

LAC 58:XI, Chapter 7, Terminations, Section 701:

**PROCEDURES FOR DETERMINATION OF THE UNFUNDED ACCRUED
LIABILITY UNDER LA. R.S. 11:1903(F)
OF PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF
LOUISIANA**

The unfunded accrued liability calculated pursuant to R.S. 11:1903F shall be determined in a manner consistent with Statement 68 of the Governmental Accounting Standards Board. That is the following: the portion of the unfunded accrued liability attributable to the employer's termination shall be a pro rata portion of the allocated share of the net pension liability (as per Statement 68) for the prospective termination of the December 31 immediately preceding the date of termination. The pro rata share shall be determined as one minus the ratio of the present value of future salaries for the current active members of the terminating entity to the present value of future salaries of the active group assuming replacement of terminated employees based on a general increase in payroll as a function of the inflation assumption implicit in the valuation assumptions.