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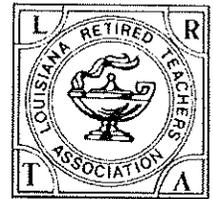
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Executive Director  
**RODNEY R. WATSON**

September 15, 2016

Ms. Kimberly L. Robinson, Secretary  
Louisiana Department of Revenue  
P. O. Box 44098  
Baton Rouge, LA 70804-4098

Dear Ms. Robinson:

As Executive Director for the Louisiana Retired Teachers Association, I am writing on behalf of our nearly 23,000 members to provide written testimony concerning a tax expenditure authorized by the state of Louisiana. Specifically, in regards to Individual Income tax exemption for retired teachers as described in provisions of Title 11.

The following information targets the "Goals of the Budget and Tax Policy", specifically item B. Fairness. Our membership requests that this exemption be continued for the following reasons:

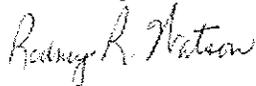
- A. Research shows that teacher retention is one of the most significant factors in the successful education of students. Educators in Louisiana, and nationwide, make 17% to 20% less than their counterparts in the private sector. A recent study completed by the University of California-Berkley showed that teacher retention was strongly linked to retirement benefits. In Louisiana, continuing the state income tax exemption is a highly effective means for promoting teacher retention.
- B. Louisiana retirees did not pay into Social Security, which has provided regular Cost-of-Living Adjustments (COLA) since 1975, with an average increase of 4%. Recipients of Social Security have received COLAs 37 times in the last 40 years. Although retired teachers in Louisiana received a Cost-of-Living Adjustment (COLA) this year, they are not prefunded like Social Security, and have not been enacted on a regular basis. This COLA was the second awarded since 2009, at a modest increase of 1.5%. Therefore, continuing the income tax exemption ameliorates the low number of COLAs approved by the state legislature.

C. Retirees in Louisiana have a significant and positive economic impact in the state of Louisiana. Obviously, if they have less money to spend on the goods and services they need, then their economic impact and the jobs that are created from these dollars would likely be reduced. The Teachers' Retirement System of Louisiana (TRSL) paid almost \$2 billion to retirees and beneficiaries in FY 2015. Approximately 88% of TRSL retirees and beneficiaries live in Louisiana, positively impacting local economies across the state. Additionally, TRSL pensions support approximately 18,674 Louisiana jobs and nearly \$783 million in income, according to the most recent report from the National Institute on Retirement Security (NIRS). Eliminating the state income tax exemption would cause many of our retirees to move out of state, taking those important benefits away from local economies.

In conclusion, we ask that Louisiana maintain the current state income tax exemption to provide for a higher quality of education based on teacher retention and to keep retirees in our state due to the critical importance of their benefits to the local economies.

I can be reached at your convenience to answer questions and for further comment at [watson@lrta.net](mailto:watson@lrta.net) or by phone: 225.927.8837.

Sincerely,



Rodney R. Watson  
Executive Director