

June 24, 2009

The Honorable "Bobby" R. Jindal, Governor
State Capitol, Fourth Floor
Baton Rouge, LA 70804

Re: Veto of Senate Bill No. 296

Dear Governor Jindal:

I am a retired educator. I understand the importance of providing a more stable method of paying off the debt of the Teachers' Retirement System of Louisiana by 2029 and support that effort. However, I am also concerned about my future bills, and whether or not my retirement benefit will allow me to meet all of my obligations. I have already met my obligation to the retirement system by sending in my contributions while I was working. Now I am learning that the funds set aside for future COLAs will be used to pay for a portion of the funds owed to the retirement system by the state. I cannot support that action. Please understand the position of retirees too.

Senate Bill No. 296 eliminates the current balance of approximately \$290 million placed in the Employee Experience Account to provide future permanent benefit adjustments, and gives that money back to the retirement system to pay down the initial unfunded accrued liability. In effect, it eliminates the possibility of retirees receiving a benefit increase any time in the near future.

Senate Bill No. 296 also:

Raises the eligible age to receive a benefit increase from 55 to 60,

Takes \$200 million of excess interest earnings to pay down the initial unfunded accrued liability, \$100 million of which would have been deposited into the Employee Experience Account under the old law, and

Provides that no increases may be granted in any year when the system is not at least 80% funded, or when interest earnings on an actuarial basis do not reach 8.25%, and that no partial increases may be granted when sufficient funds are not available to fund the entire benefit increase.

This legislation was opposed by the Louisiana Retired Teachers Association during committee hearings, and I am writing to personally register my opposition to the legislation as well.

Please consider vetoing Senate Bill No. 296.

Sincerely,