

Regular Session, 2014

SENATE BILL NO. 14

BY SENATOR GUILLORY

SCHOOL EMPLOYEES RET. Provides for the determination of system liabilities and the payment therefor. (6/30/14)

1 AN ACT

2 To amend and reenact R.S. 11:102(B)(3)(d)(vi), relative to the liabilities of the Louisiana  
3 School Employees' Retirement System; to provide for payment of such liabilities; to  
4 provide for employer contributions; to provide for an effective date; and to provide  
5 for related matters.

6 Notice of intention to introduce this Act has been published.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 11:102(B)(3)(d)(vi) is hereby amended and reenacted to read as  
9 follows:

10 §102. Employer contributions; determination; state systems

11 \* \* \*

12 B.(1) \* \* \*

13 (3) With respect to each state public retirement system, the actuarially  
14 required employer contribution for each fiscal year, commencing with Fiscal Year  
15 1989-1990, shall be that dollar amount equal to the sum of:

16 \* \* \*

17 (d) That fiscal year's payment, computed as of the first of that fiscal year and

1 projected to the middle of that fiscal year at the actuarially assumed interest rate,  
 2 necessary to amortize changes in actuarial liability due to:

3 \* \* \*

4 (vi) **(aa) Except as provided in Subitem (bb) of this Item,** Effective  
 5 **effective** July 1, 2004, and beginning with Fiscal Year 2000-2001, the amortization  
 6 period for the changes, gains, or losses of the Louisiana School Employees'  
 7 Retirement System provided in Items (i) through (iv) of this Subparagraph ~~and for~~  
 8 ~~any changes, gains, or losses attributable to the cash balance plan~~ shall be thirty  
 9 years, or in accordance with standards promulgated by the Governmental Accounting  
 10 Standards Board, from the year in which the change, gain, or loss occurred. The  
 11 outstanding balances of amortization bases established pursuant to Items (i) through  
 12 (iv) of this Subparagraph before Fiscal Year 2000-2001, shall be amortized as a level  
 13 dollar amount from July 1, 2004, through June 30, 2029. Beginning with Fiscal Year  
 14 2003-2004, and for each fiscal year thereafter, the outstanding balances of  
 15 amortization bases established pursuant to Items (i) through (iv) of this Subparagraph  
 16 shall be amortized as a level dollar amount.

17 **(bb) All outstanding amortization bases in existence on June 30, 2014,**  
 18 **including outstanding balances established pursuant to Subparagraph (c) of this**  
 19 **Paragraph, shall be consolidated and reamortized over the period ending June**  
 20 **30, 2044, with level dollar payments, effective with the June 30, 2014, valuation.**  
 21 **This Subsection shall not apply to amortization bases established after June 30,**  
 22 **2014.**

23 \* \* \*

24 Section 2. This Act shall take effect and become operative if and when the Act  
 25 which originated as House Bill No. 42 of this 2014 Regular Session of the Legislature is  
 26 enacted and becomes effective.

27 Section 3. This Act shall become effective on June 30, 2014; if vetoed by the  
 28 governor and subsequently approved by the legislature, this Act shall become effective on  
 29 June 30, 2014, or on the day following such approval by the legislature, whichever is later.

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The original instrument was prepared by Margaret M. Corley. The following digest, which does not constitute a part of the legislative instrument, was prepared by Martha Hess.

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#### DIGEST

Guillory (SB 14)

Present law, relative to the Louisiana School Employees' Retirement System (LSERS), provides for payments for liabilities of the system to be amortized over a 30-year period from the year in which the liability occurred.

Present law provides for level dollar payments for all amortization bases except those for fiscal years 2000-2001, 2001-2002, and 2002-2003. Provides for increasing payments for the bases created in the three listed fiscal years.

Proposed law provides for all outstanding amortization bases of LSERS to be consolidated and reamortized over a 30-year period with level dollar payments.

Effective if and when HB 42 of the 2014 RS is enacted and becomes effective.

Effective June 30, 2014.

(Amends R.S. 11:102(B)(3)(d)(vi))

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Finance to the engrossed bill

1. Technical amendments.
2. Effective if and when HB 42 of 2014 RS is enacted and becomes effective.