

2017 Regular Session

SENATE BILL NO. 11

BY SENATOR PEACOCK

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

RETIREMENT SYSTEMS. Provides for the incorporation of the Louisiana School Employees' Retirement System into the Teachers' Retirement System of Louisiana. (7/1/17)

1 AN ACT

2 To amend and reenact R.S. 11:701(introductory paragraph), (7), and (29), 702, 821,

3 822(A)(2), (7), (8)(introductory paragraph), (9), and (10), 826, 831, 832, 833,

4 834(A)(1) and (2)(introductory paragraph), (B), (C), and (D), 1001,

5 1002(introductory paragraph), (8), and (26), and 1161, to enact R.S. 11:691,

6 701(22.2), and 1002(21.1), and to repeal R.S. 11:1162 through 1165 and 1166

7 through 1171 and R.S. 36:769(D)(4), relative to the merger of the Teachers'

8 Retirement System of Louisiana and the Louisiana School Employees' Retirement

9 System; to provide for consolidation of administration of the two systems; to provide

10 for the maintenance of separate plans, including asset pools, actuarial valuations, and

11 contribution rates, without a change in benefits; to provide for development of a

12 strategy to consolidate the plans; to provide for the redesignation of certain

13 provisions of the Louisiana Revised Statutes of 1950 and to direct the Louisiana

14 State Law Institute with respect to the redesignations; to provide for an effective

15 date; and to provide for related matters.

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

17 Be it enacted by the Legislature of Louisiana:

1 Section 1. R.S. 11:701(introductory paragraph), (7), and (29), 702, 821, 822(A)(2),
2 (7), (8)(introductory paragraph), (9), and (10), 826, 831, 832, 833, 834(A)(1) and
3 (2)(introductory paragraph), (B), (C), and (D), 1001, 1002(introductory paragraph), (8), and
4 (26), and 1161 are hereby amended and reenacted and R.S. 11:691, 701(22.2), and
5 1002(21.1) are hereby enacted to read as follows:

6 CHAPTER 2. TEACHERS' RETIREMENT SYSTEM

7 OF LOUISIANA

8 **§691. Name and establishment of retirement system**

9 **A. A retirement system is established with all the powers and privileges**
10 **pertaining to corporations, under the management of the board of trustees for**
11 **the purpose of providing retirement allowances and other benefits under the**
12 **provisions of this Chapter for teachers of the state of Louisiana. The retirement**
13 **system so created shall be established as of August 1, 1936. The retirement**
14 **system is established as a qualified defined benefit plan under Title 11 of the**
15 **Louisiana Revised Statutes of 1950, known as the "Louisiana Public Retirement**
16 **Law", as amended from time to time, pursuant to Sections 401(a) and 414(d) of**
17 **the Internal Revenue Code, other applicable provisions of the Internal Revenue**
18 **Code, applicable Treasury regulations, and other guidance.**

19 **B.(1) This system shall be known as the "Teachers' Retirement System**
20 **of Louisiana", and by such name or its nominee name, which is hereby**
21 **established as "TRSL", all of its business shall be transacted, all of its funds**
22 **invested, and all of its cash and securities and other property held, except as**
23 **provided in Subsection C of this Section.**

24 **(2) Effective July 1, 2017, the system shall manage the Teachers'**
25 **Retirement Plan and the Louisiana School Employees' Retirement Plan for the**
26 **purpose of providing retirement allowances and other benefits under the**
27 **provisions of this Chapter for certain employees of the public educational**
28 **system.**

29 **C. The board of trustees may form a corporation or partnership for the**

1 purpose of trading in its nominee name. The state treasurer, the
 2 secretary-treasurer, and the assistant secretary-treasurer of the system shall be
 3 members of any such corporation or partnership. Other members of the
 4 corporation or partnership may be appointed by the board of trustees from
 5 among its membership. Each member of such corporation or partnership shall
 6 have the same fiduciary responsibility as do the trustees of the system.

7 PART I. TEACHERS' RETIREMENT PLAN

8 SUBPART A. GENERAL PROVISIONS

9 §701. Definitions

10 As used in this ~~Chapter~~ Part, the following words and phrases have the
 11 meanings ascribed to them in this Section unless a different meaning is plainly
 12 required by the context:

13 * * *

14 (7) "Board of Trustees" means the board provided for in ~~Part V~~ Subpart E
 15 of this ~~Chapter~~ Part to administer the retirement ~~system~~ plans provided for in this
 16 Chapter.

