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## DIGEST

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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.