Regular Session, 2014

HOUSE BILL NO. 6

BY REPRESENTATIVE PEARSON

RETIREMENT/TEACHERS: Establishes a minimum employer contribution rate for the Optional Retirement Plan in the Teachers' Retirement System of Louisiana

1	AN ACT
2	To amend and reenact R.S. 11:927(B), relative to the optional retirement plan for
3	postsecondary education employees participating in the Teachers' Retirement System
4	of Louisiana; to provide for minimum employer contributions; to provide for
5	application of payments; to provide for an effective date; and to provide for related
6	matters.
7	Notice of intention to introduce this Act has been published
8	as provided by Article X, Section 29(C) of the Constitution
9	of Louisiana.
10	Be it enacted by the Legislature of Louisiana:
11	Section 1. R.S. 11:927(B) is hereby amended and reenacted to read as follows:
12	§927. Contributions
13	* * *
14	B. (1) Each employer institution and board shall contribute to the Teachers'
15	Retirement System of Louisiana on behalf of each participant in the optional
16	retirement plan the greater of:
17	(a) same The amount it would have contributed if the participant had been
18	were a member of the regular retirement plan of the Teachers' Retirement System of
19	Louisiana pursuant to R.S. 11:102(D)(1)(c).

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

1	(b) The sum of the amounts calculated pursuant to $R.S. 11:102(D)(4)(b), (c),$
2	and (d) plus six and one quarter percent of pay.
3	(2)(a) Upon receipt of this contribution, the Teachers' Retirement System of
4	Louisiana shall promptly pay over to the appropriate designated company or
5	companies an amount equal to:
6	(i) The the employer's portion of the normal cost contribution as determined
7	annually by the Public Retirement Systems' Actuarial Committee, if payment is
8	remitted pursuant to Subparagraph (1)(a) of this Subsection.
9	(ii) Six and one quarter percent of pay if payment is remitted pursuant to
10	Subparagraph (1)(b) of this Subsection.
11	(b) All amounts paid over to the appropriate designated company or
12	companies pursuant to this Paragraph shall this amount to be credited to the
13	participant's contract or contracts. The Teachers' Retirement System of Louisiana
14	shall retain the balance of this the contribution for application to the unfunded
15	accrued liability of the system.
16	* * *
17	Section 2. This Act shall become effective on June 30, 2014; if vetoed by the
18	governor and subsequently approved by the legislature, this Act shall become effective on
19	June 30, 2014, or on the day following such approval by the legislature, whichever is later.

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)]

Pearson

HB No. 6

Abstract: For participants in the Teachers' Retirement System of La. (TRSL), establishes a minimum employer contribution credit to Optional Retirement Plan (ORP) accounts at the greater of the regular plan normal cost rate or 6.25% of pay.

<u>Present law</u> establishes the ORP for higher education members of TRSL. Provides that the total employer contribution rate for participants in the plan is equal to the employer's rate for regular plan members.

<u>Proposed law</u> establishes the total employer contribution rate for ORP members at the greater of:

- (1) <u>Present law;</u> or
- (2) The payment for the unfunded accrued liability calculated pursuant to present law plus 6.25% of the participant's pay.

<u>Present law</u> provides that upon receipt of this contribution, TRSL shall forward an amount equal to the regular plan normal cost as determined by the Public Retirement Systems' Actuarial Committee to the participant's ORP provider company for credit to the participant's account.

<u>Proposed law</u> retains <u>present law</u> for contributions remitted that are equal to the amount the employer would have contributed if the participant were a member of the regular retirement plan. Provides that for contributions remitted based on payments for the unfunded accrued liability of the system plus 6.25%, the system shall forward the 6.25% to the ORP provider company for credit to the participant's account.

<u>Present law</u> provides for amounts remitted by employers to the system in excess of the amount credited to the employee's account to be applied to the unfunded accrued liability of the system. <u>Proposed law</u> retains <u>present law</u>.

Effective June 30, 2014.

(Amends R.S. 11:927(B))