17 * * *

18 (22.2) "Plan" means the mechanisms, rules, regulations, and rights
 19 relative to retirement established in Part I of this Chapter.

20 * * *

21 (29) "Retirement System" or "system" means the Teachers' Retirement
 22 System of Louisiana ~~as defined in R.S. 11:702~~ established in this Chapter,
 23 comprised of the Teachers' Retirement Plan and the Louisiana School
 24 Employees' Retirement Plan.

25 * * *

26 §702. Name and establishment of retirement ~~system~~ plan

27 A. ~~A retirement system is established with all the powers and privileges~~
 28 ~~pertaining to corporations, under the management of the board of trustees for the~~
 29 ~~purpose of providing~~ As of August 1, 1936, the Teachers' Retirement System of

1 **Louisiana was established to provide** retirement allowances and other benefits
2 under the provisions of this Chapter for teachers of the state of Louisiana. ~~The~~
3 ~~retirement system so created shall be established as of August 1, 1936. The~~
4 ~~retirement system is established as a qualified defined benefit plan under Title 11 of~~
5 ~~the Louisiana Revised Statutes of 1950, known as the "Louisiana Public Retirement~~
6 ~~Law", as amended from time to time, pursuant to Sections 401(a) and 414(d) of the~~
7 ~~Internal Revenue Code, other applicable provisions of the Internal Revenue Code,~~
8 ~~applicable Treasury regulations, and other guidance.~~

9 B. ~~This system shall be known as the "Teachers' Retirement System of~~
10 ~~Louisiana", and by such name or its nominee name, which is hereby established as~~
11 ~~"TRSL", all of its business shall be transacted, all of its funds invested, and all of its~~
12 ~~cash and securities and other property held, except as provided in Subsection C of~~
13 ~~this Section. **Effective July 1, 2017, there shall be a Teachers' Retirement Plan,**~~
14 ~~**which shall be known as "TRP", managed by a board of trustees, as provided**~~
15 ~~**in R.S. 11:821, for the purpose of providing retirement allowances and other**~~
16 ~~**benefits under the provisions of this Chapter for the teachers of the public**~~
17 ~~**educational system.**~~

18 C. ~~The board of trustees may form a corporation or partnership for the~~
19 ~~purpose of trading in its nominee name. The state treasurer, the secretary-treasurer,~~
20 ~~and the assistant secretary-treasurer of the system shall be members of any such~~
21 ~~corporation or partnership. Other members of the corporation or partnership may be~~
22 ~~appointed by the board of trustees from among its membership. Each member of~~
23 ~~such corporation or partnership shall have the same fiduciary responsibility as do the~~
24 ~~trustees of the system. **TRP is established as a qualified defined benefit plan**~~
25 ~~**under Title 11 of the Louisiana Revised Statutes of 1950, known as the**~~
26 ~~**"Louisiana Public Retirement Law", as amended from time to time, pursuant**~~
27 ~~**to Sections 401(a) and 414(d) of the Internal Revenue Code, other applicable**~~
28 ~~**provisions of the Internal Revenue Code, applicable Treasury regulations, and**~~
29 ~~**other guidance.**~~

* * *

~~PART V~~ **SUBPART E.** ADMINISTRATION

§821. Board of trustees; administrative powers in general

A. The general administration and responsibility for the proper operation of the retirement system and for making effective the provisions of this Chapter are vested in a board of trustees which shall be organized immediately after a majority of the trustees provided for in this **Part Subpart** shall have qualified and taken the oath of office.

B. Effective July 1, 2017, the board of trustees shall administer the Teachers' Retirement Plan and the Louisiana School Employees' Retirement Plan.

§822. Members of board of trustees; appointment or election; terms of office; vacancies; compensation

A. The board shall consist of such trustees as follows:

* * *

(2) One ~~voting~~ member representing the members **of TRP who are** paid by school food service funds **and the members of LSERP** shall be elected by a majority of the **voting** members for a four-year term.

