Regular Session, 2014

ACT No. 607

HOUSE BILL NO. 6

BY REPRESENTATIVE PEARSON

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) Prior to July 1, 2014, each Each employer institution and board shall
15	contribute to the Teachers' Retirement System of Louisiana on behalf of each
16	participant in the optional retirement plan the same amount it would have contributed
17	if the participant had been a member of the regular retirement plan of the Teachers'
18	Retirement System of Louisiana. Upon receipt of this contribution, the Teachers'
19	Retirement System of Louisiana shall promptly pay over to the appropriate
20	designated company or companies an amount equal to the employer's portion of the
21	normal cost contribution as determined annually by the Public Retirement Systems'
22	Actuarial Committee, this amount to be credited to the participant's contract or
23	contracts. The Teachers' Retirement System of Louisiana shall retain the balance of
24	this contribution for application to the unfunded accrued liability of the system.

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1	(2)(a) Beginning July 1, 2014, and continuing through fiscal year 2017-2018,
2	each higher education board created by Article VIII of the Constitution of Louisiana
3	and each employer institution and agency under its supervision and control shall
4	contribute to the Teachers' Retirement System of Louisiana on behalf of each
5	participant in the optional retirement plan the sum of:
6	(i) The amounts calculated pursuant to R.S. 11:102(D)(4)(b), (c), and (d).
7	(ii) An amount equal to or greater than the equivalent of the employer's
8	portion of the normal cost contribution of the regular retirement plan.
9	(b) Beginning July 1, 2018, each higher education board created by Article
10	VIII of the Constitution of Louisiana and each employer institution and agency under
11	its supervision and control shall contribute to the Teachers' Retirement System of
12	Louisiana on behalf of each participant in the optional retirement plan the sum of:
13	(i) The amounts calculated pursuant to R.S. 11:102(D)(4)(b), (c), and (d).
14	(ii) An amount not less than six and two-tenths percent of pay.
15	(c) Each board shall establish the amount provided pursuant to Items
16	(2)(a)(ii) or (b)(ii) of this Paragraph by resolution. The amount established shall be
17	the same for all employer institutions and agencies under each board's supervision
18	and control and shall be effective for an entire fiscal year.
19	(d) For fiscal year 2014-2015, each board shall submit to the retirement
20	system such resolution no later than July 15, 2014, in order for an amount established
21	pursuant to this Subsection to become effective. For each fiscal year thereafter, the
22	system shall receive such resolution no later than June first in order for a new rate
23	to become effective for the next fiscal year. If the system does not receive a
24	resolution containing a contribution amount by the required deadline, the system
25	shall apply the most recent contribution amount paid by such board or employer
26	institution.
27	(e) Upon receipt of this contribution, the Teachers' Retirement System of
28	Louisiana shall promptly pay over to the appropriate designated company or
29	companies an amount equal to the amount established by the applicable board
30	pursuant to Items (2)(a)(ii) or (b)(ii) of this Paragraph.

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1	(f) All amounts paid over to the appropriate designated company or
2	companies pursuant to this Paragraph shall be credited to the participant's contract
3	or contracts. The Teachers' Retirement System of Louisiana shall retain the balance
4	of this contribution for application to the unfunded accrued liability of the system.
5	(3)(a) Beginning July 1, 2014, for all employers that are not a higher
6	education board created by Article VIII of the Constitution of Louisiana or an
7	employer institution under the supervision and control of such a board, each such
8	employer institution and board shall contribute to the Teachers' Retirement System
9	of Louisiana on behalf of each participant in the optional retirement plan the greater
10	of:
11	(i) The amount it would have contributed if the participant were a member
12	of the regular retirement plan of the Teachers' Retirement System of Louisiana
13	pursuant to R.S. 11:102(D)(1).
14	(ii) The sum of the amounts calculated pursuant to R.S. 11:102(D)(4)(b), (c),
15	and (d) plus six and two-tenths percent of pay.
16	(b) Upon receipt of this contribution, the Teachers' Retirement System of
17	Louisiana shall promptly pay over to the appropriate designated company or
18	companies an amount equal to:
19	(i) The employer's portion of the normal cost contribution as determined
20	annually by the Public Retirement Systems' Actuarial Committee if payment is
21	remitted pursuant to Item (3)(a)(i) of this Paragraph.
22	(ii) Six and two-tenths percent of pay if payment is remitted pursuant to Item
23	(3)(a)(ii) of this Paragraph.
24	(c) All amounts paid over to the appropriate designated company or
25	companies pursuant to this Paragraph shall be credited to the participant's contract
26	or contracts. The Teachers' Retirement System of Louisiana shall retain the balance
27	of the contribution for application to the unfunded accrued liability of the system.
28	* * *
29	Section 2. The provisions of Section 1 of this Act shall not receive any additional
30	funding above and beyond the funding levels provided for in the governor's proposed

Executive Budget for Fiscal Year 2014-2015 and existing revenue sources shall be utilized to fund the provisions of this Act.

Section 3. This Act shall become effective on June 30, 2014; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on June 30, 2014, or on the day following such approval by the legislature, whichever is later.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED:

ENROLLED

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