

# ACT No. 337

HOUSE BILL NO. 8

BY REPRESENTATIVES BOURRIAQUE, ADAMS, AMEDEE, BRASS, BROWN, CARPENTER, ROBBY CARTER, WILFORD CARTER, CORMIER, COX, DESHOTEL, DUBUISSON, ECHOLS, EDMONSTON, FARNUM, FIRMENT, GADBERRY, GREEN, HARRIS, ILLG, JEFFERSON, JENKINS, MIKE JOHNSON, JONES, KERNER, LARVADAIN, LYONS, MIGUEZ, GREGORY MILLER, MINCEY, CHARLES OWEN, PRESSLY, ROMERO, SCHAMERHORN, SELDERS, ST. BLANC, THOMAS, WHEAT, WRIGHT, AND GAROFALO

1 AN ACT

2 To enact R.S. 11:710(G) and 710.1, relative to the reemployment of retirees from the  
3 Teachers' Retirement System of Louisiana; to provide relative to earnings and  
4 benefits of substitute classroom teachers; and to provide for related matters.

5 Notice of intention to introduce this Act has been published  
6 as provided by Article X, Section 29(C) of the Constitution  
7 of Louisiana.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 11:710(G) and 710.1 are hereby enacted to read as follows:

10 §710. Employment of retirees on or before June 30, 2020

11 \* \* \*

12 G. Notwithstanding any other provision of law to the contrary, the provisions  
13 of this Section shall be applicable only to a retiree who returns to active service with  
14 an employer covered by the provisions of this Chapter on or before June 30, 2020,  
15 and any retiree covered under Subparagraph (A)(6)(a) of this Section.

1           §710.1. Employment of retirees on or after July 1, 2020

2                   A. Except as otherwise provided in this Section, any retiree who returns to  
3           active service with an employer covered by the provisions of this Chapter on or after  
4           July 1, 2020, shall for that period of employment choose one of the following  
5           irrevocable options, which shall be made in writing and filed with the appropriate  
6           officer of the employer:

7                   (1) Option 1. (a) Any retiree may be employed in any position covered by  
8           this system during any fiscal year, provided that his earnings in such employment do  
9           not exceed twenty-five percent of his final average compensation during any fiscal  
10          year. If actual earnings exceed this amount in any fiscal year, the benefits payable  
11          to the retiree shall be reduced by the amount in excess of twenty-five percent of his  
12          final average compensation.

13                  (b) During the period of his return to active service, the retiree and his  
14          employer shall make contributions to the retirement system as otherwise provided  
15          by law, but the retiree shall receive no additional service credit and shall not accrue  
16          any additional retirement benefits in the retirement system. Upon termination of  
17          active service, the retiree shall, upon application, be refunded the employee  
18          contributions paid since reemployment. The refund shall be without interest. The  
19          retirement system shall retain the employer contributions.

20                  (c) Any retiree employed in a full-time position exercising Option 1 as  
21          provided in this Paragraph may prospectively exercise Option 2 any time prior to or  
22          after reaching twenty-five percent of his final average compensation. In such case,  
23          all employee contributions made in accordance with this Paragraph prior to the  
24          exercise of Option 2 shall be refunded at that time. If a retiree has earned in excess  
25          of twenty-five percent of his final average compensation prior to an election made  
26          pursuant to this Subparagraph, the employee contributions eligible for refund or the  
27          benefits payable to the retiree shall be reduced by said amount.

1           (2) Option 2. Any retiree employed in a full-time position covered by this  
2           system may request immediate suspension of his benefit, which may include all  
3           Deferred Retirement Option Plan and Initial Lump Sum Benefit distributions, and  
4           become a member of this system, effective on the first day of reemployment or on  
5           the first day a retiree notifies the system of his election to suspend his benefits after  
6           using Option 1. Upon such regaining of membership, the retiree and his employer  
7           shall make contributions to the retirement system as otherwise provided by law.  
8           Upon subsequent retirement, his suspended retirement allowance shall be restored  
9           to full force and effect effective as of the date a properly executed application for  
10           subsequent retirement is received by the board of trustees of this system or the date  
11           after the member terminates from service, whichever is later. The retiree shall be  
12           eligible for a supplemental benefit under this option using the same computation  
13           formula used at the retiree's original retirement. If the retiree has been reemployed  
14           and contributed for less than thirty-six months, his original final average  
15           compensation shall be used in the calculation of his supplemental benefit. If the  
16           retiree has been reemployed and contributed for at least thirty-six months, the final  
17           average compensation used to calculate the supplemental benefit shall be the greater  
18           of his original final average compensation or his final average compensation since  
19           reemployment. In no event shall the member receive duplicate credit for unused sick  
20           and annual leave that had been included in the computation of his original retirement  
21           allowance. Any supplemental benefit shall be based on reemployment service credit  
22           only and shall not include any other specific amount which may otherwise be  
23           provided in the regular retirement benefit computation formula, including sick and  
24           annual leave. No supplemental benefit shall be payable until ninety days after the  
25           date of termination of reemployment as certified by the employer. In the event of  
26           the member's death prior to subsequent retirement, payment of benefits to the  
27           designated beneficiary or survivor shall be in accordance with the option selected by  
28           the member at the time of his original retirement in accordance with R.S.  
29           11:783(A)(2) and in accordance with any benefit payable in accordance with R.S.  
30           11:762(C) and (I). No change in the option originally selected by the member in

