

Regular Session, 2010

HOUSE BILL NO. 392

BY REPRESENTATIVE HARDY

RETIREMENT/STATE-STWIDE: Relative to state and statewide retirement systems, prohibits certain members who are reemployed after retirement from receiving retirement benefits or accruing additional benefits

1 AN ACT

2 To amend and reenact R.S. 11:149, 416(A)(introductory paragraph), (B), and (C), 710, 1006,

3 1007(A)(1), 1311, 1413, 1513, 1631(F), 1762, 1928, 2078, 2220(A)(1)(e), (f), and

4 (g), 2256(A)(5) and to enact R.S. 11:2175(E)(7), relative to state and statewide

5 retirement systems; to prohibit certain reemployed retirees from receiving retirement

6 benefits or accruing additional benefits during their reemployment; to provide

7 relative to contributions during such period; to provide for reporting requirements;

8 to provide an effective date; and to provide for related matters.

9 Notice of intention to introduce this Act has been published

10 as provided by Article X, Section 29(C) of the Constitution

11 of Louisiana.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 11:149, 416(A)(introductory paragraph), (B), and (C), 710, 1006,

14 1007(A)(1), 1311, 1413, 1513, 1631(F), 1762, 1928, 2078, 2220(A)(1)(e), (f), and (g),

15 2256(A)(5) are hereby amended and reenacted and R.S. 11:2175(E)(7) is hereby enacted

16 to read as follows:

1 §149. Reemployment of retirees

2 A. The provisions of this Section are applicable to the following public  
3 retirement or pension systems, plans, or funds, hereinafter referred to in this Section  
4 as "systems":

- 5 (1) Assessors' Retirement Fund.
- 6 (2) Clerks' of Court Retirement and Relief Fund.
- 7 (3) District Attorneys' Retirement System.
- 8 (4) Firefighters' Retirement System.
- 9 (5) Louisiana School Employees' Retirement System.
- 10 (6) Louisiana State Employees' Retirement System.
- 11 (7) Municipal Employees' Retirement System of Louisiana.
- 12 (8) Municipal Police Employees' Retirement System.
- 13 (9) Parochial Employees' Retirement System of Louisiana.
- 14 (10) Registrars of Voters Employees' Retirement System.
- 15 (11) Sheriffs' Pension and Relief Fund.
- 16 (12) State Police Pension and Retirement System.
- 17 (13) Teachers' Retirement System of Louisiana.

18 B. If a member of a system listed in Subsection A of this Section retires from  
19 such system on or after July 1, 2010, and engages in employment which otherwise  
20 would render him eligible for membership in any such system, his retirement benefit  
21 shall be suspended during the period of his reemployment. During such period of  
22 reemployment, neither he nor his employer shall make contributions to the system,  
23 nor shall he earn any additional service credit or supplemental benefit. Both the  
24 reemployed retiree and his employer shall immediately notify the system of the  
25 retiree's date of reemployment and the estimated duration of reemployment and,  
26 upon termination, the date of termination of reemployment. Should failure to give  
27 notice of return to employment result in any payment being made in violation of this  
28 Section, the employer shall be liable to the system for the repayment of such  
29 amounts.

1            ~~A. C.~~ Notwithstanding any other provision of law to the contrary, any person  
 2 who retires from employment with a department of state government as defined in  
 3 Title 36 of the Louisiana Revised Statutes of 1950, on or before June 30, 2010, shall,  
 4 upon reemployment by the same department of state government, be governed, with  
 5 respect to retirement, by the laws governing the retirement system from which he  
 6 retired.

7            ~~B. D.~~ Any person who retires under any early retirement incentive plan of the  
 8 state of Louisiana for state employees shall not be reemployed by any department of  
 9 state government for two years after the effective date of their retirement. The  
 10 provisions of this Subsection shall not apply to seasonal ~~fire fighting~~ firefighting  
 11 personnel employed by the office of forestry in the Department of Agriculture and  
 12 Forestry, and election-related personnel in the Department of State. Reemployment  
 13 of election personnel shall not exceed six weeks prior to an election and two weeks  
 14 following an election.

