2015 Regular Session

HOUSE BILL NO. 11

BY REPRESENTATIVE PRICE

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RETIREMENT/SCHOOL EMPS: Provides exceptions, in certain circumstances, to required employer payment of Louisiana School Employees' Retirement System unfunded accrued liability

1	AN ACT		
2	To amend and reenact R.S. 11:1195.1(A) and 1195.2(A) and to enact R.S. 11:1195.1(D) and		
3	1195.2(D), relative to required employer payments of unfunded accrued liability due		
4	to termination of employees and elimination of positions covered by the Louisiana		
5	School Employees' Retirement System; to provide exceptions to such required		
6	payments in certain circumstances; and to provide for related matters.		
7	Notice of intention to introduce this Act has been published		
8	as provided by Article X, Section 29(C) of the Constitution		
9	of Louisiana.		
10	Be it enacted by the Legislature of Louisiana:		
11	Section 1. R.S. 11:1195.1(A) and 1195.2(A) are hereby amended and reenacted and		
12	R.S. 11:1195.1(D) and 1195.2(D) are hereby enacted to read as follows:		
13	§1195.1. Unfunded accrued liability; payment by employer		
14	A. Notwithstanding any other provision of law, if an employer terminates a		
15	group of employees belonging to this system by eliminating the positions held by		
16	those employees through privatizing, outsourcing, contracting the service with a		
17	private employer, or any other means other than attrition or force reduction, then the		
18	employer shall remit that portion of the unfunded accrued liability existing on June		

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1	thirtieth, immediately prior to the date of termination attributable to the employees	
2	being terminated.	
3	* * *	
4	D. The provisions of Subsection A of this Section shall not apply if the	
5	employees whose positions have been eliminated are retained by the employer in	
6	other positions that are covered by the system.	
7	§1195.2. Unfunded accrued liability; payment by employer; any position	
8	A. Notwithstanding any other provision of law, if an employer eliminates	
9	any position through privatizing, outsourcing, contracting the service with a private	
10	employer, or any other means other than attrition or force reduction, then the	
11	employer shall remit that portion of the unfunded accrued liability existing on June	
12	thirtieth, immediately prior to the date of termination of the employee in th	
13	position, which is attributable to that position.	
14	* * *	
15	D. The provisions of Subsection A of this Section shall not apply if the	
16	employee whose position has been eliminated is retained by the employer in another	
17	position that is covered by the system.	
18	Section 2. This Act shall become effective upon signature by the governor or, if not	
19	signed by the governor, upon expiration of the time for bills to become law without signature	
20	by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If	
21	vetoed by the governor and subsequently approved by the legislature, this Act shall become	
22	effective on the day following such approval.	

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 11 Original	2015 Regular Session	Price
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Abstract: Provides exceptions to required employer payments of unfunded accrued liability (UAL) if elimination of positions is due to attrition or force reduction or if there is continued employment in another Louisiana School Employees' Retirement Systemcovered (LSERS) position by the employee whose position has been terminated.

<u>Present law</u> (R.S. 11:1195.1 and 1195.2) requires an employer that terminates a group of employees or a position covered by LSERS to remit to the retirement system any UAL attributable to those terminated positions.

<u>Proposed law</u> provides an exception to <u>present law</u>, removes the requirement for employer UAL payment if the position is eliminated due to attrition or force reduction.

Further provides that the <u>present law</u> employer payment is not required if an employee whose position is eliminated is retained by the employer in another position that is covered by LSERS.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 11:1195.1(A) and 1195.2(A); Adds R.S. 11:1195.1(D) and 1195.2(D))