

ACT No. 5

2020 Regular Session

HOUSE BILL NO. 17

BY REPRESENTATIVE BACALA

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AN ACT

To amend and reenact R.S. 11:1902(12)(c) and (d) and (13) and 1903 and to enact R.S. 11:1902(12)(f) and (g), relative to employers covered by the Parochial Employees' Retirement System; to provide relative to certain employers that choose such coverage; and to provide for related matters.

Notice of intention to introduce this Act has been published as provided by Article X, Section 29(C) of the Constitution of Louisiana.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:1902(12)(c) and (d) and (13) and 1903 are hereby amended and reenacted and R.S. 11:1902(12)(f) and (g) are hereby enacted to read as follows:

§1902. Definitions

As used in this Chapter, the following words and phrases shall have the following meanings, unless a different meaning is plainly required by context:

* * *

(12)

* * *

(c) "Employee" shall also mean a person employed by a district indigent defender program in this state, without regard to the source of funds for such districts or programs, provided the employee works at least twenty-eight hours a ~~week~~ week and the program is an employer as defined in this Section. No person employed by an indigent defender program shall be entitled to receive credit for service rendered prior to becoming eligible for membership in the system.

1 (d) "Employee" shall also mean a person employed by a soil and water
2 conservation district ~~in this state~~ that is an employer as defined in this Section,
3 without regard to the source of funds for such districts.

4 * * *

5 (f) "Employee" shall also mean a person employed by a taxing district that
6 is an employer as defined in this Section.

7 (g) "Employee" shall also mean a person employed by a branch or section
8 of a parish if the branch or section is an employer as defined in this Section.

9 * * *

10 (13) "Employer" means any parish in the state of Louisiana, ~~excepting~~ except
11 Orleans and East Baton Rouge Parishes, or the police jury or any other governing
12 body of a parish which employs and pays persons serving the parish. "Employer"
13 means also the Police Jury Association of Louisiana, the Louisiana School Boards
14 Association, ~~and this retirement system.~~ system, and any entity with an approved
15 plan pursuant to R.S. 11:1903. "Employer" shall not mean a parish or city school
16 board.

17 * * *

18 §1903. Admission of ~~taxing districts; district indigent defender programs; soil and~~
19 ~~water conservation districts; certain public corporations~~ certain entities as
20 employers

21 A. ~~Any taxing district of a parish that qualifies as an employer pursuant to~~
22 ~~R.S. 11:1902; any branch or section of a parish that qualifies as an employer~~
23 ~~pursuant to R.S. 11:1902; including a hospital district, water district, library, district~~
24 ~~indigent defender program in this state, or soil and water conservation district in this~~
25 ~~state; and any public corporation created pursuant to R.S. 9:2341 et seq. whose sole~~
26 ~~beneficiary is a parish in the state may submit for approval by the board of trustees~~
27 ~~a plan for extending the benefits of this Chapter to employees of such~~
28 ~~instrumentality.~~ The following entities may submit, for approval by the board of
29 trustees, a plan for extending the benefits of this Chapter to employees of the entity:

1 (1) Any taxing district in or any branch or section of a parish that qualifies
 2 as an employer pursuant to R.S. 11:1902, including but not limited to any hospital
 3 district, water district, or library.

4 (2) A district indigent defender program in this state.

5 (3) A soil and water conservation district in this state.

6 (4) Any public corporation created pursuant to R.S. 9:2341 et seq., whose
 7 sole beneficiary is a parish in the state.

8 B. Each such plan or any amendment thereof shall be approved by the board
 9 of trustees if it finds that such plan, or such plan as amended, is in conformity with
 10 such requirements as are provided in regulations of the board of trustees, except that
 11 no such plan shall be approved unless:

12 (1) It is in conformity with the requirements of this Chapter and applicable
 13 state law;

14 (2)~~(a)~~ It ~~provides that~~ covers all services which are performed in the employ
 15 of the ~~political subdivision or instrumentality~~ entity, by any employees thereof, ~~shall~~
 16 ~~be covered by the plan;~~ and ~~(b)~~ it extends benefits to all employees of the ~~political~~
 17 ~~subdivision or instrumentality;~~ entity.

18 (3) It specifies the source or sources from which the funds necessary to make
 19 the payments required by Paragraph ~~(C)~~ (D)(1) and ~~by~~ Subsection ~~D~~ E of this
 20 Section are expected to be derived and contains reasonable assurance that such
 21 sources will be adequate for such purpose;

22 (4) It provides for ~~such methods of~~ administration of the plan by the ~~district~~
 23 entity as ~~are found by~~ the board of trustees ~~to be~~ finds necessary for the proper and
 24 efficient administration thereof;

25 (5) It provides that the ~~political subdivision or instrumentality~~ entity will
 26 make such reports, in such form and containing such information, as the board of
 27 trustees may from time to time require and comply with such provisions as the board
 28 of trustees may from time to time find necessary to assure the correctness and
 29 verification of such reports;

1 (6) It authorizes the system to terminate the plan in its entirety, in the
 2 discretion of the board of trustees, if it finds that there has been a failure to comply
 3 substantially with any provision contained in such plan, such termination to take
 4 effect at the expiration of such notice and on such conditions as may be provided by
 5 regulations of the board of trustees; ~~and.~~

6 (7) None of the employees of the ~~political subdivision or instrumentality~~
 7 entity are eligible to participate in another Louisiana public retirement or pension
 8 system, plan, or fund based on the employee's employment with the ~~political~~
 9 ~~subdivision or instrumentality~~ entity.

