

## RÉSUMÉ DIGEST

ACT 549 (SB 434)

2022 Regular Session

Fields

Existing law 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. Existing law generally requires suspension of retirement benefits during reemployment. Requires the suspension of benefits without exception for any reemployment within the first 12 months of retirement. Existing law further requires payment of employer and employee contributions during reemployment and provides for a refund of employee contributions without interest after the reemployment ends.

One existing law exception (commonly referred to as "critical shortage") allows a retiree to receive retirement benefits without suspension during reemployment if the retiree is employed to fill a position certified as a critical shortage position and is certified to teach in the critical shortage area.

Existing law governing reemployment of retired teachers provides for two classes of persons based on their status on June 30, 2020. Members of one class, the 2010 group, who retired before July 1, 2010, are in a "grandfathered" cohort that may return to work without benefit suspension and without limitation. 2010 group members who retired after that date may return to work without suspension or reduction in benefit if certain criteria are met for declaring a "critical shortage". If the critical shortage criteria are not met, a reemployed member of the 2010 group who is not grandfathered is subject to immediate benefit suspension or suspension of benefit after reaching an earnings limitation. Members of the other class, the 2020 group, must elect at reemployment to be subject to an earnings limitation or to suspend benefit payments and accrue a supplemental benefit.

Prior law divided the two groups based on return-to-work status. Provided that the 2010 group included anyone in the grandfathered group and anyone not in the grandfathered group who returned to work on or before June 30, 2020. Provided that the 2020 group included anyone not in the 2010 group.

New law divides the two groups based on retirement date. Provides that anyone who was retired on June 30, 2020, is now in the 2010 group and may be reemployed in a critical shortage position. Provides that anyone who retired July 1, 2020, or thereafter is in the 2020 group.

Existing law allows anyone in the 2010 group to make an irrevocable election to be covered by the law governing the 2020 group.

New law allows anyone who retired before July 1, 2020, and whose reemployment was governed by prior law applicable to the 2020 group due to return-to-work status to elect to be reemployed under existing law applicable to the 2010 group.

Existing critical shortage law requires an employer to meet certain advertising and posting requirements before certifying the existence of a critical shortage, allowing a retiree to receive retirement benefits without suspension during reemployment.

For each position sought to be filled prior law required the employer to advertise twice in the employer's official journal and to post notice at each postsecondary education institution within a 120-mile radius of the employer's governing authority.

New law requires monthly general notice publication in the employer's official journal, general notice posting at postsecondary institutions every semester, and the prominent display of a list of positions that are unfilled or that are filled by reemployed retirees on specified websites.

New law allows, until July 1, 2027, employment of retirees without benefit suspension and without certifying the existence of a critical shortage as follow, if the retiree has been retired for a least 12 months and did not retire based on a disability:

- (1) Employment of a retiree certified in math, science, English language arts, or special education, excluding gifted and talented, to fill a position in the certified area. New

law requires that in the event a certified teacher applies to fill a position held by a retiree, the certified teacher will replace the retiree at the beginning of the next grading period.

- (2) Employment of a retiree with at least 30 years of service credit who is at least age 62 to fill a vacancy created by extended leave.

New law authorizes, until July 1, 2027, the reemployment of a retiree to teach in a nursing program at a public postsecondary education institution as an adjunct professor where a critical shortage exists, if the retiree and the institution satisfy certain criteria. Requires the retiree to meet all of the following:

- (1) He retired on or before June 30, 2020.
- (2) He has been retired for at least 12 months.
- (3) He did not retire based on a disability.
- (4) He has at least 30 years of creditable service in the retirement system.
- (5) He has attained at least age 62.

New law requires the institution to post a listing of positions that are unfilled or that are filled by reemployed retirees on the websites of the institution, of the institution's management board, and of the Bd. of Regents in order to declare the existence of a critical shortage.

Existing law requires the employer of a retiree to satisfy certain notice and reporting requirements. Provides that if a failure to provide any required notice or report causes the system to pay a benefit that is not due, the employer is liable to the system for repayment.

New law applies the notice, reporting, and liability provisions to any institution employing a retiree under new law.

New law specifies that new law will not apply to anyone reemployed by contract or corporate contract.

The above provisions became effective May 31, 2022.

New law effective June 8, 2022, requires the Dept. of Education (DOE) to determine whether non-Teachers' public schools are having critical shortage issues, to find the reasons for the shortages and for any disparity if those non-Teachers' schools are not having shortages, and to propose policy changes that will reduce or eliminate the shortages without reemployment of retirees. Requires a report of findings and proposals be submitted to the House and Senate retirement and education committees by January 20, 2023.

(Amends R.S. 11:710(A)(3), (F)(1), and (G) and 710.1(A)(intro para); adds R.S. 11:710(H), 710.1(F), and 710.2)