15    \*            \*            \*

16 §416. Employment of retirees

17            A. Regardless of age, if a retiree of the system who retires on or before June  
 18 30, 2010, and is engaged or hereafter engages in employment which otherwise would  
 19 render him eligible for membership in the system, he shall choose one of the  
 20 following irrevocable options:

21    \*            \*            \*

22            B. For any reemployed retiree who retires on or before June 30, 2010, the  
 23 following shall apply:

24            (1) The retiree and the appointing authority of the employer agency covered  
 25 by the system shall immediately notify the system of the retiree's date of  
 26 employment, the option selected for reemployment purposes, the amount of his  
 27 starting salary, any subsequent changes in salary, the estimated duration of  
 28 employment, and the date of termination of employment.

1           ~~€(2)~~ Should any employer covered by the system employ a retiree and fail  
2 to submit the report required by ~~Subsection B of this Section~~ Paragraph (1) of this  
3 Subsection, the retiree shall be considered as returning to active service under the  
4 provisions of Option 3 above. His retirement benefit shall be suspended during such  
5 active service and he shall be governed by the provisions of this Section. Employers  
6 and employees failing to submit the report required by ~~Subsection B of this Section~~  
7 Paragraph (1) of this Subsection shall be liable for the repayment of contributions  
8 due from the date of reemployment.

9           C. Any member who retires on or after July 1, 2010, and engages in  
10 employment which otherwise would render him eligible for membership in the  
11 system shall be subject to the provisions of R.S. 11:149.

12   \*           \*           \*

13           §710. Employment of retirees

14           A. Persons retiring on or after July 1, 2010. Any member of this system who  
15 retires on or after July 1, 2010, shall be subject to the provisions of R.S. 11:149.

16           B. Persons retiring on or before June 30, 2010. The following provisions  
17 shall apply to any member of this system who retires on or before June 30, 2010, and  
18 then returns to active service covered by the provisions of this Chapter:

19           ~~A(1)(a)(i)~~ Any member of this system who retires on or before June 30,  
20 2010, and then returns to active service covered by the provisions of this Chapter  
21 within the twelve-month period immediately following the effective date of such  
22 retirement shall have his retirement benefits suspended for the duration of such  
23 active service or the lapse of twelve months from the effective date of his retirement,  
24 whichever occurs first, even if such service is based on employment by contract or  
25 corporate contract.

26           ~~(b)(ii)~~ If the reemployment of a retired teacher is based on an agreement  
27 between the retired teacher and his employer where such agreement was perfected  
28 prior to the teacher's effective date of retirement and where the agreement allows for  
29 such a teacher to become reemployed within twelve months immediately following

1 the effective date of the teacher's retirement, such reemployed teacher shall not be  
2 eligible to receive retirement benefits for the twelve-month period immediately  
3 following the effective date of such reemployment, regardless of whether such  
4 agreement is express or implied. The provisions of this Subparagraph shall be  
5 applied prospectively beginning on July 1, 2001.

6 ~~(c)~~(iii) The twelve-month period immediately following the effective date of  
7 a member's retirement shall be known as the "waiting period".

8 ~~(2)~~(b) Any member of this system who retires based on a disability shall not  
9 be authorized to return to service pursuant to the provisions of this Section.  
10 Disability retirees shall be covered by the provisions of this Chapter applicable to  
11 disability retirees.

12 ~~B.+(1)~~(2)(a) During the period of his return to active service, the retiree and  
13 his employer shall make contributions to the retirement system as provided by this  
14 Chapter, but the retiree shall receive no additional service credit nor accrue any  
15 additional retirement benefits in the retirement system. Upon termination of such  
16 active service, the member shall, upon application, be refunded the employee  
17 contributions paid since reemployment. The refund shall be without interest. The  
18 retirement system shall retain the employer contributions.

