The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Lauren B. Bailey.

DIGEST

Present law (R.S. 11:1939) provides that any person whose membership in the Parochial Employees' Retirement System (PERS) was a mandatory condition of employment but was not enrolled due to administrative error may, upon application receive credit for the time such person was otherwise eligible for membership. Present law requires proof of inclusive dates of employment and the salary earned by the member during these dates. Provides that to receive this credit the person and the employer shall pay the greater of: an amount equal to the employee and employer contributions which would have been paid had the person been enrolled at the time of employment, plus interest thereon, or an amount which, on an actuarial basis, totally offsets the increase in accrued liability of the system resulting from the receipt of the credit by the person.

Proposed law retains present law.

Proposed law provides that a member who was properly enrolled, but who was not contributing on his full rate of compensation due to an administrative error may apply to receive credit for the amount of earnings which would otherwise be used to determine the member's final compensation for benefit calculation.

Proposed law provides that if member fails to purchase the additional credit relative to his full rate of compensation he will be given pro rata service credit based on the percentage of salary reported to the system relative to his full rate of compensation.

Proposed law retains present law provisions regarding proof of dates of employment and salary earned, and providing for actuarial calculation of payment amount.

Present law provides that all assets of PERS shall be credited to one of thirteen funds, including an annuity savings fund, an annuity reserve fund, a pension accumulation fund and a Deferred Retirement Option Plan fund for each of the system's three retirement plans, and the system's expense fund.

Proposed law reduces the total number of funds in the PERS to twelve by terminating the use of the expense fund.

Proposed law provides for all expenses of the system to be paid from the pension accumulation fund from Plan A with an annual transfer of funds from Plans B & C to reimburse Plan A for the pro rata expenses attributable to each fund.

Present law provides that each employer participating in PERS shall pay employer and employee contributions into the appropriate fund by the due dates determined by the Board. Provides that employer contributions shall be considered delinquent when not received by the system within 15 days after the close of each fiscal quarter.

Proposed law retains present law.

Present law allows delinquent payments plus interest to be recovered by action in a court of competent jurisdiction. Present law mandates delinquent contributions to be deducted from any other monies payable to such employer by any department or agency of the state, upon due certification of delinquency and at the request of the board.

Proposed law retains present law. Proposed law specifies that delinquent payments plus interest become due and payable upon determination of delinquency by the board.

Proposed law provides that if the dollar amount of employer contributions plus interest calculated pursuant to present law is insufficient to fully fund the actuarial liability caused by the delinquency PERS shall demand additional payments which, on an actuarial basis, totally offset the accrued liability of the system.

Present law (R.S. 11:1903) provides that, on and after July 1, 1997, all plans submitted for approval shall be enrolled in Plan A or Plan C.

Proposed law repeals present law.

Effective July 1, 2010.

(Amends R.S. 11:1939, 2011, and 11:2014 (C); repeals 11:1903(H) and 11:2012(D))