

Regular Session, 2012

SENATE BILL NO. 45

BY SENATOR GUILLORY

SCHOOL EMPLOYEES RET. Transfers certain support personnel to the system. (7/1/12)

1 AN ACT

2 To amend and reenact R.S. 11:62(11) and 1002(13), to enact R.S. 11:62(4)(c) and (d),
3 701(33)(b)(vi) and Part IV-A of Chapter 3 of Subtitle II of Title 11 of the Louisiana
4 Revised Statutes of 1950, to be comprised of R.S. 11:1160.1 - 1160.12, and to repeal
5 Subpart IV of Chapter 2 of Title 11 of the Louisiana Revised Statutes of 1950,
6 comprised of R.S. 11:801-813, relative to food service workers; to provide for the
7 retirement of employees of school boards paid from school food service funds; to
8 provide for an effective date; and to provide for related matters.

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

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 11:62(11) and 1002(13) are hereby amended and reenacted and R.S.
12 11:62(4)(c) and (d), 701(33)(b)(vi) and Part IV-A of Chapter 3 of Subtitle II of Title 11 of
13 the Louisiana Revised Statutes of 1950, comprised of R.S. 11:1160.1 - 1160.12, is hereby
14 enacted to read as follows:

15 §62. Employee contribution rates established

16 Employee contributions to state and statewide public retirement systems shall
17 be paid at the following rates, except as otherwise provided by law:

1 * * *

2 (4) Louisiana School Employees' Retirement System:

3 * * *

4 **(c) School lunch Plan A - 9.1%.**

5 **(d) School lunch Plan B - 5%.**

6 * * *

7 (11) Teachers' Retirement System of Louisiana:

8 ~~(a) School lunch Plan A - 9.1%.~~

9 ~~(b) School lunch Plan B - 5%.~~

10 ~~(c) All others - 8%.~~

11 * * *

12 §701. Definitions

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

16 * * *

17 (33) * * *

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

19 * * *

20 **(vi) Any employee of a city or parish school board who is paid from**
21 **school food service funds.**

22 * * *

23 §1002. Definitions

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

27 * * *

28 (13) "Employee" means any person legally occupying a position as a school
29 bus driver who actually renders a service by driving a school bus during the full time

1 of his employment, a school janitor, a school custodian, a school maintenance
 2 employee, school bus aide, monitor or attendant, or other regular school employee
 3 who actually works on a school bus helping with the transportation of school
 4 children, and who is a legal employee of a parish or city school board of the state of
 5 Louisiana, and shall include the employees of this system. **"Employee" also means**
 6 **any person employed by a parish or city school board who is paid from school**
 7 **food service funds.**

8 * * *

9 **PART IV-A. EMPLOYEES PAID FROM SCHOOL FOOD**

10 **SERVICE FUNDS**

11 **§1160.1. Eligibility**

12 **Any member of the Louisiana School Employees' Retirement System**
 13 **who is paid from school food service funds and whose employer has not**
 14 **terminated its agreement with the Department of Health, Education and**
 15 **Welfare, or its successor, for such employees, shall be governed by the**
 16 **provisions of this Part, with respect to retirement eligibility, computation of**
 17 **regular, survivor, and disability retirement, and employee and employer**
 18 **contributions.**

19 **§1160.2. Eligibility for regular retirement**

20 **Any member covered by R.S. 11:1160.1 shall be eligible to retire if he has**
 21 **at least:**

22 **(1) Thirty years of creditable service, and is at least age fifty-five.**

23 **(2) Five years of creditable service, and is at least age sixty.**

24 **§1160.3. Computation of regular retirement allowance**

25 **A. The yearly amount of the retirement allowance for any member**
 26 **covered by R.S. 11:1160.1 shall be equal to two percent of the member's average**
 27 **compensation multiplied by his years of creditable service.**

28 **B. The benefits provided by this Section shall not exceed one hundred**
 29 **percent of average compensation.**

1 **§1160.4. Eligibility for disability retirement**

2 **An active contributing member covered by R.S. 11:1160.1, who becomes**
3 **disabled, and who files for disability benefits while in service, and who upon**
4 **medical examination and certification as provided for in R.S. 11:201 through**
5 **224 is found to be totally disabled for any cause, shall be entitled to disability**
6 **benefits under the provisions of R.S. 11:1160.5, provided the member has at**
7 **least five years of creditable service.**

8 **§1160.5. Computation of disability benefits**

9 **A. Eligibility for disability retirement, procedures for application for**
10 **disability benefits, procedures for the certification of continuing eligibility for**
11 **disability benefits, the authority of the board of trustees to modify disability**
12 **benefits, and procedures governing the restoration to active service of a**
13 **formerly disabled employee are specifically described and provided for in R.S.**
14 **11:201 through 224.**

