SLS 24RS-63 **REENGROSSED**

2024 Regular Session

1

SENATE BILL NO. 478

BY SENATORS BOUDREAUX AND COUSSAN

LOCAL RETIREMENT. Provides for Lafayette Consolidated Government Employees. (8/1/24)

AN ACT

2	To amend and reenact the introductory paragraph of R.S. 11:1733(A) and 1733(C)(1), (D)
3	(E), and (F)(3) and to enact R.S. 11:1753(C)(3), relative to coverage of employees
4	of incorporated cities, towns, villages, and tax boards or commissions; to provide for
5	funding including contributions and other employer payments; to provide for
6	Lafayette Consolidated Government Employees; to provide for an effective date; and
7	to provide for related matters.
8	Notice of intention to introduce this Act has been published.
9	Be it enacted by the Legislature of Louisiana:
10	Section 1. The introductory paragraph of R.S. 11:1733(A) and 1733(C)(1), (D), (E)
11	and (F)(3) are hereby amended and reenacted and R.S. 11:1753(C)(3) is hereby enacted to
12	read as follows:
13	§1733. Agreement for coverage of employees of incorporated cities, towns, villages
14	and tax boards or commissions
15	A. Each incorporated city, town, or village or tax board or commission of a
16	municipality or parish is hereby authorized to submit for board approval ar
17	agreement for extending the benefits of this Chapter to its employees. Each such

29

1 agreement or amendment thereof shall be approved by the board if it **finds that the** 2 agreement or amendment is in conformity with the rules of the board, the 3 requirements of this Chapter, and applicable state laws. Each agreement shall: 4 C.(1) Each employer as to for which a plan has been approved under this 5 Section shall pay into the contribution fund, with respect to earnings, at such time 6 or times as the board may by regulation prescribe, contributions in the amounts and 7 8 at the rates prescribed by the board as set forth in Parts III and IV of this Chapter at 9 such time or times as the board may by regulation prescribe. 10 11 D. Every employer required to make payments pursuant to Subsection C of 12 this Section, is authorized, in consideration of the employees' membership service, 13 to impose upon its employees, as to services which are covered by an agreement, a contribution with respect to earnings as set forth in Parts III and IV of this Chapter 14 and to deduct the amount of such the contribution from the earnings as and when 15 16 paid. Contributions so collected shall be paid into the appropriate fund in partial discharge of the liability of such the employer. Failure to deduct such the 17 18 contribution shall not relieve the employee or employer of liability thereof. 19 E. Delinquent payments due pursuant to Subsection C or F of this Section, may, with interest at the system's actuarial valuation rate compounded annually, be 20 recovered by action in a court of competent jurisdiction against the employer liable 21 therefor or shall, upon due certification of delinquency and at the request of the 22 board, be deducted from any other monies payable to such the employer by any 23 24 department or agency of the state. F. 25 (3) The amount due shall be determined by the actuary employed by the 26 27 system using the entry age normal funding method and shall either be paid either in a lump sum or amortized over ten years in equal monthly payments with interest at 28

the system's actuarial valuation rate in the same manner as regular payroll payments

1 to the system, at the option of the employer. 2 (a) Notwithstanding any other provisions in this Chapter, Lafayette City-3 Parish Consolidated Government may elect either or both as follows: (i) To have any remaining balance related to a certification performed 4 in accordance with R.S. 11:1733(F)(3) prior to June 30, 2024, be re-amortized 5 over the period beginning July 1, 2024, and ending twenty years from the date 6 7 from which payments were originally set to commence. 8 (ii) To have any certification performed in accordance with R.S. 9 11:1733(F)(3) on or after July 1, 2024, be amortized over twenty years in equal 10 monthly payments with interest at the system's actuarial valuation interest rate 11 in place at the time the certification is performed, in the same manner as 12 regular payroll payments to the system. 13

> The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Alana M. Perrin.

DIGEST

SB 478 Reengrossed

2024 Regular Session

Boudreaux

Present law provides that certain employees of the Lafayette Consolidated Government, employees of a department created by the Lafayette home rule charter, who were first employed on or after Nov. 1, 2010, become a member of MERS. Applicable to the same departments of Lafayette government, those hired on or after Nov. 1, 2020, become members of PERS instead of MERS. Proposed law retains present law but provides for technical updates.

Present law provides for a maximum amortization payment period of 10 years.

Proposed law retains present law but provides the exception for Lafayette Consolidated Government to elect to reamortize over a period not to exceed 20 years and further provides that the reamortization period is to be administered as follows:

- Ending 20 years from the date from which payments were originally set to (1) commence, to have any remaining balance determined by the system's actuary prior to June 30, 2024, be reamortized over the period beginning July 1, 2024.
- (2) To have any certification performed by the system's actuary on or after July 1, 2024, be amortized over 20 years in equal monthly payments with interest at the system's actuarial valuation interest rate in place at the time the certification is performed, in the same manner as regular payroll payments to the system.

(Amends R.S. 11:1733(A)(intro para), (C)(1), (D), (E), and (F)(3))

Summary of Amendments Adopted by Senate

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

- 1. Provides exceptions for Lafayette Consolidated Government payments to be amortized over 20 years.
- 2. Clarifies that any amount certified as due on or after July 1, 2024, be amortized over 20 years, in equal monthly payments with interest at the system's actuarial valuation interest rate.
- 3. Clarifies that any remaining balance certified prior to June 30, 2024, be amortized over a period beginning July 1, 2024, ending 20 years from the date payments were originally set to commence.

Senate Floor Amendments to engrossed bill

1. Moves <u>proposed law</u> from section of <u>present law</u> regarding membership of Lafayette Consolidated Government employees to section of <u>present law</u> regarding employer payments.