

SENATE BILL NO. 84

BY SENATOR B. GAUTREAUX

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AN ACT

To amend and reenact R.S. 11:1903(C)(2), (D), and (E), relative to the Parochial Employees' Retirement System of Louisiana; to provide with respect to continuing liability of a participating employer which terminates its agreement for coverage of employees; to provide relative to interest rates on delinquent amounts owed to the system; to provide for an effective date; and to provide for related matters.

Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:1903(C)(2), (D), and (E) are hereby amended and reenacted to read as follows:

§1903. Admission of taxing districts; district indigent defender programs; soil and water conservation districts

\* \* \*

C.(1) \* \* \*

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

1 contribution shall not relieve the employee or employer of liability therefor.

2 \* \* \*

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

10 E. **(1)** If any plan entered into under this Section is terminated, the taxing  
 11 district, branch, or section of a parish which terminates its plan may not again  
 12 participate in the system pursuant to this Section, unless approved by the board of  
 13 trustees ~~and the Joint Legislative Retirement Committee~~.

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

22 **(3) 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**  
 24 **equal monthly payments with interest at the system's actuarial valuation rate**  
 25 **in the same manner as regular payroll payments to the system, at the option of**  
 26 **the employer.**

27 **(4) Should the employer fail to make payment timely, the amount due**  
 28 **shall be collected in the same manner as authorized by Subsection D of this**  
 29 **Section and R.S. 11:2014.**

30 \* \* \*

1           Section 2. This Act shall become effective on July 1, 2010; if vetoed by the governor  
2           and subsequently approved by the legislature, this Act shall become effective on July 1,  
3           2010, or on the day following such approval by the legislature, whichever is later; and shall  
4           be applicable to any employer which terminates participation with the retirement system on  
5           or after July 1, 2010.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_