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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Laura Gail Sullivan.

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DIGEST

SB 452 Original

2016 Regular Session

White

Present law does not provide for a mechanism for an employer to withdraw some or all of its employees from the Teachers' Retirement System of Louisiana (TRSL). Present law does not permit an employer to terminate TRSL participation effective for future employees.

Proposed law allows a K-12 employer to terminate participation in TRSL on a prospective basis, making certain future hires ineligible for TRSL membership. Provides for notification to TRSL of the election to terminate participation.

Proposed law relative to TRSL provides that if an employing agency is authorized by law to terminate its participation in the retirement system and terminates its participation for some or all of its employees, such employing agency shall remit to the retirement system its share of any unfunded accrued liability (UAL) of the retirement system existing on the June 30th immediately prior to the date of the employing agency's termination.

Proposed law defines "proportionate share of any unfunded accrued liability" and "privatization" for purposes of proposed law.

Proposed law provides that the amounts due shall be determined by TRSL's actuary and shall be paid in a lump sum or amortized over ten years or less in equal monthly payments with interest at TRSL's actuarial valuation rate, at the option of the employer. Provides that the calculation shall account for any legacy costs attributable to the employing agency's retirees.

Proposed law provides that should an employing agency fail to make payment the amount due shall be collected in the manner authorized by present law (R.S. 11:886 and 887).

Effective June 30, 2016.

(Amends R.S. 11:721; adds R.S. 11:721.2 and 887.1)