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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Margaret M. Corley.

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SB 18 Original	DIGEST 2015 Regular Session	Adley
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Proposed law applies to the following employers:

- (1) The Board of Regents.
- (2) The Board of Supervisors for the University of Louisiana System.
- (3) The Board of Supervisors of Louisiana State University A&M.
- (4) The Board of Supervisors of Southern University A&M.
- (5) The Board of Supervisors of Community and Technical Colleges.
- (6) Any institution under the authority of the Board of Regents or one of the boards of supervisors listed above.

Present law provides for membership in the Teachers' Retirement System of Louisiana (Teachers') for certain full-time unclassified employees of postsecondary education institutions, systems, and boards based on their employers' participation in Teachers'.

Present law provides for calculation of accrued system liabilities created by certain experience of the system including the value of benefits awarded to retirees and other system beneficiaries or earned by active members, including members working after participation in the Deferred Retirement Option Plan (DROP); demographics; and market factors. Provides for calculation of system assets. Provides for determination of the unfunded accrued liability by comparing the liabilities accrued with the assets held.

Present law provides for employer and employee contributions to Teachers' to fund liabilities accrued within the system.

Proposed law retains present law and provides these employers with an option to elect to pay for their proportionate share of the existing system liabilities and to incur no additional liabilities at the system.

Proposed law provides for actuarial calculations and legislative review of the payment necessary to extinguish the proportionate share of the unfunded accrued liabilities of the electing employer. Provides for additional calculations and payments of future permanent benefit increases to the elector's retirees, survivors, and beneficiaries. Provides that funding for the payments may come from

any source including bond proceeds.

Present law provides for powers and duties of the Teachers' board of trustees, including certain fiduciary obligations.

Proposed law retains present law and imposes additional duties upon the board as follows:

- (1) To prevent any additional liabilities from accruing if those liabilities would be the financial responsibility of an electing employer.
- (2) To protect the system in the event an electing employer fails to pay its obligation.

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

(Adds Part XII of Chapter 2 of Subtitle II of Title 11, comprised of R.S. 11:961 through 966)