

2020 Regular Session

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.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____