1 accordance with R.S. 11:783(A)(2) shall be permitted. In no event shall the  
2 supplemental benefit exceed an amount which, when combined with the original  
3 benefit, equals one hundred percent of the greater of the average compensation figure  
4 used to compute the supplemental benefit or the average compensation figure used  
5 to compute the original benefit. Under no circumstances shall any person who has  
6 regained membership pursuant to the provisions of this Paragraph be allowed to  
7 purchase service credit for any period employed in public service during which he  
8 continued to draw his retirement allowance. Upon regaining membership pursuant  
9 to this Paragraph and subsequent retirement, if a retiree has any subsequent  
10 employment that is not full-time employment, he shall be permitted to select Option  
11 1 for such reemployment as well as full-time employment thereafter.

12 B. Any retiree who continues to be covered by R.S. 11:710 may elect to be  
13 covered by the provisions of this Section. Any retiree who makes an election to be  
14 covered by this Section shall no longer be covered by the provisions of R.S. 11:710.

15 C.(1) Any retiree who returns to active service covered by the provisions of  
16 this Chapter within the twelve-month period immediately following the effective  
17 date of such retirement shall have his retirement benefits suspended for the duration  
18 of such active service or the lapse of twelve months from the effective date of his  
19 retirement, whichever occurs first, even if such service is based on employment by  
20 contract or corporate contract.

21 (2) No person who retires based on a disability shall be authorized to return  
22 to service pursuant to the provisions of this Section. Disability retirees shall be  
23 covered by the provisions of law applicable to disability retirees.

24 (3) Any retiree who returns to active service with an employer covered by  
25 the provisions of this Chapter shall have his benefit suspended for the duration of his  
26 period of reemployment if such reemployment is based on a contract or corporate  
27 contract. The retiree and his employer shall not make contributions to the system  
28 during such time, and he shall receive no additional service credit and shall not  
29 accrue any additional retirement benefits.

1           D.(1) When any retiree covered by this Section returns to active service with  
2           an employer covered by the provisions of this Chapter, the employing agency shall,  
3           within thirty days thereafter, notify the board of trustees in writing of such  
4           employment and the date on which employment commenced. Upon termination, the  
5           agency shall provide the same notice. In addition, the employing agency shall also  
6           report to the retirement system within forty-five days after June thirtieth of each  
7           year, the names of all persons being paid by the employing agency and all persons  
8           having received a benefit, whether by contract or corporate contract, pursuant to the  
9           provisions of this Section, along with such individuals' social security numbers, their  
10           positions, their designations as part-time or full-time, and the amount of their  
11           earnings during the previous fiscal year ending on June thirtieth of the reporting year.  
12           Additionally, the employing agency shall transmit a monthly contributions report  
13           pursuant to R.S. 11:888(A). Such monthly reports shall be transmitted within thirty  
14           days of the last day of each month and shall include the salary paid to each individual  
15           retiree to whom this Section applies. Should failure to give notice of return to active  
16           service or failure to report any other information required by this Section result in  
17           any payment being made in violation of this Section, the employing agency shall be  
18           liable to the system for the repayment of such amounts.

19           (2) Should any employer covered by the system employ a retiree subject to  
20           this provision and fail to submit the report required by this Subsection, the retiree  
21           shall be considered as returning to active service under the provisions of Option 1  
22           above.

23           E.(1) The salary of any retiree who is reemployed pursuant to the provisions  
24           of this Section shall be based on the salary schedule which accounts for all prior  
25           years of teaching service and pertinent experience.

26           (2) The status of any retiree who is reemployed pursuant to the provisions  
27           of this Section shall be the same as a full-time active employee and shall be governed  
28           by the applicable rules, procedures, policies, and statutes that apply to all such  
29           full-time active employees.

1           Section 2. The cost of this Act, if any, shall be funded with additional employer  
2           contributions in compliance with Article X, Section 29(F) of the Constitution of Louisiana.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_