19 ~~(2)~~(b) The provisions of this ~~Subsection~~ Paragraph shall not apply to any  
20 retiree reemployed in a part-time position with the Louisiana High School Athletic  
21 Association on June 27, 2003.

22 ~~E.+(3)~~ When any retiree returns to active service with an employer covered  
23 by the provisions of this Chapter, the employing agency shall, within ten days  
24 thereafter, notify the board of trustees in writing of such employment and the date  
25 on which it commenced and, upon termination, shall provide the same notice. In  
26 addition to the above notice, the employing agency shall also report to the retirement  
27 system within forty-five days after June thirtieth of each year, the name of all  
28 persons being paid by the employing agency, their social security numbers, and the

1 amount of their earnings during the previous fiscal year ending on June thirtieth of  
2 the reporting year.

3 ~~D.(1)(4)(a)~~ The salary of any retiree who is reemployed as a full-time teacher  
4 pursuant to the provisions of this ~~Section~~ Subsection shall be based on the salary  
5 schedule which accounts for all prior years of teaching service and pertinent  
6 experience.

7 ~~(2)(b)~~ The status of any retiree who is reemployed pursuant to the provisions  
8 of this ~~Section~~ Subsection shall be the same as a full-time active employee and shall  
9 be governed by the applicable rules, procedures, policies, and statutes that apply to  
10 all such full-time active employees.

11 \* \* \*

12 §1006. Reemployment of retirees

13 A. Persons retiring on or after July 1, 2010. Any service retiree of this  
14 system who retires on or after July 1, 2010, shall be subject to the provisions of R.S.  
15 11:149.

16 B. Persons retiring on or before June 30, 2010. The following provisions  
17 shall apply to any service retiree who retires on or before June 30, 2010, and then  
18 returns to active service covered by the provisions of this Chapter:

19 ~~A.~~(1) Any service retiree of the Louisiana School Employees' Retirement  
20 System who retires on or before June 30, 2010, may be reemployed in any position  
21 covered by the system as a full-time, part-time, temporary, or substitute employee  
22 subject to the provisions of this ~~Section~~ Subsection.

23 (2) The employing agency shall transmit monthly, by the fifteenth day after  
24 the end of the month, a report with the name, social security number, and the amount  
25 of earnings of the retiree during the previous month.

26 (3) For the purposes of this ~~Section~~ Subsection, there shall be an annual  
27 cost-of-living adjustment to the average compensation figure used in these  
28 computations. This cost-of-living adjustment shall be based upon and directly reflect

1 the annual percentage increase or decrease in the Consumer Price Index for the  
2 preceding year.

3 ~~B.(4)~~ If the earnings of the reemployed retiree in any fiscal year are in excess  
4 of fifty percent of average compensation, an amount equal to the amount of the  
5 earnings in excess of fifty percent of average compensation for the fiscal year shall  
6 be repaid to the retirement system, either through direct reimbursement to the system  
7 or by suspension of benefits; however, the repayment amount shall not exceed the  
8 amount of retirement benefits received by the retiree for the fiscal year.

9 ~~C.(5)~~ Should any employing agency fail to submit the report required by  
10 ~~Subsection A of this Section~~ Paragraph (2) of this Subsection, the employing agency  
11 shall be liable to the retirement system for the repayment of any overpayments to the  
12 retiree by the system.

13 ~~D.(6)~~ The provisions of this ~~Section~~ Subsection shall not apply to any retiree  
14 of this system who retired from service as a bus driver on or before June 30, 2010,  
15 who returns to active service in a full-time position as a bus driver covered by the  
16 provisions of this Chapter, and whose employer chooses to reemploy him pursuant  
17 to R.S. 11:1007. The full-time reemployment of such retired bus drivers shall be  
18 governed by the provisions of that Section.

