

---

## 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)]

---

Thibaut

HB No. 43

**Abstract:** Provides relative to the time period over which 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. Further provides that the amount due shall be broken down into equal monthly payments due over the course of 10 years.

Proposed law retains present law with respect to a privatization that occurs prior to July 1, 2013.

Proposed law provides that for a privatization that occurs on or after July 1, 2013, the period for paying the amount due under present law shall be 15 years.

Proposed law further provides that each employer must report to LSERS on all positions that have been privatized. Requires the report to be submitted by Oct. 15 of each year. Authorizes the system to audit the records of employers upon reasonable notice to ensure accuracy and compliance with present law and proposed law.

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

### Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Retirement to the original bill.

1. Removes proposed law requirement that present law shall not apply to any city, parish, or other local public school board.
2. Retains present law for any privatization that occurs prior to July 1, 2013.
3. Adds a provision authorizing a 15 year payment period for amounts due under present law for any privatization that occurs on or after July 1, 2013.
4. Adds a requirement that employers report by Oct. 15 each year on positions eliminated through privatization.
5. Adds provisions relative to the authority of the system to audit the records of employers to ensure compliance with present law and proposed law.