

HOUSE SUMMARY OF SENATE AMENDMENTS

House Bill No. 417 by Representative Cortez

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

Synopsis of Senate Amendments

1. Adds to the definition of "retired teacher", and therefore to the list of reemployed retirees who may receive a benefit during reemployment, retirees who on June 30, 2010, were participating in the Deferred Retirement Option Plan (DROP) or were working after completion of plan participation.

Digest of Bill as Finally Passed by Senate

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.

Proposed law further adds to the definition of "retired teacher", and therefore to the list of reemployed retirees who may receive a benefit during reemployment, retirees who on June 30, 2010, were participating in the Deferred Retirement Option Plan (DROP) or were working after completion of plan participation.

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) and (5); Repeals R.S. 11: 710 (H))