* * *

(7) One ~~voting~~ member representing the state colleges and universities at large shall be elected by a majority of the **voting** members of the Teachers' Retirement System of Louisiana employed by the colleges and universities of the state for a four-year term.

(8) One ~~voting~~ member from and to represent each of seven districts, to be elected by a majority of the **voting** members employed in the respective districts to a four-year term, except those members who are employed by the state colleges and universities and who elect a representative ~~under~~ **pursuant to** Paragraph (7) of this Subsection and those members **of TRP who are** paid by school food service funds **or members of LSERP** and who elect a representative ~~under~~ **pursuant to** Paragraph

1 (2) of this Subsection and who shall not be a parish or city superintendent of schools.

2 The seven districts shall be composed of parishes as follows:

3 * * *

4 (9) Two ~~voting~~ members to represent the ~~retired teachers~~ **retirees of the**
5 **system** shall be elected by a majority of those voting retired members of the
6 Teachers' Retirement System of Louisiana for a four-year term.

7 (10) One ~~voting~~ member, who shall be a parish or city superintendent of
8 schools, shall be elected by ~~all~~ **a majority of the voting** parish and city
9 superintendents of schools in Louisiana, for a four-year term.

10 * * *

11 §826. Rules and regulations

12 Subject to the limitations of this ~~Part~~ **Chapter** the board of trustees shall,
13 from time to time, establish rules and regulations for the administration of the funds
14 created **and maintained** by this Chapter and for the transaction of its business. The
15 board shall prepare and submit to the Joint Legislative Committee on the Budget an
16 annual budget for estimated costs of operating the system for each succeeding fiscal
17 year. This budget shall be subject to approval by the Joint Legislative Committee on
18 the Budget. The board of trustees shall adopt rules and regulations which are
19 appropriate or necessary to maintain the qualified status of the ~~plan~~ **system and its**
20 **plans.**

21 * * *

22 §831. Joint administration ~~with other systems~~

23 The board of trustees shall take such actions as it deems necessary or
24 appropriate to provide for the joint administration of the retirement system ~~and~~
25 **including the Teachers' Retirement Plan and** the Louisiana School Employees'
26 Retirement System ~~and the Louisiana State School Lunch Employees' Retirement~~
27 **System Plan**; however, no action shall be taken which would impair ~~the integrity of~~
28 ~~the board of trustees of each of the systems or the integrity of the funds and~~
29 investments of each of the systems **plans.** ~~The boards may, pursuant to the authority~~

1 ~~herein, appoint the same secretary-treasurer or secretary manager, any other~~
 2 ~~provision of law to the contrary notwithstanding.~~ Funds appropriated for the
 3 administration of each **system plan** shall be used for such purpose and in the
 4 category of expenditures appropriated but otherwise may be transferred to
 5 accomplish the purposes of this Section without the necessity of additional approval
 6 by the legislature, the ~~Legislative Budget Committee~~ **Joint Legislative Committee**
 7 **on the Budget**, or its successor, or the division of administration or its
 8 commissioner.

9 §832. Records and other information; board's duty to keep

10 A. The board of trustees shall keep in convenient form such data as shall be
 11 necessary for actuarial valuation of the various ~~funds~~ **plans** of the retirement system,
 12 and for checking the experience of the **system plans**.

13 B. The board of trustees shall keep a record of all of its proceedings which
 14 shall be open to public inspection. It shall publish annually a report showing the
 15 fiscal transactions of the retirement **system plans provided for in this Chapter** for
 16 the preceding ~~school~~ **fiscal** year, the amount of the accumulated cash and securities
 17 of the **system plans**, and the last balance sheet showing the financial condition of the
 18 **system plans** by means of an actuarial valuation of the assets and liabilities of ~~the~~
 19 ~~retirement system~~ **each plan**.

20 §833. Medical board; appointment; duties and powers

21 The board of trustees shall designate a medical board to be composed of three
 22 physicians not eligible to participate in ~~the retirement system~~ **any plan administered**
 23 **by the Teachers' Retirement System of Louisiana**. If required, other physicians
 24 may be employed to report on special cases. The medical board shall arrange for and
 25 pass upon all medical examinations required under the provisions of this Chapter,
 26 and shall investigate all essential statements and certificates by or on behalf of a
 27 member in connection with an application for disability retirement, and shall report
 28 in writing to the board of trustees its conclusion and recommendations upon all the
 29 matters referred to it.