10 ~~B. C.~~ C. The board of trustees shall not finally refuse to approve a plan
 11 submitted under Subsection A of this Section; and shall not terminate an approved
 12 plan; without reasonable notice and opportunity for hearing to each ~~district~~ entity
 13 affected thereby. The board of trustees' decision in any such case shall be final,
 14 conclusive, and binding unless ~~an appeal be taken by the political subdivision or~~
 15 ~~instrumentality~~ entity aggrieved thereby appeals to the district court in accordance
 16 with the provisions of law with respect to review of civil causes by certiorari.

17 ~~C.(1).~~ D.(1) Each ~~district~~ entity ~~for as to~~ which a plan has been approved
 18 under this Section shall pay into the system contributions, with respect to earnings
 19 as defined in R.S. 11:1902, at such time or times as the board of trustees may by
 20 regulation prescribe, in the amounts and at the rates prescribed by the board of
 21 trustees as set forth in Part VII of this Chapter.

22 (2) Every ~~political subdivision or instrumentality~~ entity required to make
 23 payments under Paragraph (1) of this Subsection is authorized, in consideration of
 24 the employee's retention in, or entry upon, employment after enactment of this
 25 Chapter, to impose upon its employees, as to services ~~which are~~ covered by an
 26 approved plan, a contribution with respect to earnings as ~~may be~~ provided in Parts
 27 III and IV of this Chapter, and to deduct the amount of such contribution from the
 28 earnings as and when paid. Contributions so collected shall be paid into the
 29 contribution fund in partial discharge of the liability of such ~~political subdivision or~~

1 ~~instrumentality~~ entity under Paragraph (1) of this Subsection. Failure to deduct such
2 contribution shall not relieve the employee or employer of liability therefor.

3 (3) Except as provided in R.S. 11:143 and notwithstanding any other
4 provision of law to the contrary, employer contributions shall not be returned,
5 refunded, transferred, or rolled over to any employee or employer or to any
6 retirement system, plan, or fund.

7 ~~D. E.~~ E. Delinquent payments due under Paragraph ~~(C)(1)(D)(1)~~ of this Section,
8 may, with interest at the system's actuarial valuation rate compounded annually, be
9 recovered by action in a court of competent jurisdiction against the ~~district~~
10 ~~subdivision or instrumentality~~ entity liable therefor or may, upon due certification
11 of delinquency and at the request of the board of trustees, be deducted from any other
12 monies payable to ~~such district~~ the entity by any department or agency of the state.

13 ~~E.(1)~~ F.(1) If any plan entered into under this Section is terminated, the
14 ~~taxing district, branch, or section of a parish~~ entity which terminates its plan may not
15 again participate in the system pursuant to this Section, unless approved by the board
16 of trustees.

17 (2) Notwithstanding any other provision of law, if an employer terminates
18 its agreement for coverage of its employees, the employer shall remit to the system
19 that portion of the unfunded actuarial accrued liability, if any, which is attributable
20 to the employer's participation in the system. The amount required to be remitted
21 pursuant to this Paragraph shall be determined as of the December thirty-first
22 immediately prior to the date of termination. Such determination shall be made
23 using the entry age normal actuarial funding method.

24 (3) The amount due shall be determined by the actuary employed by the
25 system and shall ~~either~~ be paid in a lump sum or amortized over ten years in equal
26 monthly payments with interest at the system's actuarial valuation rate in the same
27 manner as regular payroll payments to the system, at the option of the employer.

1 (4) ~~Should~~ If the employer ~~fail~~ fails to make payment timely, the amount due
2 shall be collected in the same manner as authorized by Subsection ~~D~~ E of this
3 Section and R.S. 11:2014.

4 ~~F~~ G. Notwithstanding any provision of this Chapter to the contrary, a
5 hospital service district located in a parish with a total population between seventy
6 thousand and eighty thousand persons as of the latest federal decennial census may
7 terminate coverage for employees of the district first hired on or after January 1,
8 2015, as further provided in this Subsection.

9 (1) If any plan entered into by a hospital district under this Section is
10 prospectively terminated, the hospital district which prospectively terminates its plan
11 may not again begin participation for new employees in the system pursuant to this
12 Section, unless approved by the board of trustees.

13 (2) Prospective termination of a plan shall follow all notice and any other
14 requirements of termination provided for in the plan agreement.

15 (3) If, pursuant to this Subsection, an employer terminates its agreement for
16 coverage of its employees first hired after the effective date of the termination, the
17 employer shall remit to the system that portion of the unfunded actuarial accrued
18 liability, if any, which is attributable to the employer's termination. The amount
19 required to be remitted pursuant to this Paragraph shall be determined as of the
20 December thirty-first immediately prior to the date of termination. Such
21 determination shall be made using the entry age normal actuarial funding method.

22 (4) The amount due shall be determined by the actuary employed by the
23 system and shall either be paid in a lump sum or amortized over ten years in equal
24 monthly payments with interest at the system's actuarial valuation rate in the same
25 manner as regular payroll payments to the system, at the option of the employer.

1 (5) If the employer fails to make payment timely, the amount due shall be
2 collected in the same manner as authorized by Subsection ~~D~~ E of this Section and
3 R.S. 11:2014.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____