19 §1007. Employment of retired bus drivers

20 A.(1) Subject to the provisions of Subsection F of this Section, any retiree  
21 of this system who was retired from service as a bus driver on or before June 30,  
22 2010, and who returns to active service in a full-time position as a bus driver covered  
23 by the provisions of this Chapter within the twelve-month period immediately  
24 following the effective date of his retirement shall have his retirement benefit  
25 suspended for the duration of such active service or the lapse of twelve months after  
26 the effective date of his retirement, whichever occurs first, even if such service is  
27 based on employment by contract or corporate contract. After the period of

1 suspension of benefits as provided in this Subsection, the retirement benefit of such  
2 retiree shall no longer be suspended.

3 \* \* \*

4 §1311. Reemployment of retiree

5 A. Persons retiring on or after July 1, 2010. Any member of this system who  
6 retires on or after July 1, 2010, shall be subject to the provisions of R.S. 11:149.

7 B. Persons retiring on or before June 30, 2010. The following provisions  
8 shall apply to any member of this system who retires on or before June 30, 2010, and  
9 then returns to active service covered by the provisions of this Chapter:

10 ~~A.(1)~~ Whenever a retiree, who retired on or before June 30, 2010, returns to  
11 employment as a sworn, commissioned law enforcement officer of the office of state  
12 police in any office, section, agency, commission, or branch of the Department of  
13 Public Safety and Corrections as defined in Title 36 of the Louisiana Revised  
14 Statutes of 1950, whether by executive order or by any other authorized action or  
15 authority, such person shall not be entitled to renew his membership in or become  
16 a member of the system. If his earnings in such employment are more than fifty  
17 percent of his average final compensation, payment of his retirement benefit shall be  
18 suspended for every month of such employment. Upon the subsequent separation  
19 of such employment or upon death prior thereto, the retirement allowance to which  
20 he shall then be entitled and the benefits to which any of his dependents shall then  
21 be entitled shall be the same as those to which he and/or his dependents or  
22 beneficiaries were entitled prior to and at the time of such employment.

23 ~~B.(2)~~ Notwithstanding the provisions of R.S. 11:149(A)(C), whenever a  
24 retiree returns to employment with the Department of Public Safety and Corrections  
25 in any capacity other than as a sworn, commissioned law enforcement officer of the  
26 state police, his employment shall, if otherwise applicable, be governed, with respect  
27 to retirement, by the laws governing the Louisiana State Employees' Retirement  
28 System.

29 \* \* \*



1 §1413. Reemployment of a retiree

2 A. Persons retiring on or after July 1, 2010. Any member of this system who  
3 retires on or after July 1, 2010, shall be subject to the provisions of R.S. 11:149.

4 B. ~~A retiree~~ Any member who retired on or before June 30, 2010, and is  
5 receiving retirement benefits from the system may be temporarily reemployed by an  
6 assessor but the retiree shall not be or become a member of the system during such  
7 reemployment. If the retiree is reemployed in any capacity for more than one  
8 hundred working days during any calendar year, or the equivalent thereof, during any  
9 calendar year, the benefits payable to the retiree shall be reduced by the amount he  
10 earned after thirty working days, or the equivalent thereof. The retiree and the  
11 assessor shall immediately notify the board of the date of reemployment, the amount  
12 of salary paid, any changes in salary, the number of hours employed per week, the  
13 estimated duration of reemployment, and the date of the termination of the  
14 reemployment. If the retiree dies during reemployment, benefits shall be paid to any  
15 other person as if death occurred regardless of reemployment pursuant to any option  
16 which may have been selected by the retiree at the time of retirement.

17 \* \* \*

18 §1513. Reemployment of a retiree

19 A. Persons retiring on or after July 1, 2010. Any member of this system who  
20 retires on or after July 1, 2010, shall be subject to the provisions of R.S. 11:149.

