

2020 Regular Session

SENATE BILL NO. 513

BY SENATOR REESE

PAROCHIAL EMPLOYEES RET. Provides relative to rehiring of retirees. (8/1/20)

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AN ACT

To enact R.S. 11:1928(E), relative to consolidated public retirement systems; to provide relative to membership; to provide with respect to reemployment of retirees in the Parochial Employees' Retirement System; to provide with respect to contributions to the retirement system during the period of reemployment; to provide with respect to calculation of additional benefit; to provide relative to disability retirees; to provide with respect to a critical shortage of skilled employees; to provide with respect to advertisement of notice that a critical shortage of skilled employees exists; 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. 11:1928(E) is hereby enacted to read as follows:

§1928. Temporary employment of retirees; permanently employed retirees; membership; calculation of additional benefit; retirees in elected positions

* * *

E.(1) Notwithstanding Subsection B of this Section, in a parish with a

1 population of no more than fifty thousand according to the latest federal
2 decennial census, any retiree of this system who has been retired from service
3 for at least one year and who returns to active service in a critical shortage
4 position shall not have his retirement benefit suspended during his
5 reemployment. A retiree shall not be allowed to return to active service in a
6 full-time position covered by the provisions of this Subsection prior to the lapse
7 of twelve months after the effective date of his retirement.

8 (2) No member of this system who retires based on a disability shall
9 return to service pursuant to the provisions of this Subsection. Disability
10 retirees shall be governed by the provisions of this Subsection applicable to
11 disability retirees.

12 (3) During the period of his return to active service pursuant to this
13 Subsection, the reemployed retiree and his employer shall make contributions
14 to the retirement system as provided by this Section. However, the reemployed
15 retiree shall receive no additional service credit and shall not accrue any
16 additional benefits in the retirement system. After termination of active service
17 and upon application therefor, the retiree shall be refunded the employee
18 contributions paid during reemployment. The refund shall be without interest.
19 The retirement system shall retain all interest and employer contributions.

20 (4) The employing agency that elects to reemploy a retiree pursuant to
21 this Subsection shall certify to the retirement system that a critical shortage of
22 skilled employees exists in the parish of such employer. A retiree who is
23 employed pursuant to this Subsection shall not receive a benefit during the
24 period of his reemployment as provided in this Section unless and until the
25 board of trustees of this system has received certification that a critical shortage
26 exists. Prior to making such certification for any full-time critical shortage
27 position, the employer shall cause to be advertised in the official journal of the
28 employer's governing authority, on two separate occasions, notice that a critical
29 shortage of skilled employees exists and the positions sought to be filled.

1 **Additionally, the employer shall cause notice to be posted at the career**
 2 **development office, or similar such entity, of every post-secondary institution**
 3 **and the regional office of the Louisiana Workforce Commission, within a one**
 4 **hundred twenty-mile radius of the employer's governing authority. If a**
 5 **qualified applicant who is not a retiree applies for an advertised position, such**
 6 **person shall be hired before any qualified retiree is employed, unless fewer than**
 7 **three applicants have applied for the position, each of whom is qualified for the**
 8 **critical shortage position being filled.**

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Angela L. De Jean.

DIGEST

SB 513 Original

2020 Regular Session

Reese

Present law, applicable to the Parochial Employees Retirement System (PERS), provides that any person who has retired under the provisions of present law may be temporarily employed by an employer participating in the plan, subject to certain limitations. If a retiree is under age 65 or has not been retired at least three years, he may be employed no more than 480 hours in a calendar year. If a retiree is age 65 or older and has been retired at least three years, he may be employed no more than 1,040 hours in a calendar year. However, if the retiree is employed longer than the maximum hours stated above, his retirement benefit will be reduced by the amount earned after the allowed number of hours.

Present law provides that if the retired member, who is otherwise eligible, becomes permanently employed by an employer participating in PERS, the retired member and the employer shall immediately notify the board of the retiree's date of employment, the amount of his monthly salary, any changes in salary, number of hours employed per week, estimated duration of employment, and date of termination of employment. However, present law shall not apply to retirees who are elected to office and are prohibited from joining PERS under present law.

Present law provides that at the time the retired member returns to permanent employment, the benefit of the retiree shall be suspended, and he shall be considered as returning to active service and employee and employer contributions shall resume.

Present law provides that upon subsequent termination of employment of a retired contributing member, the retired contributing member shall begin receiving his original retirement benefit and shall receive an additional benefit based on his additional service and the compensation earned during the period of additional service.

Present law provides that notwithstanding the provisions of present law, if a retired member of the system is subsequently elected to an office covered by the system, 60 days after taking the oath of office his monthly retirement benefit shall be reduced by the amount of his monthly earnings.

Proposed law provides that notwithstanding present law, in a parish with a population of no more than 50,000, according to the latest federal decennial census, any retiree of PERS who has been retired from service for at least one year and who returns to active service in a critical shortage position shall not have his retirement benefit suspended during his

reemployment. A retiree shall not be allowed to return to active service in a full-time position covered by the provisions of proposed law prior to the lapse of 12 months after the effective date of his retirement.

Proposed law provides that no member of PERS who retires based on a disability shall return to service pursuant to the provisions of proposed law. Disability retirees shall be governed by the provisions of present law applicable to disability retirees.

Proposed law provides that during the period of his return to active service pursuant to proposed law, the reemployed retiree and his employer shall make contributions to the retirement system as provided by proposed law. However, the reemployed retiree shall receive no additional service credit and shall not accrue any additional benefits in the retirement system.

Proposed law provides that after termination of active service and upon application therefor, the retiree shall be refunded the employee contributions paid during reemployment. The refund shall be without interest. The retirement system shall retain all interest and employer contributions.

Proposed law provides that the employing agency that elects to reemploy a retiree pursuant to proposed law shall certify to the retirement system that a critical shortage of skilled employees exists in the parish of such employer.

Proposed law provides that a retiree who is employed pursuant to proposed law shall not receive a benefit during the period of his reemployment unless and until the board of trustees of PERS has received certification that a critical shortage exists. Prior to making such certification for any full-time critical shortage position, the employer shall cause to be advertised in the official journal of the employer's governing authority, on two separate occasions, notice that a critical shortage of skilled employees exists and the positions sought to be filled.

Proposed law provides that additionally, the employer shall cause notice to be posted at the career development office, or similar such entity, of every post-secondary institution and the regional office of the La. Workforce Commission, within a 120-mile radius of the employer's governing authority.

Proposed law provides that if a qualified applicant who is not a retiree applies for an advertised position, such person shall be hired before any qualified retiree is employed, unless fewer than three applicants have applied for the position each of whom is qualified for the critical shortage position being filled.

Effective August 1, 2020.

(Adds R.S. 11:1928(E))