

Regular Session, 2014

SENATE BILL NO. 2

BY SENATOR MILLS

PAROCHIAL EMPLOYEES RET. Provides for the prospective termination of a hospital district plan. (1/1/2015)

1 AN ACT

2 To amend and reenact R.S. 11:1903(A)(2) and to enact R.S. 11:1903(F), relative to
3 employer participation in the Parochial Employees' Retirement System; to provide
4 relative to participating hospital districts; to provide for an effective date; and to
5 provide for related matters.

6 Notice of intention to introduce this Act has been published.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 11:1903(A)(2) is hereby amended and reenacted and R.S. 11:1903(F)
9 is hereby enacted to read as follows:

10 §1903. Admission of taxing districts; district indigent defender programs; soil and
11 water conservation districts

12 A. Any taxing district of a parish that qualifies as an employer pursuant to
13 R.S. 11:1902(13) or any branch or section of a parish that qualifies as an employer
14 pursuant to R.S. 11:1902(13) including a hospital district, water district, library,
15 district indigent defender program in this state, or soil and water conservation district
16 in this state is hereby authorized to submit for approval by the board of trustees a
17 plan for extending the benefits of this Chapter to employees of such district. Each

1 such plan or any amendment thereof shall be approved by the board of trustees if it
2 finds that such plan, or such plan as amended, is in conformity with such
3 requirements as are provided in regulations of the board of trustees, except that no
4 such plan shall be approved unless:

5 * * *

6 (2) **Except in the case of a prospective termination,** (a) it provides that all
7 services which are performed in the employ of the political subdivision or
8 instrumentality, by any employees thereof, shall be covered by the plan; and

9 (b) it extends benefits to all employees of the political subdivision or
10 instrumentality;

11 * * *

12 **F. (1) If any plan entered into by a hospital district under this Section is**
13 **prospectively terminated, the hospital district which prospectively terminates**
14 **its plan may not again begin participation for new employees in the system**
15 **pursuant to this Section, unless approved by the board of trustees.**

16 **(2) Prospective termination of a plan shall follow all notice and any other**
17 **requirements of termination provided for in the plan agreement.**

18 **(3) Notwithstanding any other provision of law to the contrary, if an**
19 **employer prospectively terminates its agreement for coverage of its employees**
20 **first hired after the effective date of the prospective termination, the employer**
21 **shall remit to the system that portion of the unfunded actuarial accrued**
22 **liability, if any, which is attributable to the employer's prospective termination.**
23 **The amount required to be remitted pursuant to this Paragraph shall be**
24 **determined as of the December thirty-first immediately prior to the date of**
25 **termination. Such determination shall be made using the entry age normal**
26 **actuarial funding method.**

27 **(4) The amount due shall be determined by the actuary employed by the**
28 **system and shall either be paid in a lump sum or amortized over ten years in**
29 **equal monthly payments with interest at the system's actuarial valuation rate**

1 **in the same manner as regular payroll payments to the system, at the option of**
2 **the employer.**

3 **(5) Should the employer fail to make payment timely, the amount due**
4 **shall be collected in the same manner as authorized by Subsection D of this**
5 **Section and R.S. 11:2014.**

6 Section 2. This Act shall become effective on January 1, 2015; if vetoed by the
7 governor and subsequently approved by the legislature, this Act shall become effective on
8 January 1, 2015, or on the day following such approval by the legislature, whichever is later.

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

DIGEST

Mills (SB 2)

Proposed law provides for prospective termination of participation in the Parochial
Employees' Retirement System by a hospital service district.

Effective January 1, 2015.

(Amends R.S. 11:1903(A)(2); adds R.S. 11:1903(F))