21 ~~A.~~ B. Persons retiring on or before June 30, 2010. The following provisions  
22 shall apply to any member of this system who retires on or before June 30, 2010, and  
23 then returns to active service covered by the provisions of this Chapter:

24 (1) Except as provided in Paragraph (2) of this Subsection, ~~Subsection B of~~  
25 this Section, ~~a retiree~~ a member who retired on or before June 30, 2010, and is  
26 receiving retirement benefits from the system may be temporarily reemployed by a  
27 clerk, but the retiree shall not be or become a member of the system during such  
28 reemployment. If the retiree is reemployed in any capacity for more than sixty  
29 working days, or the equivalent thereof, during any calendar year, the benefits

1 payable to the retiree shall be reduced by the amount he earned after sixty working  
 2 days, or the equivalent thereof. The retiree and the clerk shall immediately notify  
 3 the board of the date of reemployment, the amount of salary paid, any changes in  
 4 salary, the number of hours employed per week, the estimated duration of  
 5 reemployment, and the date of the termination of the reemployment. If the retiree  
 6 dies during reemployment, benefits shall be paid to any other person as if death  
 7 occurred regardless of reemployment pursuant to any option which may have been  
 8 selected by the retiree at the time of retirement.

9 ~~B.(1)~~ (2)(a) A retiree who has terminated employment and was receiving  
 10 retirement benefits from the system on January 1, 2007, may be temporarily  
 11 reemployed by a clerk whose office is located in a parish designated under the  
 12 Robert T. Stafford Disaster Relief and Emergency Assistance Act as eligible for  
 13 individual assistance, or individual assistance and public assistance following  
 14 Hurricane Katrina or Rita; however, the retiree shall not be or become a member of  
 15 the system during such reemployment. If the retiree is reemployed by such a clerk  
 16 in any capacity for more than one hundred eighty working days, or the equivalent  
 17 thereof, during any calendar year, the benefits payable to the retiree shall be reduced  
 18 by the amount he earned after one hundred eighty working days, or the equivalent  
 19 thereof. The retiree and the clerk shall immediately notify the board of the date of  
 20 reemployment, the amount of salary paid, any changes in salary, the number of hours  
 21 employed per week, the estimated duration of reemployment, and the date of the  
 22 termination of the reemployment. If the retiree dies during reemployment, benefits  
 23 shall be paid to any other person as if death occurred regardless of reemployment  
 24 pursuant to any option which may have been selected by the retiree at the time of  
 25 retirement.

26 ~~(2)~~ (b) The provisions of this ~~Subsection~~ Paragraph shall expire on July 1,  
 27 2012, and thereafter shall be null and void and of no effect.

28 \* \* \*

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1 §1631. Retirement benefits; application; eligibility requirements

2 \* \* \*

3 F.(1) Except as provided in ~~Paragraph (2)~~ Paragraphs (2) and (3) of this  
4 Subsection, if any member who has retired from this system is reemployed as an  
5 employee by any district attorney in the state, his retirement benefit shall be  
6 suspended during said employment, and he shall not be paid any benefits for the  
7 period covered by such employment. He shall, upon such reemployment, again  
8 become an active contributing member of the system, with the option of establishing  
9 service credit for any period of full-time employment as district attorney or assistant  
10 district attorney since returning to such employment following retirement by  
11 payment into the system the employer and employee amount plus interest that would  
12 have been withheld and paid into the system for that period based upon his total  
13 salary for such period. He shall accrue a supplemental retirement benefit based on  
14 his service rendered after reemployment. If the member continues employment after  
15 retirement for a period of less than thirty-six months, his supplemental monthly  
16 retirement benefit shall equal the benefit accrued under R.S. 11:1632 or 1633,  
17 whichever is applicable, based on the lesser of his average final compensation at his  
18 original retirement date or his average compensation during the period of his  
19 subsequent reemployment. If the member continues in employment after retirement  
20 for a period of thirty-six months or more, his supplemental monthly retirement  
21 benefit shall equal the benefit accrued under R.S. 11:1632 or 1633, whichever is  
22 applicable, based on his average final compensation during his period of  
23 reemployment. Upon retirement subsequent to reemployment, his benefit shall be  
24 equal to the benefits he was receiving immediately prior to reemployment plus the  
25 supplemental benefit earned during his reemployment.

