

Regular Session, 2011

HOUSE BILL NO. 417

BY REPRESENTATIVES CORTEZ, ARMES, ARNOLD, BOBBY BADON, BALDONE, BARRAS, BISHOP, BURFORD, HENRY BURNS, BURRELL, CARMODY, CARTER, CHAMPAGNE, CHANDLER, CHANEY, DIXON, DOWNS, FANNIN, GISCLAIR, GUINN, HARDY, HENDERSON, HOFFMANN, HOWARD, SAM JONES, KATZ, LANDRY, LEBAS, LOPINTO, MONTOUCET, NOWLIN, POPE, RICHARD, RICHARDSON, SCHRODER, SEABAUGH, GARY SMITH, JANE SMITH, THIBAUT, AND WOOTON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RETIREMENT/TEACHERS: Relative to the Teachers' Retirement System of Louisiana (TRSL), allows retirees rehired as substitute teachers to collect retirement benefits during reemployment under certain circumstances

1 AN ACT

2 To amend and reenact R.S. 11:710(A)(1), (B)(1)(a), (C)(2), and (D), to enact R.S.
3 11:710(A)(4), and to repeal R.S. 11:710(H), relative to the Teachers' Retirement
4 System of Louisiana; to allow certain retirees reemployed as substitute teachers to
5 receive benefits during reemployment; to provide limitations; to provide an effective
6 date; and to provide for related matters.

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

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 11:710(A)(1), (B)(1)(a), (C)(2), and (D) are hereby amended and
12 reenacted and R.S. 11:710(A)(4) is hereby enacted to read as follows:

13 §710. Employment of retirees

14 A. For purposes of this Section, "retired teacher" shall mean any of the
15 following:

16 (1) A retired member who returns to active service covered by the provisions
17 of this Chapter as a full-time or part-time classroom teacher who teaches any student

1 in kindergarten through twelfth grade in a critical teacher shortage area. For
2 purposes of this Paragraph, "critical shortage area" shall mean any subject area
3 where a shortage of certified teachers exists in that subject area, subject to the
4 provisions of Subsection F of this Section. For purposes of this ~~Paragraph~~ Section,
5 "classroom teacher" shall mean any employee, whose position of employment
6 requires a valid Louisiana teaching certificate and who is assigned the professional
7 activities of instructing pupils in courses in classroom situations for which daily
8 pupil attendance figures for the school system are kept. Such classroom situations
9 may include teaching in a school classroom or in other settings such as a home or
10 hospital or other learning situations such as cocurricular activities, which instruction
11 may be provided in person or through an approved medium such as television, radio,
12 computer, Internet, multimedia telephone, and correspondence that is delivered
13 inside or outside the classroom or in other teacher-student settings.

14 * * *

15 (4) A retired member who returns to active service covered by the provisions
16 of this Chapter as a substitute classroom teacher who teaches any student in
17 kindergarten through twelfth grade. For purposes of this Paragraph "substitute
18 classroom teacher" shall mean a classroom teacher employed in a temporary capacity
19 to fill the position of another classroom teacher who is unavailable to teach for any
20 reason. Such substitute classroom teacher's earnings from his return to active service
21 shall not exceed twenty-five percent of his benefit during any fiscal year. If actual
22 earnings exceed this amount in any fiscal year, the benefits payable to the retiree
23 shall be reduced by the amount in excess of twenty-five percent of his benefit.

24 * * *

25 B.(1)(a) Any retired teacher who returns to active service covered by the
26 provisions of this Chapter within the twelve-month period immediately following the
27 effective date of such retirement shall have his retirement benefits suspended for the
28 duration of such active service or the lapse of twelve months from the effective date
29 of his retirement, whichever occurs first, even if such service is based on

1 employment by contract or corporate contract. If any retired member returns to
2 active service in a position qualifying him as a retired teacher under more than one
3 provision of this Section providing for an earnings limitation of twenty-five percent
4 of his retirement benefit in any fiscal year, the twenty-five percent earnings
5 limitation shall apply to the total earnings of such retired teacher for all such
6 positions in such fiscal year.

7 * * *

8 C.

9 * * *

10 (2) Any retired member not considered a retired teacher as defined in
11 Subsection A of this Section shall have his benefit suspended for the duration of his
12 period of reemployment in such position even if such reemployment is based on
13 employment by contract or corporate contract. Such member and his employer shall
14 not make contributions to the system during such time, and he shall receive no
15 additional service credit nor accrue any additional retirement benefits.

16 * * *

17 D. When any retiree returns to active service with an employer covered by
18 the provisions of this Chapter, the employing agency shall, within thirty days
19 thereafter, notify the board of trustees in writing of such employment, the date on
20 which employment commenced, and a determination by the employer as to whether
21 such person is a "retired teacher" pursuant to Subsection A of this Section. Upon
22 termination, the agency shall provide the same notice. In addition, the employing
23 agency shall also report to the retirement system within forty-five days after June
24 thirtieth of each year, the name of all persons being paid by the employing agency
25 and all persons having received a benefit pursuant to the provisions of this Section,
26 their ~~along with such individuals~~' social security numbers, ~~their positions~~, and the
27 amount of their earnings during the previous fiscal year ending on June thirtieth of
28 the reporting year. Additionally, the employing agency must transmit a monthly
29 contributions report pursuant to R.S. 11:888(A). Such monthly reports shall be

1 transmitted within thirty days of the last day of each month and shall include the
2 salary paid to all individuals identified as a "retired teacher" pursuant to Subsection
3 A of this Section. Should failure to give notice of return to active service or failure
4 to report any other information required by this Section result in any payment being
5 made in violation of this Section, the employing agency shall be liable to the system
6 for the repayment of such amounts.

