

**ACTUARIAL NOTE
REGULAR SESSION 2009**

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| <p>House Bill 651 HLS 09RS-230 Original / No Amendments</p> <p>Author: Representative Armes May 11, 2009</p> <p>LA # 22.01 Louisiana School Employees' Retirement System</p> <p>OR 5yr Ttl: \$ 0</p> | <p style="text-align: center;">Preparation of this Note was directed by the Actuarial Services Division of this office</p> <div style="text-align: center;">  Steve J. Theriot, CPA Legislative Auditor </div> |
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Bill Header: Relative to the Louisiana School Employees' Retirement System (LSERS); to provide relative to the reemployment of retired school bus drivers and the actuarial cost associated with such reemployment.

Estimated Fiscal Impact:

| EXPENDITURES: | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 5 Year Total |
|---------------------|----------|----------|----------|----------|----------|--------------|
| State General fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Agy Self Generated | 0 | 0 | 0 | 0 | 0 | 0 |
| Stat Deds/Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Local Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Annual Total | 0 | 0 | 0 | 0 | 0 | 0 |

| REVENUES | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 5 Year Total |
|---------------------|----------|----------|----------|----------|----------|--------------|
| State General fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Agy Self Generated | 0 | 0 | 0 | 0 | 0 | 0 |
| Stat Deds/Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Local Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Annual Total | 0 | 0 | 0 | 0 | 0 | 0 |

The estimated fiscal impact shown in the table above is from the perspective of LSERS.

Purpose:

To amend and reenact R.S. 11:1007(F), relative to LSERS; to provide relative to the reemployment of retired school bus drivers; to provide for actuarial costs associated with reemploying such school bus drivers; to provide an effective date; and to provide for related matters.

Bill Provisions:

Relative to the Louisiana School Employees' Retirement System (LSERS); to provide relative to the reemployment of retired school bus drivers and the actuarial cost associated with such reemployment.

Existing Provisions:

Current law provides that any employer who elects to reemploy a bus driver pursuant to the "100% Rule" shall pay to the System *all the actuarial costs to the system of reemployment of such bus driver.*

Proposed Provisions:

The proposed law provides that any employer who elects to reemploy a bus driver pursuant to the "100% Rule" shall pay to the System *its pro rata share of any actuarial cost in the aggregate as determined by the System's actuary.*

Actuarial Impact:

The actuarial impact on the LSERS is negligible.

Actuarial Analysis:

From its perspective, LSERS will be made whole for any losses sustained by the reemployment of retired bus drivers. Under current law, such costs are paid by the school district that generates the actuarial cost. Under proposed law, the cost will be paid on a pro rata basis by all school districts reemploying retired bus drivers. Employer contributions to LSERS are increased regardless of whether or not House Bill 651 is enacted or not. The only difference is how additional contributions are allocated among the school districts.

Fiscal Impact:

None from LSERS perspective.

Dual Referral Rules:

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Estimated Fiscal Impact >= \$500,000? **NO**