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## DIGEST

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Talbot

HB No. 60

**Abstract:** Relative to state and statewide retirement systems, requires the suspension of benefits for reemployed retirees who retire on or after July 1, 2013, and prohibits the accrual of additional benefits during such reemployment.

Proposed law, relative to state and statewide retirement systems, requires the suspension of benefits for reemployed retirees of such systems who retire on or after July 1, 2013, and prohibits the accrual of additional benefits during such reemployment. Furthermore, proposed law requires employers and reemployed retirees to notify the systems of reemployment. Requires the employer to compensate the system for any benefit payments to reemployed retirees if the system has not received the required notification of reemployment.

Various provisions of present law provide with respect to reemployed retirees in the 13 state and statewide retirement systems in the following manner. Present law remains applicable to members who retire on or before June 30, 2013.

### STATE RETIREMENT SYSTEMS

- (1) La. State Employees' Retirement System (LASERS) - provides three options for a reemployed retiree. Option 1: The retiree's earnings while reemployed cannot exceed 50% of his annual retirement benefit in a fiscal year. If his earnings exceed the 50% cap, his retirement benefits shall be reduced by the amount over the 50% cap; Option 2: The retiree may regain membership in the retirement system by paying back all his benefits plus interest plus all employer and employee contributions that would have been paid; Option 3: The retiree may request a suspension of his benefits. If he works past 36 months, he accumulates a supplemental benefit.
- (2) Teachers' Retirement System of Louisiana (TRSL) - generally requires suspension of benefits during reemployment but authorizes certain "retired teachers" to receive a retirement benefit during reemployment.
- (3) La. School Employees' Retirement System (LSERS) - provides for a two-fold approach to reemployed retirees: (a) The "50% rule", which is the default option for rehired retirees. Under this rule, the retiree's earnings in a given year cannot exceed 50% of his "average compensation"; (b) The "100% rule" provides that if a retiree is reemployed within 12 months of his retirement date, his benefit will be suspended. After 12 months has passed (from his date of retirement), he can start collecting his benefit. The "100% rule" is only

available to retired bus drivers, and is a voluntary reemployment option for individual employers who must pay the actuarial cost of reemploying such person under the "100% rule".

- (4) State Police Pension and Retirement System (STPOL) - provides that if a retiree is reemployed and his earnings exceed 50% of his average final compensation, his benefit shall be suspended.

#### STATEWIDE RETIREMENT SYSTEMS

- (1) La. Assessor's Retirement Fund (LARF) - provides that if a retiree is reemployed for more than 100 working days, the benefits payable to him shall be reduced by the amount he earned (in salary) after 30 working days.
- (2) Clerks' of Court Retirement and Relief Fund (CCRS) - if a retiree is reemployed for more than 60 working days, the benefits payable to him shall be reduced by the amount of salary earned after 60 working days.
- (3) District Attorneys' Retirement System (DARS) - provides that a reemployed retiree's benefits are suspended, but during the period of reemployment he shall accrue a supplemental benefit. Provides an exception allowing a district attorney or assistant district attorney to be reemployed without having his benefit suspended if his salary is less than \$45,000, but he shall not accrue a supplemental benefit while reemployed.
- (4) Municipal Employees' Retirement System (MERS) - provides that a reemployed retiree's benefits shall continue only if his monthly earnings (salary) are equal to or less than the difference between his average final compensation and his retirement benefits. If his salary exceeds this difference, then his benefits will be reduced by the amount of such difference.
- (5) Parochial Employees' Retirement System (PERS) - provides that a reemployed retiree who has been retired at least three years and is 65 or older, may work for up to 1,040 hours in the calendar year. A retiree who does not meet these criteria may work up to 480 hours during the calendar year. If a retiree exceeds such limits, his retirement benefit will be reduced by the amount of salary earned in excess of those limits.
- (6) Registrars of Voters Employees' Retirement System (ROVERS) - provides that a retiree can be rehired without a suspension in benefits if he has terminated employment for at least six months and is employed for no more than 60 days or 480 hours in a calendar year. Employment in excess of this requires a reduction of the benefit by an amount equal to the amount earned in excess of the limitation. Any retiree reemployed within six months shall have his benefit reduced by the amount earned during his reemployment. For any retiree returning to work full-time, his benefit will be suspended during reemployment, and he will earn a supplemental benefit for such period.

- (7) Sheriffs' Pension and Relief Fund (SPRF) - provides that a reemployed retiree may return to work part time, in which case his earnings shall not exceed 50% of his final average compensation; however, a full-time reemployed retiree's benefits shall be suspended during reemployment, but he shall accrue a supplemental benefit.
- (8) Municipal Police Employees' Retirement System (MPERS) - provides that a reemployed retiree's benefit shall be suspended but the retiree shall accumulate a supplemental benefit during his period of reemployment.
- (9) Firefighters' Retirement System (FRS) - provides that a reemployed retiree's benefit shall be suspended, but such person shall earn a supplemental benefit during the period of his reemployment.

Effective July 1, 2013.

(Amends R.S. 11:149, 416(A)(intro. para.), 710(A), (F), and (G), 1006, 1007(A)(1), 1311, 1413, 1513(A), (B), and (C)(1), 1631(F), 1762, 1928, 2078, 2220(A)(1)(e), (f), and (g)(intro. para.), 2256(A)(5); Adds R.S. 11:416(D) and 2175(E)(7))