

LSERS 2006 Regular Legislative Session Report

ACT 563 – Sen. Butch Gautreaux: Payment of Unfunded Accrued Liability

Should an employer “privatize”, contract, or outsource, all or part of the workforce that would ordinarily require membership in this system, the employer will remain liable for payment of its share of the unfunded accrued liability attributable to the positions privatized, contracted, or outsourced. The amount owed will be amortized over a ten-year period. Any employing agency considering privatizing, contracting, or outsourcing positions covered by LSERS should notify the system in writing of the plans to alter these positions. The employer should also include the name and social security numbers of the employees occupying positions that will be affected.

The ACT also provides that for members hired after June 30, 2006, the number of months used for calculating the “final average compensation” is extended from 36 months to 60 months.

ACT 647-Sen Butch Gautreaux: Rehire of Retirees

A retiree of this system may be reemployed in any position covered by the system as a full-time, part-time, temporary, or substitute employee and continue to draw his monthly benefit to an amount equal to 50 % of his final average compensation. Any retirement benefit paid after the retiree earns one-half of the final average compensation shall be repaid to the system. The present law provides that a member forfeits the remainder of his benefit for any year that 50 % of the final average compensation is exceeded, regardless of the amount of the excess. Employers shall report any LSERS retiree hired on a monthly basis on a report separate from the monthly checklists. Contributions **are not** to be withheld from the earnings of LSERS retirees. If the employer fails to submit the required report, the employer shall be liable for any overpayments made to the retiree by LSERS.

ACT 578- Sen Butch Gautreaux: Disability Retirement Benefits

Members of the system hired after June 30, 2006, are required to earn 10 years of service credit to be eligible for disability benefits. This increases the time required from 5 years to 10 years. The amount of the benefit will be calculated using an accrual rate of 3 % multiplied by the years of creditable service, rather than the present 2.5 %. For all disability retirees, after age 60, yearly doctor exams will no longer be required.

ACT 579-Sen Butch Gautreaux: **Grace Period for Payment of Contributions**

The employer and employee contributions are due by the close of the 15th day after the end of the month for which the contributions are applicable. Interest, based on the actuarial valuation rate (currently 7.5%), will be charged on any contributions not received by the due date. Previous law granted the employer an additional 15-day “grace” period before any interest attached to the payment.

ACT 774- Rep. Trahan: **Paid Leave to Attend Board Meetings**

Effective for 2006-2007 school year, school boards shall adopt procedures providing leave with pay, to members of the LSERS board so that the member can attend meetings. The school boards may require notice of the meetings.