1 §834. Actuary; appointment; duties and powers; assets; fiduciary responsibility of
 2 trustees; portfolio control manager; actuarial assumptions

3 A.(1) The board of trustees shall designate an actuary ~~who~~ **for each**
 4 **retirement plan provided for in this Chapter. Such actuary or actuaries** shall be
 5 ~~the technical adviser~~ **technical advisers** of the board of trustees on matters regarding
 6 the operation of ~~the funds~~ **their respective plans** created by the provisions of this
 7 Chapter, and shall perform such other duties as are required in connection therewith.

8 (2) In the year nineteen hundred thirty-eight, and at least once in each
 9 five-year period thereafter, ~~the~~ **each** actuary shall make an actuarial investigation
 10 into the mortality, service, and compensation experience of the members and
 11 beneficiaries of ~~the retirement system~~ **their respective plans**, and shall make a
 12 valuation of the assets and liabilities of the funds of ~~the system~~ **their respective**
 13 **plans**, and taking into account the result of such investigation and valuation, the
 14 board of trustees shall:

15 * * *

16 B. The assets of ~~this system~~ **each plan** shall be held **separately** in trust by
 17 the board of trustees, which board shall have exclusive authority and discretion to
 18 manage and control ~~such~~ **each pool of** assets. The assets of ~~the system~~ **each plan**
 19 shall be held for the exclusive purpose of providing benefits to members of ~~the~~
 20 ~~system~~ **the respective plan** and ~~their~~ **its** beneficiaries and defraying reasonable
 21 expenses of administering ~~the system~~ **each respective plan**.

22 C. The board of trustees may employ or appoint a portfolio control ~~manager~~
 23 **managers** as ~~an employee~~ **employees**, at its own cost and expense without the
 24 approval of the governor.

25 D.(1) Unless different actuarial assumptions are formally adopted and
 26 disclosed, as provided herein, the following assumptions shall determine the
 27 actuarial equivalents as used in ~~this~~ **each** retirement ~~system~~ **plan provided for in**
 28 **this Chapter**:

29 (a) Interest shall be compounded annually at the rate of seven percent per

1 annum.

2 (b) Annuity rates shall be determined on the basis of the 1971 Group
3 Annuity Mortality Tables.

4 (2) The board of trustees may authorize the use of interest and mortality rates
5 in determining the actuarial equivalents which are different from the actuarial
6 assumptions used for other purposes hereunder. Any change in such actuarial
7 assumptions shall be considered a part of ~~this~~ the retirement system and shall be
8 considered an amendment to the provisions of this Section. In order to be effective,
9 such change must be formally adopted by the board of trustees and disclosed to
10 members of the retirement system.

11 * * *

12 ~~CHAPTER 3:~~ PART II. LOUISIANA SCHOOL EMPLOYEES'

13 RETIREMENT SYSTEM PLAN

14 ~~PART I:~~ SUBPART A. GENERAL PROVISIONS

15 §1001. Name and establishment of retirement system and retirement plan;
16 continuing fiduciary responsibilities; ~~domicile;~~ nominee name;
17 ~~partnership~~

18 A. ~~A~~ As of July 31, 1946, a retirement system, known as the Louisiana
19 School Employees' Retirement System or "LSERS", is ~~was~~ established and
20 placed under the management of a board of trustees for the purpose of providing
21 retirement allowances and other benefits for school bus drivers, school janitors,
22 school custodians, school maintenance employees and other school employees
23 employed in the state public school system. ~~The retirement system is created as of~~
24 ~~July 31, 1946, but shall begin~~ The system began full operation as of July 1, 1947.

