

SENATE BILL NO. 31

BY SENATOR HEITMEIER

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AN ACT

To amend and reenact R.S. 11:728(C)(1)(a) and (b)(ii) and (iii) and (2)(a) and (b) and R.S. 17:3997(A)(2) and (3) and to repeal Act 999 of the 2010 Regular Session, relative to the Teachers' Retirement System of Louisiana; to provide relative to membership in the system of charter school teachers; to provide for purchase of service credit by charter school teachers; 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. 11:728(C)(1)(a) and (b)(ii) and (iii) and (2)(a) and (b) are hereby amended and reenacted to read as follows:

§728. Prior service credit

* * *

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

(b)(i) * * *

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

(iii) If the member is not eligible to retire at the time he establishes credit for service in **charter schools or** nonpublic or parochial schools or colleges, there shall be paid into the system an amount which, if invested at regular interest, would

1 accumulate to an amount equal to the present value of the additional retirement
2 benefit payable on account of his service in charter schools or nonpublic or
3 parochial schools or colleges should the member continue until the earliest date he
4 is eligible to retire.

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

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

13 * * *

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

16 §3997. Charter school employees

17 A.(1) * * *

18 (2) Employees employed by any charter school who, previous to employment
19 in the charter school, were employees of a local school board shall, if such
20 employees desire, be placed on leave of absence pursuant to Subsection B of this
21 Section. However, for the duration of such leave each such employee shall continue
22 to contribute to and be ~~eligible for~~ a member of the school employees' ~~and or~~
23 teachers' retirement ~~systems~~ system, and earn service ~~time~~ credit for the accrual of
24 retirement benefits. However, service time while employed by a charter school shall
25 not accrue toward the acquisition of permanent status.

26 (3)(a) Employment in any charter school for all employees other than those
27 provided for in Paragraph (2) of this Subsection shall be deemed to be employment
28 in a public elementary or secondary school in the state regarding eligibility for any
29 or all benefits which would otherwise accrue under state law to such an employee in
30 any other elementary or secondary school, including but not limited to membership

1 in the school employees' and teachers' retirement systems. However, participation
2 of the charter school and its employees in such benefit programs shall be contingent
3 upon provisions contained in the school's approved charter.

4 (b)(i) The provisions of such charter may require only teachers employed
5 by the charter school who previous to employment in the charter school were
6 employees of a local school board to continue active membership in the
7 Teachers' Retirement System of Louisiana for the duration of their employment
8 as charter school teachers, regardless of their leave status.

9 (ii) The provisions of Item (i) of this Subparagraph enacted by the Act
10 that originated as Senate Bill No. 31 of the 2012 Regular Session of the
11 Legislature shall not become effective until the Teachers' Retirement System of
12 Louisiana is in receipt of a private letter ruling issued by the Internal Revenue
13 Service, pursuant to a request by the system for such a ruling, concluding that
14 the provisions of Item (i) of this Subparagraph will not adversely affect the
15 status of the system as a qualified governmental plan under the Internal
16 Revenue Code.

17 * * *

18 Section 2. Act 999 of the 2010 Regular Session is hereby repealed.

19 Section 3. This Act shall become effective on July 1, 2012; if vetoed by the governor
20 and subsequently approved by the legislature, this Act shall become effective on July 1,
21 2012, or on the day following such approval by the legislature, whichever is later.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____