DIGEST

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Pearson HB No. 495

Abstract: Relative to the Teachers' Retirement System of La. (TRSL), provides for the direct appropriation of funds for the payment of Unfunded Accrued Liability (UAL).

Present law provides for calculation of each fiscal year's actuarially required employer contribution for each state retirement system, including TRSL. Provides for this contribution amount to be divided by projected payroll to produce the actuarially required employer contribution rate.

Present constitution requires the legislature to set and determine all contributions to be made to TRSL. Present law mandates that the legislature set the employer contribution rate equal to the rate calculated pursuant to present law.

Proposed law retains present law.

Proposed law provides that, beginning in FY 2012-2013, the treasurer shall pay certain amortization payments directly to TRSL. Provides for the agencies' employer contribution rate for TRSL to be reduced to reflect the direct payments. Provides for the treasurer to deduct each employer's proportionate share of the amortization payment from the monies appropriated to or for the use of the employer. Provides for employers who object to such direct payments to pay the rate without the reduction for direct payments.

Effective June 30, 2011.

(Amends R.S. 11:102(B)(1); Adds R.S. 11:102(D))