7 * * *

~~H. By August 15, 2010, each employer shall report to the system and to the House and Senate committees on retirement the names, positions, and salaries of each person reemployed by such employer as of January 1, 2010, who was receiving a retirement benefit pursuant to the provisions of this Section. Each calendar year thereafter, by January fifteenth of such year, the employer shall report to the system and to the House and Senate committees on retirement the names, positions, and salaries of each person reemployed by such employer as of January first of that year who was receiving a retirement benefit pursuant to the provisions of this Section.~~

16 Section 2. R.S. 11:710(H) is hereby repealed in its entirety.

Section 3. The cost of this Act, if any, shall be funded with additional employer contributions in compliance with Article X, Section 29(F) of the Constitution of Louisiana.

19 Section 4. This Act shall become effective on July 1, 2011; if vetoed by the governor
20 and subsequently approved by the legislature, this Act shall become effective on July 1,
21 2011, or on the day following such approval by the legislature, whichever is later.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Cortez

HB No. 417

Abstract: Relative to the Teachers' Retirement System of La. (TRSL), allows certain retirees reemployed as substitute teachers to receive a retirement benefit during reemployment.

Present law prohibits any TRSL retiree other than a "retired teacher" from receiving a retirement benefit while reemployed. Provides that anyone other than a "retired teacher" shall have his benefit suspended during reemployment. Defines "retired teacher" as:

- (1) Any retired member who returns to work full-time or part-time as a classroom teacher offering instructional services to any student in grades K through 12 in a "critical shortage area".
- (2) Any other retired member reemployed on or before June 30, 2010.
- (3) Any retired member who returns to active service as a full-time certified speech therapist, speech pathologist, or audiologist whose position of employment requires a valid La. ancillary certificate approved and issued by the state Dept. of Education in a school district where a shortage exists.

Proposed law adds to the definition of "retired teacher", and therefore to the list of reemployed retirees who may receive a benefit during reemployment, retirees who are reemployed as substitute K through 12 classroom teachers.

Proposed law provides that the earnings of any such substitute teacher shall not exceed 25% of his retirement benefit in any fiscal year. If earnings exceed this amount, such substitute's retirement benefit will be reduced by the amount in excess of the 25%.

Proposed law provides that the total earnings of any "retired teacher" upon whom proposed law imposes a 25% earnings limitation shall not exceed the 25% limit if such retired teacher is reemployed in multiple positions which make him eligible to receive a retirement benefit during reemployment in positions that are subject to the 25% limit.

Present law requires each employer to report to the system and to the House and Senate committees on retirement the names, positions, and salaries of each person reemployed by such employer as of Jan. 1, 2010, who was receiving a retirement benefit pursuant to the provisions of present law. Requires such reports annually.

Proposed law changes the date of such reporting to within 45 days after June 30th. No longer requires reporting to the House and Senate committees on retirement, and instead requires such information to be reported to TRSL only. Additionally requires monthly reporting by an employer of a rehired retiree's salary information.

Present law provides that if a failure by an employing agency to report on a reemployed retiree causes any overpayment of benefits, the employer shall be liable to TRSL for repayment of such overpayment.

Proposed law retains present law and provides further that the failure of the employing agency to report to TRSL any information required by present law or proposed law shall cause the employer to be liable to TRSL for any overpayment of benefits.

Requires that any cost of proposed law be funded by additional employer contributions in compliance with Art. X, Sec. 29(F) of the Constitution of La.

Effective July 1, 2011.

(Amends R.S. 11:710(A)(1), (B)(1)(a), (C)(2), and (D); Adds R.S. 11:710(A)(4); Repeals R.S. 11: 710 (H))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Retirement to the original bill.

1. Deletes requirement that a TRSL retiree reemployed as a substitute teacher be at least age 60 or have 30 years of service credit in order to receive a benefit during reemployment under proposed law.

2. With regards to employment limitations of such substitute teachers, deletes language limiting the reemployment of a substitute teacher to 90 working days in a fiscal year. Instead prohibits the earnings of such substitute from exceeding 25% of his retirement benefit.
3. Adds provision that present law and proposed law apply to reemployed retirees within TRSL even if reemployment is through contract or corporate contract.
4. Adds requirement that employers report monthly to TRSL the salaries and earnings of all persons paid by such employer within 30 days of the last day of each month.

House Floor Amendments to the engrossed bill.

1. Provides that the total earnings of any "retired teacher" upon whom proposed law imposes a 25% earnings limitation shall not exceed the 25% limit if such retired teacher is reemployed in multiple positions which would make him eligible to receive a retirement benefit during reemployment in positions that are subject to the 25% limit.