15 **B. The retirement system shall award disability benefits to eligible**
16 **members who have been officially certified as disabled by the State Medical**
17 **Disability Board. The disability benefit shall be determined as provided in**
18 **Subsection C of this Section.**

19 **C. Upon retirement for disability, a member covered by R.S. 11:1160.1**
20 **shall receive a normal retirement allowance under R.S. 11:1160.3 if he is eligible**
21 **therefor; otherwise, he shall receive a disability benefit which shall consist of an**
22 **amount equal to two percent of the member's average compensation multiplied**
23 **by his years of creditable service; however, such amount shall not be less than**
24 **thirty percent, nor more than seventy-five percent of average compensation, in**
25 **the event no optional selection is made.**

26 **§1160.6. Eligibility for survivor benefits**

27 **A. Any member covered by R.S. 11:1160.1 with twenty or more years**
28 **of creditable service and not eligible for normal retirement at the time of his**
29 **death, who leaves a surviving spouse who is not eligible for Social Security**

1 survivorship or retirement benefits on his account and who has been married
2 to the member for not less than twelve months immediately preceding his death,
3 shall be deemed to have exercised Option 2 benefits on behalf of his surviving
4 spouse, who shall be paid such benefits until he becomes eligible for Social
5 Security survivorship or retirement benefits on his account, or until he
6 remarries; however, no such benefit shall be paid until the surviving spouse
7 attains the age of fifty. Any surviving spouse who meets the above
8 qualifications, except for survivorship benefits due to minor children, shall
9 become eligible for benefits under this Section when he ceases to receive Social
10 Security benefits due to ineligibility. The method of calculating such retirement
11 benefits shall be on the same basis as provided in this Part.

12 B. Any member who is eligible for normal retirement at the time of his
13 death and who leaves a surviving spouse shall be deemed to have exercised
14 Option 2 benefits on behalf of his surviving spouse, who shall be paid such
15 benefits just as though the member had retired and elected Option 2 benefits
16 prior to his death.

17 §1160.7. Employee contributions

18 Each member covered by R.S. 11:1160.1 shall contribute an amount
19 equal to five percent of his earnable compensation to the retirement system as
20 the employee contribution.

21 §1160.8. Employer contributions

22 The state of Louisiana shall annually appropriate an amount equal to six
23 and one-tenth percent of each and every member's earnable compensation, such
24 annual appropriation to be paid to the system through the state treasurer's
25 office in twelve equal installments beginning on July first and ending on June
26 first of each fiscal year. Should the amount appropriated be less than the
27 amount required, the state shall pay the difference to the system. Should the
28 amount appropriated be more than the amount required, the system shall
29 return the excess to the office of the state treasurer.

1 **§1160.9. Termination of Social Security coverage**

2 Any member who is covered by R.S. 11:1160.1, whose employer
3 withdraws its employees from Social Security coverage, shall, upon the effective
4 date of withdrawal be governed by the laws otherwise governing the Louisiana
5 School Employees' Retirement System; however, the service credit earned while
6 paying Social Security shall be governed by the provisions of R.S. 11:1160.3(A).

7 **§1160.10. Conflict with other law**

8 Any member of the Louisiana School Employees' Retirement System
9 who is paid from school food service funds and whose employer has not
10 terminated its agreement with the Department of Health, Education and
11 Welfare, or its successor, for such employees, shall be governed by all of the
12 laws, policies, rules and regulations which govern the Louisiana School
13 Employees' Retirement System except where they are in conflict with the
14 specific provisions of R.S. 11:1160.2 through 1160.8 and in which case said
15 specific provisions shall govern.

16 **§1160.11. Transferees from Plan A of the School Lunch Employees' Retirement**

17 System; termination of Social Security coverage prior to July 1,
18 1985

19 A. Any member of the Louisiana School Employees' Retirement System
20 who is paid from school food service funds and who is transferred from Plan A
21 of the School Lunch Employees' Retirement System on July 1, 1983, and any
22 member who is governed by the provisions of R.S. 11:1160.1 whose employer
23 has withdrawn and terminated its employees from Social Security coverage
24 prior to July 1, 1985, shall be governed by the provisions of this Section.

25 B. Each member of the system who is included in Subsection A of this
26 Section shall contribute an amount equal to nine and one-tenth percent of his
27 earnable compensation to the retirement system as the employee contribution
28 and each employer of a member who is included in Subsection A of this Section
29 shall contribute an amount equal to five and eighty-five one hundredths percent

1 of each and every member's earnable compensation, and the state of Louisiana
2 shall annually appropriate an amount equal to four and six-tenths percent of
3 each and every member's earnable compensation, such annual appropriation
4 to be paid to the system through the state treasurer's office in twelve equal
5 installments beginning on July first and ending on June first of each fiscal year.
6 Should the amount appropriated be less than the amount required, the state
7 shall pay the difference to the system. Should the amount appropriated be more
8 than the amount required, the system shall return the excess to the office of the
9 state treasurer.

