The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by LG Sullivan.

DIGEST

SB 425 Original

2022 Regular Session

Ward

<u>Present law</u> governs the payment of benefits to retirees of the Teachers' Retirement System of Louisiana (Teachers') including retirees who return to work in positions covered by the retirement system. <u>Present law</u> generally requires payment of a retiree's benefit to be suspended for the duration of reemployment with some exceptions. Requires suspension of benefit without exception for any reemployment within the first 12 months of retirement. Requires payment of employee and employee contributions during reemployment. Provides for refund of employee contributions without interest after the reemployment ends.

Proposed law retains present law.

One <u>present law</u> exception (commonly referred to as "critical shortage") allows the receipt of retirement benefits without suspension for the duration of reemployment if all of the following apply to the retiree:

- (1) He retired on or before June 30, 2010, <u>OR</u> retired after that date and returned to a Teachers'covered position on or before June 30, 2020.
- (2) He is employed to fill a position certified as a critical shortage position.
- (3) He is certified to teach in the critical shortage area.

<u>Present law</u>, applicable to anyone who retired after June 30, 2010, and who first returned to work in a Teachers'-covered position after June 30, 2020, does not contain a critical shortage provision.

<u>Present law</u> provides a process by which an employer certifies that a critical shortage exists. Requires the employer to advertise twice in the locality's official journal and to post notice at each post-secondary institution within a 120-mile radius of the employer's governing authority.

Proposed law generally retains present law. Proposed law additionally:

- (1) Applies present critical shortage law to any certified retiree, not just to one certified in the critical shortage area.
- (2) Allows anyone who retired before July 1, 2020, to be rehired under present critical shortage law.
- (3) Until July 1, 2025, allows the employer to fulfill the advertising and posting requirements of present law by (a) posting notice each semester at the specified post-secondary institutions

and advertising monthly in the official journal that the employer is soliciting applications for future employment of certified teachers and (b) prominently displaying a list of positions that are unfilled or that are filled by reemployed retirees on specified websites.

<u>Proposed law</u> provides that any cost of <u>proposed law</u> shall be funded with increased employer contributions in compliance with provisions of <u>present constitution</u>.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 11:710(F)(1) and (G) and 710.1(A)(intro para); adds R.S. 11:710.1(F))