

Regular Session, 2013

HOUSE BILL NO. 43

BY REPRESENTATIVE THIBAUT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RETIREMENT/SCHOOL EMPS: Provides relative to the payment of unfunded accrued liability associated with privatized jobs in local public school systems

1 AN ACT

2 To enact R.S. 11:1195.1(D) and 1195.2(D), relative to the payment of unfunded accrued  
3 liability by an employer that privatizes some or all of its positions covered by the  
4 Louisiana School Employees' Retirement System; to remove local public school  
5 boards from certain statutes relative to such payment; and to provide for related  
6 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(D) and 1195.2(D) are hereby enacted to read as follows:

12 §1195.1. Unfunded accrued liability; payment by employer

13 \* \* \*

14 D. The provisions of this Section shall not apply to any city, parish, or other  
15 local public school board.

16 §1195.2. Unfunded accrued liability; payment by employer; any position

17 \* \* \*

18 D. The provisions of this Section shall not apply to any city, parish, or other  
19 local public school board.

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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)]

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Thibaut

HB No. 43

**Abstract:** Removes requirement that city, parish, or other local public school boards pay to the La. School Employees' Retirement System (LSERS) any unfunded accrued liability attributable to positions the school board has privatized.

Under the provisions of present law, the cost of a benefit for an employee is calculated each year based on actuarial assumptions for a given system. If actuarial assumptions are not achieved, enough money has not been contributed to the system to fund the employee's benefit. This unfunded accrued liability (UAL) is amortized and paid off over a certain number of years, pursuant to present law.

Proposed law retains present law.

Present law establishes LSERS and provides generally for membership for employees of a parish or city school board other than teachers. Present law also allows the employees of the retirement system to be members of the system. Proposed law retains present law.

Present law (R.S. 11:1195.1 and 1195.2) provides that when an employer privatizes a group of employees or a single employee the employer is responsible for the payment of the UAL attributable to the position that had formerly been in LSERS before it was privatized. Further provides that the amount due shall be broken down into equal monthly payments due over the course of 10 years.

Proposed law provides that present law shall not apply to any city, parish, or other local public school board.

(Adds R.S. 11:1195.1(D) and 1195.2(D))