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.

**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.

**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.

**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.

**2021 REGULAR SESSION POLICY PRIORITY: STATE PENSION SYSTEM REDISEGNS**

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.

**2021 REGULAR SESSION POLICY PRIORITY:**

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.