

SENATE BILL NO. 119

BY SENATOR B. GAUTREAUX

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AN ACT

To amend and reenact R.S. 11:1939, 2011, and 2014(C), and to repeal R.S. 11:1903(H) and 2012(D), relative to the Parochial Employees' Retirement System; to provide relative to plans within the system; to provide for funding of such plans; to provide for proper contributions for funding purposes; to provide relative to the funds to which system assets are credited; to provide for interest and penalties; to provide for an effective date; and to provide for related matters.

Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:1939, 2011, and 2014(C) are hereby amended and reenacted to read as follows:

§1939. Persons not properly enrolled or properly contributing as members

A. Any person whose membership in the system was a mandatory condition of employment but was not enrolled as a member due to administrative error, may upon application receive credit for the time such person was otherwise eligible for membership. The person's employer ~~must~~ shall certify the inclusive dates of employment and the salary earned by the member during these dates, or the person shall submit such other evidence in lieu thereof as shall be requested by the board.

The person, his employer, and any other person submitting evidence on his behalf, shall certify all evidence by an affidavit in authentic form. Should any facts or evidence not be true which would disqualify him from benefits, the person shall lose all rights to any benefits from this system. In order to receive this credit the person and the employer shall pay the greater of: an amount equal to the employee and employer contributions which would have been paid had the person been enrolled at the time of employment, plus interest as determined by the board, which shall be

1 not less than ~~seven percent~~ **the system's actuarial valuation rate** compounded  
 2 annually, or an amount which, on an actuarial basis, totally offsets the increase in  
 3 accrued liability of the system resulting from the receipt of the credit by the person.  
 4 The amount payable shall be calculated by use of the actuarial funding method,  
 5 assumptions, and tables in use by the system at the time of the person's application  
 6 for credit.

7 **B. Any member who was properly enrolled, but who was not**  
 8 **contributing on his full rate of compensation due to administrative error, may**  
 9 **upon application receive credit for the amount of earnings which would**  
 10 **otherwise be used to determine the member's final compensation. The**  
 11 **member's employer shall certify the inclusive dates of employment and the**  
 12 **salary earned by the member during these dates. The member, his employer,**  
 13 **and any other person submitting evidence on the member's behalf, shall certify**  
 14 **all evidence by an affidavit in authentic form. In order to receive this credit the**  
 15 **member and the employer shall pay the greater of: an amount equal to the**  
 16 **employee and employer contributions which would have been paid using the**  
 17 **member's correct rate of compensation at the time such compensation was**  
 18 **received by the member, plus interest at the current system actuarial valuation**  
 19 **rate, or an amount which, on an actuarial basis, totally offsets the increase in**  
 20 **accrued liability of the system resulting from the receipt of the credit by the**  
 21 **person. The amount payable shall be calculated by use of the actuarial funding**  
 22 **method, assumptions, and tables in use by the system at the time of the**  
 23 **member's application for credit. A member who does not purchase the**  
 24 **additional credit relative to his full rate of compensation shall be given full**  
 25 **eligibility service credit, however, he shall be given pro rata service credit based**  
 26 **on the percentage of salary reported to the retirement system relative to his full**  
 27 **rate of compensation for benefit computation purposes.**

28 \* \* \*

29 §2011. General

30 All of the assets of the retirement system shall be credited according to the

1 purpose for which they are held to one of ~~thirteen~~ **twelve** funds, namely the annuity  
 2 savings fund A, the annuity savings fund B, the annuity savings fund C, the annuity  
 3 reserve fund A, the annuity reserve fund B, the annuity reserve fund C, the pension  
 4 accumulation fund A, the pension accumulation fund B, the pension accumulation  
 5 fund C, ~~the~~ **Deferred Retirement Option Plan Fund A, the** Deferred Retirement  
 6 Option Plan Fund B, ~~and the~~ **Deferred Retirement Option Plan Fund C,** ~~and the~~  
 7 ~~expense fund.~~ **Expenses for the entire system shall be paid from the pension**  
 8 **accumulation fund from Plan A. Annually, a transfer of funds from Plans B**  
 9 **and C shall be made to reimburse Plan A for the pro rata expenses attributable**  
 10 **to each fund.**

11 \* \* \*

12 §2014. Payment of contributions; delinquency penalty; agreement to deductions

13 \* \* \*

14 C. Payments due under Subsections ~~A and B,~~ **above, of this Section** shall  
 15 be considered delinquent when not received by the system within fifteen days after  
 16 the close of each fiscal quarter as determined by the Board. Delinquent payments  
 17 ~~may~~ **shall**, with interest at the rate of one and one-half percent per month  
 18 compounded monthly, **become due immediately upon determination of**  
 19 **delinquency by the board and may** be recovered by action in a court of competent  
 20 jurisdiction against the employer liable therefor or shall, upon due certification of  
 21 delinquency and at the request of the board, be deducted from any other ~~moneys~~  
 22 **monies** payable to such employer by any department or agency of the state. **The**  
 23 **board may request its actuary to compute the accrued liability of the system**  
 24 **resulting from the delinquent receipt of these payments. If, pursuant to that**  
 25 **calculation, it is determined that the payment of interest, as specified in this**  
 26 **Subsection, is insufficient to pay the amount which, on an actuarial basis, totally**  
 27 **offsets the increase in accrued liability of the system resulting from the receipt**  
 28 **of the credit by the employee for the delinquent payments, the board shall also**  
 29 **collect an additional amount, sufficient, on an actuarial basis, to totally offset**  
 30 **the increase in accrued liability. This sum shall be due and owing and may be**

1            **recovered as specified in this Subsection. The amount payable shall be**  
 2            **calculated by use of the actuarial funding method, assumptions, and tables in**  
 3            **use by the system at the time of the person's application for credit.**

4            Section 2. R.S. 11:1903(H) and 2012(D) are hereby repealed.

5            Section 3. This Act shall become effective on July 1, 2010; if vetoed by the governor  
 6            and subsequently approved by the legislature, this Act shall become effective on July 1,  
 7            2010, or on the day following such approval by the legislature, whichever is later.

\_\_\_\_\_  
 PRESIDENT OF THE SENATE

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 SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_