HLS 12RS-242 ORIGINAL

Regular Session, 2012

HOUSE BILL NO. 7

1

BY REPRESENTATIVE PEARSON

RETIREMENT/SCHOOL EMPS: Provides for annual reporting to the La. School Employees' Retirement System on privatized jobs

AN ACT

2 To amend and reenact R.S. 11:1195.1(B) and (C) and 1195.2(B) and (C) and to enact R.S. 3 11:1195.1(D) and 1195.2(D), relative to the Louisiana School Employees' 4 Retirement System; to provide for reporting of positions and employees that cease to be covered by the retirement system; to provide for audits to ensure compliance; 5 6 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(B) and (C) and 1195.2(B) and (C) are hereby amended 12 and reenacted and 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; reporting 14 15 B. Each employer shall report to the retirement system on all employees 16 whose positions have been eliminated as provided in Subsection A of this Section. 17 Such reports shall be submitted by October fifteenth of each year on a form provided 18 by the retirement system. In order to ensure compliance and accuracy of the report, the system shall have the right to audit the records of the employer upon reasonable 19 20 notice.

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	C. The amount due shall be determined by the actuary employed by the
2	system and shall be amortized over ten years. The amount shall be paid in equal
3	monthly payments, in the same manner as regular payroll payments to the system.
4	C. D. Should the employer fail to make a payment timely, then the amount
5	due shall be collected in the same manner as authorized by R.S. 11:1202.
6	§1195.2. Unfunded accrued liability; payment by employer; any position; reporting
7	* * *
8	B. Each employer shall report to the retirement system on all positions that
9	have been eliminated as provided in Subsection A of this Section. Such reports shall
10	be submitted by October fifteenth of each year on a form provided by the retirement
11	system. In order to ensure compliance and accuracy of the report, the system shall
12	have the right to audit the records of the employer upon reasonable notice.
13	C. The amount due shall be determined by the actuary employed by the
14	system and shall be amortized over ten years. The amount may be paid in a lump
15	sum or equal monthly payments with interest at the actuarial rate in the same manner
16	as regular payroll payments to the system, at the option of the employer.
17	C. D. Should the employer fail to make a payment timely, then the amount
18	due shall be collected in the same manner as authorized by R.S. 11:1202.

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)]

Pearson HB No. 7

Abstract: Requires school systems to report to the La. School Employees' Retirement System (LSERS) on employees and positions which are no longer covered by LSERS due to privatization, outsourcing, etc.

Present law provides that if an employer eliminates employees or positions through privatizing, outsourcing, contracting for the covered service with a private employer, or any other means, the employer must remit to LSERS the portion of the unfunded accrued liability (2UAL) existing on June 30 immediately prior to the date of termination attributable to the employee or position being terminated.

Present law further provides for calculation of the amount due to the retirement system and penalties for failure to timely pay amounts owed under present law.

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Proposed law retains present law.

<u>Proposed law</u> further requires each school system to report on all employees and positions which have been privatized, outsourced, or otherwise eliminated pursuant to <u>present law</u> to LSERS by Oct. 15 of each year. Provides for forms for submission of the reports and provides for audits to ensure compliance.

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