25 B. ~~It shall be a state agency domiciled in East Baton Rouge Parish and shall~~
26 ~~have the powers and privileges of a corporation and shall be known as the Louisiana~~
27 ~~School Employees' Retirement System and by such name, or its nominee name~~
28 ~~which is hereby established as "LSERS," all of its business shall be transacted, all~~
29 ~~of its funds invested, and all of its cash and securities and other property held, except~~

1 as provided in Subsection C hereof. The secretary-treasurer of the system shall be the
2 agent for service of legal process. Effective July 1, 2017, the Louisiana School
3 Employees' Retirement System shall be transferred to the Teachers' Retirement
4 System of Louisiana and redesignated as provided in Subsection C of this
5 Section. The members of the board of trustees of the Louisiana School
6 Employees' Retirement System holding office prior to July 1, 2017, shall remain
7 fiduciarly liable, as provided in Subpart I of Part II of Chapter 4 of Subtitle I
8 of Title 11 of the Louisiana Revised Statutes of 1950, for the decisions made and
9 contracts entered into during their tenure. The members of the board of
10 trustees of the Teachers' Retirement System of Louisiana who were never
11 members of the board of trustees of the Louisiana School Employees'
12 Retirement System shall not be considered fiduciaries with respect to decisions
13 made and contracts entered into by the Louisiana School Employees'
14 Retirement System prior to July 1, 2017.

15 C. ~~The board of trustees may form a partnership for the purpose of trading~~
16 ~~in its nominee name. The state treasurer, the secretary-treasurer of the system and the~~
17 ~~assistant secretary-treasurer of the system shall be members of any such partnership.~~
18 ~~Other members of the partnership may be appointed by the board of trustees from~~
19 ~~among its membership. Each member of such partnership shall have the same~~
20 ~~fiduciary responsibility as do the trustees of the system. Effective July 1, 2017, the~~
21 Louisiana School Employees' Retirement System shall be redesignated as the
22 Louisiana School Employees' Retirement Plan, which shall be known as
23 "LSERP", managed by a board of trustees as provided in R.S. 11:821. LSERP
24 is established for the purpose of providing retirement allowances and other
25 benefits for school bus drivers, school janitors, school custodians, school
26 maintenance employees, and other school employees employed in the state
27 public educational system.

28 D. LSERP is established as a qualified defined benefit plan under Title
29 11 of the Louisiana Revised Statutes of 1950, known as the "Louisiana Public

1 **Retirement Law", as amended from time to time, pursuant to Sections 401(a)**
 2 **and 414(d) of the Internal Revenue Code, other applicable provisions of the**
 3 **Internal Revenue Code, applicable Treasury regulations, and other guidance.**

4 §1002. Definitions

5 As used in this ~~Chapter~~ **Part**, the following words and phrases shall have the
 6 meanings ascribed to them in this Section unless a different meaning is plainly
 7 required by the context:

8 * * *

9 (8) "Board of Trustees" means the board provided to administer the
 10 retirement system **plans provided for in this Chapter, established in R.S. 11:821.**

11 * * *

12 **(21.1) "Plan" means the mechanisms, rules, regulations, and rights**
 13 **relative to retirement established in Part II of this Chapter.**

14 * * *

15 (26) "Retirement system" **or "system"** means the ~~Louisiana School~~
 16 ~~Employees Retirement System established and described in R.S. 11:1001~~ **Teachers'**
 17 **Retirement System of Louisiana established in this Chapter, comprised of the**
 18 **Teachers' Retirement Plan and the Louisiana School Employees' Retirement**
 19 **Plan.**

20 * * *

21 **PART V. SUBPART E. ADMINISTRATION**

22 §1161. Board of trustees; administrative powers in general

23 **A.** The general administration and responsibility for the proper operation of
 24 the retirement system **plan** and for making effective the provisions of this ~~Chapter~~
 25 **Part** are vested in a board of trustees ~~which shall be organized immediately after a~~
 26 ~~majority of the trustees provided for in R.S. 11:1162 shall have qualified and taken~~
 27 ~~the oath of office, as provided in R.S. 11:821.~~

28 **B. The authority and responsibilities of the board of trustees in Subpart**
 29 **E of Part I of this Chapter shall apply to its administration of LSERP.**

1 * * *

2 Section 2. R.S. 11:1162 through 1165 and 1166 through 1171 and R.S. 36:769(D)(4)
3 are hereby repealed.

4 Section 3.(A) Nothing contained in this Act shall be construed to interrupt an election
5 cycle commenced by the board of trustees pursuant to R.S. 11:822 prior to the effective date
6 of this Act.