10 C. Each member of the system who is included in Subsection A of this
11 Section shall be governed by all of the laws, policies, rules and regulations which
12 govern the Louisiana School Employees' Retirement System except when they
13 are in conflict with the specific provisions of this Section and in which case the
14 specific provisions of this Section shall govern.

15 D. In the computation of all benefits that may become payable to a
16 member included in Subsection A of this Section or his beneficiaries or
17 survivors, for the period of time that the member is covered by this Section, a
18 percentage rate of three percent for each year of creditable service shall be used
19 and no lump sum amount shall be used in any such benefit computation.

20 E. No member included in Subsection A of this Section shall be eligible
21 for a normal or regular service retirement unless he has at least thirty years of
22 creditable service regardless of age, or twenty-five years of creditable service
23 and is at least age fifty-five, or five years of creditable service and is at least age
24 sixty; however, any member included in Subsection A of this Section who was
25 covered by the provisions of R.S. 17:1260.1 shall continue to be covered by said
26 provisions.

27 §1160.12. Appropriations for members not otherwise covered

28 For each member of the Louisiana School Employees' Retirement
29 System who is paid from school food service funds and who is not covered by

1 the provisions of R.S. 11:1160.1 through 1160.11, the legislature shall annually
2 appropriate an amount equal to three and forty-five one-hundredths percent of
3 each and every such member's earnable compensation, such annual
4 appropriation to be paid to the system through the state treasurer's office in
5 twelve equal installments beginning on July first and ending on June first of
6 each fiscal year. Should the amount appropriated be less than the amount
7 required, the legislature shall appropriate the difference to the system. Should
8 the amount appropriated be more than the amount required, the system shall
9 return the excess to the office of the state treasurer.

10 Section 2. Subpart IV of Chapter 2 of Title 11 of the Louisiana Revised Statutes of
11 1950, comprised of R.S. 11:801-813 is hereby repealed.

12 Section 3. Effective July 1, 2013, all members of the Teachers' Retirement System
13 of Louisiana who are paid from school food service funds shall become members of the
14 Louisiana School Employees' Retirement System. Persons becoming employed by a city or
15 parish school board on or after July 1, 2013, who are paid from school food service funds
16 shall, as a condition of employment, become members of the Louisiana School Employees'
17 Retirement System.

18 Section 4. All members of the Teachers' Retirement System of Louisiana who are
19 paid from school food service funds who become members of the Louisiana School
20 Employees' Retirement System on July 1, 2013, shall retain all accrued benefits existing as
21 of that date.

22 Section 5. All retirees of the Teachers' Retirement System of Louisiana who were
23 paid from school food service funds while employed, and who are retired on or before July
24 1, 2013, along with their survivors and beneficiaries shall continue to receive the benefits
25 due and payable to them. The payment of such benefits shall be the obligation of the
26 Louisiana School Employees' Retirement System.

27 Section 6. On June 30, 2013, the actuarial liability existing within the Teachers'
28 Retirement System of Louisiana which is attributable to employees of a city or parish school
29 board who are paid from school food service funds shall be transferred to the Louisiana

1 School Employees' Retirement System. The Teachers' Retirement System of Louisiana shall
2 determine the proportion of such liabilities to the total liabilities of the system and shall
3 transfer an amount of assets to the Louisiana School Employees' Retirement System which
4 is in the same proportion to the total assets of the Teachers' Retirement System of Louisiana.

5 Section 7. This Act shall become effective on July 1, 2012; if vetoed by the governor
6 and subsequently approved by the legislature, this Act shall become effective on July 1,
7 2012, 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 Laura Gail Sullivan.

DIGEST

Present law provides for retirement of employees of the public education system. Provides for the Teachers' Retirement System of Louisiana (TRSL), primarily for classroom teachers. Provides for the Louisiana School Employees' Retirement System (LSERS), primarily for support workers.

Proposed law retains present law.

Present law provides for membership in TRSL of certain public school employees paid from school food service funds. Provides specific benefit calculation and retirement eligibility provisions for such members.

Proposed law transfers such employees to LSERS. Provides that the accrued benefits of such persons transferred shall not be affected. Provides that the all such persons retired on or before July 1, 2013, along with their survivors and beneficiaries shall continue to receive the benefits due and payable to them. Such obligations shall be the obligations of LSERS.

Proposed law further provides that on June 30, 2013, the liabilities attributable to such persons shall be transferred from the TRSL to the LSERS, along with the proportional assets.

Effective July 1, 2012.

(Amends R.S. 11:62(11) and 1002(13); adds R.S. 11:62(4)(c) and (d), 701(33)(b)(vi), and R.S. 11:1160.1 through 1160.12; repeals R.S. 11:801 through 813))