

Regular Session, 2014

SENATE BILL NO. 14

BY SENATOR GUILLORY

SCHOOL EMPLOYEES RET. Provides for the determination of system liabilities and the payment therefor. (6/30/14)

1 AN ACT

2 To amend and reenact R.S. 11:102(B)(3)(d)(vi), relative to the liabilities of the Louisiana
3 School Employees' Retirement System; to provide for payment of such liabilities; to
4 provide for employer contributions; to provide for an effective date; and to provide
5 for related matters.

6 Notice of intention to introduce this Act has been published.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 11:102(B)(3)(d)(vi) is hereby amended and reenacted to read as
9 follows:

10 §102. Employer contributions; determination; state systems

11 * * *

12 B.(1) * * *

13 (3) With respect to each state public retirement system, the actuarially
14 required employer contribution for each fiscal year, commencing with Fiscal Year
15 1989-1990, shall be that dollar amount equal to the sum of:

16 * * *

17 (d) That fiscal year's payment, computed as of the first of that fiscal year and

1 projected to the middle of that fiscal year at the actuarially assumed interest rate,
2 necessary to amortize changes in actuarial liability due to:

3 * * *

4 (vi) **(aa) Except as provided in Subitem (bb) of this Item,** Effective
5 **effective** July 1, 2004, and beginning with Fiscal Year 2000-2001, the amortization
6 period for the changes, gains, or losses of the Louisiana School Employees'
7 Retirement System provided in Items (i) through (iv) of this Subparagraph shall be
8 thirty years, or in accordance with standards promulgated by the Governmental
9 Accounting Standards Board, from the year in which the change, gain, or loss
10 occurred. The outstanding balances of amortization bases established pursuant to
11 Items (i) through (iv) of this Subparagraph before Fiscal Year 2000-2001, shall be
12 amortized as a level dollar amount from July 1, 2004, through June 30, 2029.
13 Beginning with Fiscal Year 2003-2004, and for each fiscal year thereafter, the
14 outstanding balances of amortization bases established pursuant to Items (i) through
15 (iv) of this Subparagraph shall be amortized as a level dollar amount.

16 **(bb) All outstanding amortization bases in existence on June 30, 2014,**
17 **including outstanding balances established pursuant to Subsection C of this**
18 **Section, shall be consolidated and reamortized over the period ending June 30,**
19 **2044, with level dollar payments, effective with the June 30, 2014, valuation.**
20 **This Subsection shall not apply to amortization bases established after June 30,**
21 **2014.**

22 * * *

23 Section 2. This Act shall become effective on June 30, 2014; if vetoed by the
24 governor and subsequently approved by the legislature, this Act shall become effective on
25 June 30, 2014, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Margaret M. Corley.

DIGEST

Present law, relative to the Louisiana School Employees' Retirement System (LSERS),
provides for payments for liabilities of the system to be amortized over a 30-year period

from the year in which the liability occurred.

Present law provides for level dollar payments for all amortization bases except those for fiscal years 2000-2001, 2001-2002, and 2002-2003. Provides for increasing payments for the bases created in the three listed fiscal years.

Proposed law provides for all outstanding amortization bases of LSERS to be consolidated and reamortized over a 30-year period with level dollar payments.

Effective June 30, 2014.

(Amends R.S. 11:102(B)(3)(d)(vi))