7 (B) Upon the effective date of this Act, the trustee representing active members paid
8 by school food service funds, in accordance with R.S. 11:822(A)(2) as it existed prior to the
9 effective date of this Act, and any trustee elected pursuant thereto in an election cycle that
10 commenced prior to the effective date of this Act, shall also represent active members of the
11 Louisiana School Employees' Retirement Plan. Notwithstanding any provision of law to the
12 contrary, such representation shall continue until December 31, 2018, unless extended by
13 election in the special election provided for herein. A special election shall be held on or
14 before October 1, 2018, for the trustee to be elected from the constituencies provided in R.S.
15 11:822(A)(2) as amended by this Act. The member elected in the special election shall take
16 office on January 1, 2019, and shall serve the remainder of the term of office.

17 (C) Upon the effective date of this Act, the trustees representing retirees in
18 accordance with R.S. 11:822(A)(9) as it existed prior to the effective date of this Act, and
19 any trustee elected pursuant thereto, shall also represent retirees of the Louisiana School
20 Employees' Retirement Plan. Beginning with the first election held on or after January 1,
21 2018, to fill a retiree position in accordance with R.S. 11:822(A)(9) as amended by this Act,
22 the trustee shall be elected from the constituencies provided therein.

23 Section 4.(A) The term of office of every member serving on the Louisiana School
24 Employees' Retirement System board of trustees shall terminate upon the effective date of
25 this Act and the board shall be dissolved and its duties and functions assumed by the
26 Teachers' Retirement System of Louisiana as provided in this Act.

27 (B) The members of the Louisiana School Employees' Retirement System board of
28 trustees shall remain fiduciarily liable, as provided in Subpart I of Part II of Chapter 4 of
29 Subtitle I of Title 11 of the Louisiana Revised Statutes of 1950, for the decisions made and

1 contracts entered into during their tenure. The members of the Teachers' Retirement System
2 of Louisiana board of trustees who were never members of the Louisiana School Employees'
3 Retirement System board shall not be considered fiduciaries with respect to decisions made
4 and contracts entered into by the Louisiana School Employees' Retirement System.

5 Section 5.(A) Upon the effective date of this Act, all obligations, property, records,
6 and employees of the Louisiana School Employees' Retirement System shall transfer to the
7 Teachers' Retirement System of Louisiana, as amended by this Act. The Teachers'
8 Retirement System of Louisiana shall conduct a complete review of all contracts of the
9 Louisiana School Employees' Retirement System in effect on the effective date of this Act.
10 When determined to be prudent, in compliance with this Act, and not contrary to applicable
11 laws, the Teachers' Retirement System of Louisiana shall honor contracts of the Louisiana
12 School Employees' Retirement System in effect on the effective date of this Act.

13 (B) Except as authorized herein, the board of trustees for the Teachers' Retirement
14 System of Louisiana, as amended by this Act, shall complete the transfer of all
15 administrative functions from the Louisiana School Employees' Retirement System within
16 two years after the effective date of this Act. Should the Teachers' Retirement System of
17 Louisiana, during the course of implementation of this Act, determine that the transfer of all
18 administrative functions cannot be completed within the time frame established, it may seek
19 an extension from the house and senate committees on retirement.

20 Section 6. Upon the effective date of this Act, to achieve immediate efficiencies, the
21 position of executive director at the Louisiana School Employees' Retirement System shall
22 be eliminated. The board of trustees, as established in this Act, shall eliminate any further
23 positions it deems necessary to create a more efficient system.

24 Section 7. The board of trustees, as defined in this Act, shall deliver a written report
25 to the House Committee on Retirement and the Senate Committee on Retirement by
26 January 31, 2018, on the implementation of this Act, including an estimate of the savings
27 resulting from such implementation and any legislation recommended by the board resulting
28 from the implementation of this Act. The board of trustees shall also present an update to
29 both the house and senate committees on retirement at their first meetings of the 2018

1 Regular Session. A final report shall be written and delivered to both the house and senate
2 committees on retirement at their first meetings of the 2019 Regular Session.

