

SENATE BILL NO. 274

BY SENATOR HEITMEIER

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AN ACT

To amend and reenact R.S. 11:701(introductory paragraph), (11), and (33)(b)(i), 728(A)(4), (C)(1)(a) and (b)(ii) and (iii) and (2) and 17:3997(A)(2) and (3), to enact R.S. 11:701(33)(d) and (e) and 728(G), and to repeal R.S. 11:701(33)(a)(xii), relative to the Teachers' Retirement System of Louisiana; to provide for definitions; to provide that membership in such system includes certain charter school employees; to provide for purchase of service credit; 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. 11:701(introductory paragraph), (11), and (33)(b)(i), 728(A)(4), (C)(1)(a) and (b)(ii) and (iii) and (2) are hereby amended and reenacted and R.S. 11:701(33)(d) and (e) and 728(G) are hereby enacted to read as follows:

§701. Definitions

As used in this Chapter, the following words and phrases have the meanings ascribed to them in this Section unless a different meaning is plainly required by the context:

* * *

(11) "Employer" means the State of Louisiana, the parish school board, the city school board, **a charter school**, the State Board of **Elementary and Secondary Education**, the board of supervisors of Louisiana State University or any other agency of and within the State by which a teacher is paid.

* * *

(33) * * *

(b) "Teacher" shall not include any of the following:

(i) Any employee of a city or parish school board **or of a charter school** who is employed as a school bus driver, school janitor, school custodian or a school

1 maintenance employee, school bus aide, monitor or attendant, or anyone who
2 actually works on a school bus helping with transportation of school children.

3 * * *

4 (d) "Teacher" shall also mean any employee of a charter school whose
5 approved charter agreement requires continued active membership in the
6 system for the duration of the member's charter school employment.

7 (e) In all cases of doubt, the board of trustees shall determine whether
8 any person is a teacher within the scope of the definition set forth in this
9 Paragraph.

10 * * *

11 §728. Prior service credit

12 A. * * *

13 (4) Payments to be made under the provisions of this Section shall be made
14 in a lump sum. Effective January 1, 2002, payment for service credit under this
15 Section shall be allowed by a trustee-to-trustee transfer of funds from a Code Section
16 403(b) annuity or a Code Section 457 plan to the system; ~~provided that no purchase~~
17 ~~of service credit under this Section shall be allowed by a trustee-to-trustee transfer~~
18 ~~of funds from a Code Section 403(b) annuity or a Code Section 457 plan to the~~
19 ~~pension after December 31, 2010.~~

20 * * *

21 C.(1)(a) Notwithstanding any other provision of this Chapter or of any other
22 law to the contrary, any person who is a member of this system shall be eligible to
23 obtain credit in this system for teaching service rendered in any **charter school**,
24 nonpublic college or university in Louisiana, ~~and/or~~ state approved elementary or
25 secondary nonpublic or parochial school in Louisiana.

26 (b) * * *

27 (ii) In addition, if the member is eligible to retire at the time he establishes
28 credit for such service, there shall be paid into the system an amount equal to the
29 present value of the additional retirement benefit payable on account of his service
30 in **charter schools or** nonpublic or parochial schools or colleges should he retire at

1 the time credit for such service is established.

2 (iii) If the member is not eligible to retire at the time he establishes credit for
3 service in **charter schools or** nonpublic or parochial schools or colleges, there shall
4 be paid into the system an amount which, if invested at regular interest, would
5 accumulate to an amount equal to the present value of the additional retirement
6 benefit payable on account of his service in **charter schools or** nonpublic or
7 parochial schools or colleges should the member continue until the earliest date he
8 is eligible to retire.

9 (2)(a) In determining the present value of the additional benefit payable on
10 account of service in **charter schools or** nonpublic or parochial schools or colleges
11 and the amounts to be paid for credit for such service, regular interest, salary scales
12 used to project future salary increases, and the tables of the system as adopted by the
13 board of trustees shall be utilized.

14 (b) Amounts paid to establish credit for teaching service in **charter schools**
15 **or** nonpublic or parochial schools or colleges shall be credited to the member's
16 account in the Annuity Savings Fund. Such amounts shall be paid in one lump sum.

17 * * *

18 **G. Except as provided in Paragraph (A)(1) of this Section, any purchase**
19 **of service credit pursuant to this Section shall be paid in accordance with the**
20 **provisions of R.S. 11:158.**

21 * * *

22 Section 2. R.S. 17:3997(A)(2) and (3) are hereby amended and reenacted to read as
23 follows:

24 §3997. Charter school employees

25 A. * * *

26 (2) Employees employed by any charter school who, previous to employment
27 in the charter school, were employees of a local school board shall, if such
28 employees desire, be placed on leave of absence pursuant to Subsection B of this
29 Section. However, for the duration of such leave each such employee shall **continue**
30 **to** contribute to and be ~~eligible for~~ **a member of** the school employees' ~~and or~~

1 teachers' retirement systems ~~system~~, and earn service ~~time~~ credit for the accrual of
2 retirement benefits. However, service time while employed by a charter school shall
3 not accrue toward the acquisition of permanent status.

4 (3) Employment in any charter school for all employees other than those
5 provided for in Paragraph (2) of this Subsection shall be deemed to be employment
6 in a public elementary or secondary school in the state regarding eligibility for any
7 or all benefits which would otherwise accrue under state law to such an employee in
8 any other elementary or secondary school, including but not limited to membership
9 in the school employees' and teachers' retirement systems. However, participation
10 of the charter school and its employees in such benefit programs shall be contingent
11 upon provisions contained in the school's approved charter. These provisions may
12 require only teachers employed by the charter school who, previous to
13 employment in the charter school, were employees of a local school board to
14 continue active membership in the Teachers' Retirement System of Louisiana
15 for the duration of their employment as charter school teachers, regardless of
16 their leave status.

17 * * *

18 Section 3. R.S. 11:701(33)(a)(xii) is hereby repealed.

19 Section 4. The provisions of this Act shall not become effective until the Teachers'
20 Retirement System of Louisiana is in receipt of a private letter ruling issued by the Internal
21 Revenue Service, pursuant to request dated March 15, 2010, concluding that the provisions
22 of this Act will not adversely affect the status of the Teachers' Retirement System of
23 Louisiana as a qualified governmental plan under the Internal Revenue Code.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____