26 (2) Notwithstanding the provisions of Paragraph (1) of this Subsection, if  
27 any district attorney or assistant district attorney has retired in accordance with R.S.  
28 11:1633(A)(1)(b) or (c) and is reemployed by any district attorney in this state and  
29 paid a salary of less than the annual salary provided for in R.S. 16:11(A)(1), his

1 benefit shall not be suspended, and he shall not be considered a member, nor shall  
2 he earn additional credit or be required to pay contributions.

3 (3) Any member of this system who retires on or after July 1, 2010, shall be  
4 subject to the provisions of R.S. 11:149.

5 \* \* \*

6 §1762. Reemployment of retirees

7 A. Persons retiring on or after July 1, 2010. Any member of this system who  
8 retires on or after July 1, 2010, shall be subject to the provisions of R.S. 11:149.

9 ~~A.~~ B. Persons retiring on or before June 30, 2010. The following provisions  
10 shall apply to any member of this system who retires on or before June 30, 2010, and  
11 then returns to active service covered by the provisions of this Chapter:

12 A.(1) Whenever a ~~retired member~~ member who retires on or before June 30,  
13 2010, and is receiving normal retirement benefits becomes reemployed by an  
14 employer such that his monthly earnings are equal to or less than the difference  
15 between his monthly average final compensation and his monthly retirement benefit,  
16 his retirement benefits shall continue and he shall not be a member of the system.

17 B.(2) Whenever a ~~retired member~~ member who retires on or before June 30,  
18 2010, and is receiving normal retirement benefits becomes reemployed by an  
19 employer such that his monthly earnings exceed the difference between his monthly  
20 average final compensation and his monthly retirement benefit, his retirement  
21 benefits shall be reduced by the amount his monthly earnings exceed the difference  
22 between his monthly average final compensation and his monthly retirement benefit  
23 for every month of such employment and he shall not be a member of the system.

24 ~~C.~~ (3) The retired member and the employer shall immediately notify the  
25 board of the retiree's date of employment, the amount of his monthly salary, and any  
26 changes in salary, number of hours employed per week, estimated duration of  
27 employment, and date of termination of employment.

28 ~~D.~~ (4) For purposes of this ~~Section~~ Subsection, there shall be an annual  
29 cost-of-living adjustment to the average final compensation figure used to determine

1 whether benefits are to be continued or reduced. This cost-of-living adjustment shall  
2 be based upon and directly reflect the annual percentage increase or decrease in the  
3 Consumer Price Index for the preceding calendar year.

4 \* \* \*

5 §1928. Temporary employment of retirees; permanently employed retirees;  
6 membership; calculation of additional benefit; retirees in elected positions

7 A. Persons retiring on or after July 1, 2010. Any service retiree of this  
8 system who retires on or after July 1, 2010, shall be subject to the provisions of R.S.  
9 11:149.

10 B. Persons retiring on or before June 30, 2010. The following provisions  
11 shall apply to any service retiree who retires on or before June 30, 2010, and then  
12 returns to active service covered by the provisions of this Chapter:

13 ~~A.(1)~~ Any person who ~~has retired~~ retires under the provisions of this Chapter  
14 on or before June 30, 2010, may be temporarily employed by an employer  
15 participating in this plan, subject to the following limitations. If a retiree is under  
16 age sixty-five or has not been retired at least three years, he may be employed no  
17 more than four hundred eighty hours in a calendar year. If a retiree is age sixty-five  
18 or older and has been retired at least three years, he may be employed no more than  
19 one thousand forty hours in a calendar year ~~However;~~ however, if the retiree is  
20 employed longer than the maximum hours stated above, his retirement benefit will  
21 be reduced by the amount earned after the allowed number of hours.

