

RESET is a targeted, nonpartisan effort led by the **Committee of 100 (C100)**, the **Council for A Better Louisiana (CABL)**, and the **Public Affairs Research Council (PAR)** focused on four state policy issues: education, state finance, criminal justice, and transportation infrastructure.

2021 REGULAR SESSION POLICY PRIORITY:

State Pension System Redesigns

Adopt a more portable hybrid system for new employees combining a traditional defined benefit plan with a defined contribution plan, such as proposed by the Louisiana State Employees Retirement System (LASERS). Adopt a better cost-of-living methodology and a higher retirement age.

01

MODERNIZE STATE RETIREMENT PLANS

The current plans punish employees or teachers who work only a few years in government service before changing jobs, leaving them with no employer-funded retirement benefits or Social Security benefits. Louisiana's state and local governments should modernize to stay competitive in the job market and be fair to workers and teachers.

02

ADOPT REALISTIC ASSUMPTIONS ABOUT INVESTMENTS

Overly optimistic assumptions make it easier for the state budget in the short-term but harder in the long-term, setting up a cycle of permanent heavy indebtedness.

03

FIX THE COLA SYSTEM

The state's "experience account" method for Cost-of-Living Adjustments (COLAs) is a broken methodology rarely used elsewhere. It is widely criticized by pension analysts because it induces long-term, debt-driven payments toward COLAs. A predictable, reasonable system for COLAs would allow them to be funded in advance. This could be combined with a new retirement plan as the state employee system proposed in 2018.

04

CREATE A MORE PORTABLE HYBRID SYSTEM FOR NEW EMPLOYEES

Louisiana should consider a hybrid system for new employees combining a traditional defined benefit plan with a defined contribution plan, plus moving to a better cost-of-living adjustment process and a higher retirement age.