3 Section 8. The Louisiana State Law Institute shall redesignate the Parts of Chapter
4 2 as Subparts of Part I and the Parts of Chapter 3 as Subparts of Part II of Subtitle II of Title
5 11 of the Louisiana Revised Statutes of 1950, and shall make appropriate technical changes
6 to Chapter 2 of Subtitle II of Title 11 of the Louisiana Revised Statutes of 1950, as amended
7 by this Act, as are necessary to accomplish such redesignation including but not limited to
8 redesignating existing Subparts as Sub-Subparts. Except as provided for in this Act, the
9 Louisiana State Law Institute shall also change every reference of "Teachers' Retirement
10 System of Louisiana" to "Teachers' Retirement Plan" and every reference of "Louisiana
11 School Employees' Retirement System" to "Louisiana School Employees' Retirement Plan"
12 in Title 11 of the Louisiana Revised Statutes of 1950.

13 Section 9. This Act shall become effective on July 1, 2017; if vetoed by the
14 governor and subsequently approved by the legislature, this Act shall become effective on
15 July 1, 2017, 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

SB 11 Engrossed

2017 Regular Session

Peacock

Present law provides for the separate administration and maintenance of the Teachers' Retirement System of Louisiana (TRSL) and the Louisiana School Employees' Retirement System (LSERS).

Proposed law provides for the redesignation of the Teachers' Retirement System of Louisiana to the Teachers' Retirement Plan and the Louisiana School Employees' Retirement System as the Louisiana School Employees' Retirement Plan as qualified defined benefit plans under present law.

Proposed law provides for the establishment of TRSL as a qualified defined benefit plan for the purpose of providing the administration and maintenance of both the Teachers' Retirement Plan (TRP) and the Louisiana School Employees' Retirement Plan (LSERP).

Present law provides for definitions relative to TRSL. Proposed law provides for definitions relative to TRP.

Present law provides for a board of trustees responsible for the general administration of the system. Proposed law provides that the board shall be responsible for the general administration of the system comprised of TRP and LSERP and shall consist of 17 members:

- (1) State superintendent of education, ex officio

- (2) State treasurer, ex officio
- (3) Commissioner of administration, ex officio
- (4) House retirement committee member, appointed by the speaker
- (5) Senate retirement chairman, ex officio
- (6) One member representing superintendents
- (7) One member representing colleges and universities, at large
- (8) Seven members from seven districts representing pre-K-12 teachers
- (9) One member representing school employees paid from school food service funds and members of LSERP, at large
- (10) Two members representing retirees of the system, at large

Proposed law provides for technical changes to allow the board of trustees to administer both TRP and LSERP.

Proposed law provides that the assets of TRP and LSERP shall be held separately in trust by the board of trustees and each trust shall be used for the exclusive purpose of providing benefits to its respective plan members.

Proposed law provides for a special election to be held by Oct. 1, 2018, to elect a trustee to represent school employees other than teachers, including the members of LSERP.

Proposed law provides for the termination of the LSERS board of trustees and the assumption of all duties and responsibilities by the TRSL board of trustees, as amended by proposed law.

Proposed law provides for the complete review of all LSERS contracts in effect on the effective date of proposed law.

Proposed law provides for the transfer of all administrative functions from LSERS to TRSL within a two-year period after the effective date of proposed law.

Proposed law requires the board of trustees to provide a written report to the house and senate committees on retirement by Jan. 31, 2018, on the implementation of proposed law. Requires the board to present an update to their report at the first meetings of the house and senate committees on retirement during the 2018 Regular Session. Provides for a final written report to be delivered to the committees at their first meetings of the 2019 Regular Session.

Proposed law requires the Louisiana State Law Institute to make technical changes, as necessary, to redesignate as provided in proposed law.

Effective July 1, 2017.

(Amends R.S. 11:701(intro para), (7), and (29), 702, 821, 822(A)(2), (7), (8)(intro para), (9), and (10), 826, 831, 832, 833, 834(A)(1) and (2)(intro para), (B), (C), and (D), 1001, 1002(intro para), (8), and (26), and 1161; adds R.S. 11:691, 701(22.2), and 1002(21.1); repeals R.S. 11:1162-1165 and 1166-1171 and R.S. 36:769(D)(4))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Retirement to the original bill

1. Makes technical change.
2. Changes the date on which the written report is to be delivered to the house and senate committees on retirement from Dec. 31, 2017, to Jan. 31, 2018.