HLS 21RS-143 REENGROSSED

2021 Regular Session

HOUSE BILL NO. 22

1

BY REPRESENTATIVE LACOMBE

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

RETIREMENT/TEACHERS: Provides relative to Louisiana School Boards Association employees' membership in retirement systems

AN ACT

2	To amend and reenact R.S. 11:701(33)(a)(xiv) and 1902(12)(b) and (13) and to enact R.S.
3	11:701(33)(a)(xv), 1902(12)(h) and (i), and 1903.1, relative to the Parochial
4	Employees' Retirement System of Louisiana and the Teachers' Retirement System
5	of Louisiana; to provide for membership of Louisiana School Boards Association
6	employees within the Teachers' Retirement System of Louisiana, rather than the
7	Parochial Employees' Retirement System of Louisiana; to provide for exceptions; to
8	provide for payment of accrued liabilities; to provide for an effective date; and to
9	provide for related matters.
10	Notice of intention to introduce this Act has been published
11	as provided by Article X, Section 29(C) of the Constitution
12	of Louisiana.
13	Be it enacted by the Legislature of Louisiana:
14	Section 1. R.S. 11:701(33)(a)(xiv) and 1902(12)(b) and (13) are hereby amended and
15	reenacted and R.S. 11:701(33)(a)(xv), 1902(12)(h) and (i), and 1903.1 are hereby enacted
16	to read as follows:
17	§701. Definitions
18	As used in this Chapter, the following words and phrases have the meanings
19	ascribed to them in this Section unless a different meaning is plainly required by the
20	context:
21	* * *

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	(33)(a) "Teacher", except as provided in Subparagraph (b) of this Paragraph,
2	shall mean any of the following:
3	* * *
4	(xiv) The director of the Louisiana School Boards Association and any
5	employee of the association who was either hired by the association after June 30,
6	2021, or who, as of June 30, 2021, has at least five years of creditable service in the
7	system.
8	(xv) In all cases of doubt, the board of trustees shall determine whether any
9	person is a teacher within the scope of the definition set forth in this Paragraph.
10	* * *
1	§1902. Definitions
12	As used in this Chapter, the following words and phrases shall have the
13	following meanings, unless a different meaning is plainly required by context:
14	* * *
15	(12)
16	* * *
17	(b) "Employee" shall also mean a person employed by either the Police Jury
18	Association of Louisiana, the Louisiana School Boards Association, or this
19	retirement system and elected officials of the governing authority of any parish
20	covered by this Chapter, and shall include members of school boards at their options.
21	In any case of doubt, the board of trustees shall be the sole judge of who is an
22	employee.
23	* * *
24	(h) "Employee" also means an employee of the Louisiana School Boards
25	Association who meets all of the following:
26	(i) He was hired by the association before July 1, 2021.
27	(ii) He, as of June 30, 2021, has less than five years of creditable service in
28	the Teachers' Retirement System of Louisiana.
29	(iii) He is not the director of the Louisiana School Boards Association.

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1 (i) In any case of doubt, the board of trustees shall be the sole judge of who 2 is an employee. 3 (13) "Employer" means any parish in the state of Louisiana, except Orleans 4 and East Baton Rouge Parishes, or the police jury or any other governing body of a 5 parish which employs and pays persons serving the parish. "Employer" means also 6 the Police Jury Association of Louisiana, the Louisiana School Boards Association, 7 this retirement system, and any entity with an approved plan pursuant to R.S. 8 11:1903. "Employer" also means the Louisiana School Boards Association if an 9 employee of the association is an employee as defined in Subparagraph (12)(b) of 10 this Section. "Employer" shall not mean a parish or city school board. 11 12 §1903.1. Louisiana School Boards Association 13 A. If an employee of the Louisiana School Boards Association separates 14 from service and at the time of such separation is enrolled in this system because of 15 the employee's employment with the Louisiana School Boards Association, the 16 Louisiana School Boards Association shall remit to this system that portion of the 17 unfunded actuarial accrued liability, if any, existing on the December thirty-first 18 immediately prior to the date of separation of employment which is attributable to 19 that position. B. The unfunded accrued liability shall be determined by the actuary 20 21 employed by the system using the entry age normal funding method and the system's 22 actuarial value of assets. The portion of the unfunded actuarial accrued liability 23 attributable to any such position shall be determined based upon the annual salary 24 of the person who left the position divided by the total annual salary for all 25 participating members of Plan B. 26 Section 2. This Act shall become effective upon signature by the governor or, if not 27 signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

- 1 vetoed by the governor and subsequently approved by the legislature, this Act shall become
- 2 effective on the day following such approval.

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)]

HB 22 Reengrossed

2021 Regular Session

LaCombe

Abstract: Provides for the transfer of certain employees of the La. School Boards Assoc. from the Parochial Employees' Retirement System of La. (PERS) to the Teachers' Retirement System of La. (TRSL).

<u>Present law</u> provides that employees of the La. School Boards Assoc. are members of PERS.

<u>Proposed law</u> provides that the following employees of the association are members of TRSL instead:

- (1) New employees (hired after June 30, 2021).
- (2) Any employee with at least five years of service credit in TRSL.
- (3) The director of the association.

<u>Proposed law</u> provides that employees who do not fit one of these criteria remain members of PERS.

<u>Proposed law</u> provides that if an employee of the association who is a member of PERS separates from service, the association shall remit to PERS a portion of unfunded accrued liability (UAL) attributable to the vacated position.

<u>Proposed law</u> provides the amount of the UAL is determined by the actuary of the system.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 11:701(33)(a)(xiv) and 1902(12)(b) and (13); Adds R.S. 11:701(33)(a)(xv), 1902(12)(h) and (i), and 1903.1)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by <u>House Committee on Retirement</u> to the original bill:

1. Add provisions for paying UAL to PERS should an employee separate from service with the La. School Boards Assoc.