22 ~~B.(1)~~ (2)(a) If the retired member, who is otherwise eligible, becomes  
23 permanently employed by an employer participating in this plan, the retired member  
24 and the employer shall immediately notify the board of the retiree's date of  
25 employment, the amount of his monthly salary, any changes in salary, number of  
26 hours employed per week, estimated duration of employment, and date of  
27 termination of employment ~~However;~~ however, this ~~Section~~ Subsection shall not  
28 apply to retirees who are elected to office and are prohibited from joining this system  
29 under Article X, Section 29.1(A) of the Constitution of Louisiana.

1 ~~(2)~~ (b) At the time the retired member returns to permanent employment, the  
2 benefit of the retiree shall be suspended and he shall be considered as returning to  
3 active service and employee and employer contributions shall resume.

4 ~~C~~. (3) Upon subsequent termination of employment of a retired contributing  
5 member, the retired contributing member shall begin receiving his original  
6 retirement benefit and shall receive an additional benefit based on his additional  
7 service and the compensation earned during the period of additional service.

8 ~~D~~. (4) Notwithstanding the provisions of R.S. 11:1902(12)(a) or 1921(A)(3),  
9 if a retired member of the system is subsequently elected to an office covered by the  
10 system, sixty days after taking the oath of office his monthly retirement benefit shall  
11 be reduced by the amount of his monthly earnings.

\* \* \*

12 §2078. Reemployment of retirees

13 A. Persons retiring on or after July 1, 2010. Any service retiree of this  
14 system who retires on or after July 1, 2010, shall be subject to the provisions of R.S.  
15 11:149.

16 B. Persons retiring on or before June 30, 2010. The following provisions  
17 shall apply to any service retiree who retires on or before June 30, 2010, and then  
18 returns to active service covered by the provisions of this Chapter:

19 A.(1) In the event any retiree of the system who retires on or before June 30,  
20 2010, is employed by an employer covered by this system, the retiree and the  
21 employer shall immediately notify the system of the retiree's date of employment,  
22 the amount of salary paid, any changes in salary while reemployed, number of hours  
23 employed per week, estimated duration of employment, and date of termination of  
24 reemployment.  
25

26 ~~B~~.(1)(2)(a) Any retiree who retires on or before June 30, 2010, may be  
27 employed by an employer covered by this system without suspension of benefits  
28 provided the retiree has terminated employment for at least six consecutive months.

29 Such retiree may be employed for no more than sixty days, or four hundred eighty

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1 hours, in a calendar year. Should the portion of the calendar year available for  
2 employment be less than twelve months, the period of employment without reduction  
3 in benefits shall be reduced on a pro rata basis.

4 ~~(2)~~(b) Should any retiree who retires on or before June 30, 2010, be  
5 employed in excess of the amount of time provided for in ~~Paragraph (1) of this~~  
6 ~~Subsection~~ Subparagraph (a) of this Paragraph, his retirement benefit shall be  
7 reduced by an amount equal to the amount earned in excess of the limitation. The  
8 reduction in benefits shall begin with the next payroll after the system receives  
9 notification of such employment.

10 ~~(3)~~ Should any retiree who retires on or before June 30, 2010, be employed  
11 by an employer covered by this system within six months of termination of  
12 employment, his retirement benefit shall be reduced by an amount equal to that  
13 earned during such employment. Such reduction shall begin with the next payroll  
14 after the system receives notification of such employment.

15 ~~(4)~~ Should any retiree who retires on or before June 30, 2010, return to  
16 full-time permanent employment by an employer covered by this system at any time  
17 after termination of employment, his retirement benefit shall be suspended and he  
18 shall become an active contributing member of the system. Upon his subsequent  
19 retirement, he shall receive his original benefit plus a supplemental benefit based on  
20 his salary and service earned since his reemployment. No change shall be permitted  
21 in the member's original option; however, at the end of the period of reemployment,  
22 the member shall select any option authorized as to any supplemental benefit earned.

