by sending in required contributions to the retirement system while they were working. The state, however, during that same time was not paying its share to provide for the future benefits of those individuals. Financing of this obligation should not be placed on the backs of retirees.

While this measure has been supported by the board of trustees that governs the retirement system for employees of public education institutions, the association is very much opposed to the ideas presented in Senate Bill No. 296 regarding future benefit increases and the disposition of funds made available to pay them. Recent economic trends have certainly impacted returns on investments of the trust, but funds that are already on deposit in this account should remain there to help secure dignity, independence and overall quality of life for retired educators.

For these reasons, on behalf of the officers and the executive board of the association, its members, its future members, and all retired educators, I have asked Governor Jindal to give due consideration for vetoing Senate Bill No. 296.

Hugh C. Craft, Ed. D.
President, Louisiana Retired Teachers Association, Inc.
Chalmette, LA