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## DIGEST

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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))