23 \* \* \*

24 §2175. Blanket fidelity insurance policy; powers of board; refund of contributions;  
25 restrictions on payments; warrants; deposits; investments

26 \* \* \*

27 E.

28 \* \* \*

1           (7) The provisions of this Subsection shall not apply to any member who  
2           retires on or after July 1, 2010; such persons shall be subject to the provisions of  
3           R.S. 11:149.

4   \*       \*       \*

5           §2220. Benefits; contribution limit

6           A. Eligibility for normal retirement, early retirement, and limitations.

7   \*       \*       \*

8           (1)

9   \*       \*       \*

10           (e) ~~Regardless~~ Except as provided by R.S. 11:149, regardless of age, if a  
11           retiree of this system becomes an employee as defined in R.S. 11:2213(11), payment  
12           of retirement benefits shall be suspended and the employee and employer shall  
13           contribute to the system toward creditable service.

14           (f) ~~Upon~~ Except as provided by R.S. 11:149, upon termination of  
15           employment, the monthly benefit which had been suspended shall resume being paid  
16           to the retiree. The retiree may not change the option which was elected under the  
17           original retirement computation.

18           (g) ~~Upon~~ Except as provided by R.S. 11:149, upon termination of  
19           employment, the retiree shall receive an additional retirement benefit based on his  
20           additional service rendered since reemployment using the normal method of  
21           computation of benefits or as provided in Subparagraph (h) of this Paragraph, subject  
22           to the following:

23   \*       \*       \*

24           §2256. Benefits; refund of contributions, application, and payment

25           A.

26   \*       \*       \*

27           (5)(a) ~~Upon returning~~ For any member who retires on or before June 30,  
28           2010, and returns to work as a full-time employee covered by this system, retirement  
29           benefits shall cease and the employee and employer shall contribute to the system



1           towards creditable service. The member may not change the option which was  
 2           selected under the first retirement computation.

3           (b) Any member who retires on or after July 1, 2010, shall be subject to the  
 4           provisions of R.S. 11:149.

5                                 \*         \*         \*

6           Section 2. This Act shall become effective on July 1, 2010; if vetoed by the governor  
 7           and subsequently approved by the legislature, this Act shall become effective on July 1,  
 8           2010, 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)]

Hardy HB No. 392

**Abstract:** Relative to state and statewide retirement systems, requires the suspension of benefits for reemployed retirees who retire on or after July 1, 2010, and prohibits the accrual of additional benefits during such period.

Various provisions of present law provide with respect to reemployed retirees in the 13 state and statewide retirement systems in the following manner:

STATE RETIREMENT SYSTEMS

- (1) La. State Employees' Retirement System (LASERS) - provides three options for a reemployed retiree. Option 1: The retiree's earnings while reemployed cannot exceed 50% of his annual retirement benefit in a fiscal year. If his earnings exceed the 50% cap, his retirement benefits shall be reduced by the amount over the 50% cap; Option 2: The retiree may regain membership in the retirement system by paying back all his benefits plus interest plus all employer and employee contributions that would have been paid; Option 3: The retiree may request a suspension of his benefits. If he works past 36 months, he accumulates a supplemental benefit.
- (2) Teachers' Retirement System of Louisiana (TRSL) - provides that if a retiree is reemployed within 12 months of his retirement date, his benefit will be suspended. After 12 months has passed (from his date of retirement), he can start collecting his benefit.
- (3) La. School Employees' Retirement System (LSERS) - provides for a two-fold approach to reemployed retirees: (a) The "50% rule", which is the default option for rehired retirees. Under this rule, the retiree's earnings in a given year cannot exceed 50% of his "average compensation"; (b) The "100% rule" provides that if a retiree is reemployed within 12 months of his retirement date, his benefit will be suspended. After 12 months has passed (from his date of retirement), he can start collecting his benefit. The "100% rule" is only available to retired bus drivers, and is a voluntary reemployment option for individual employers who must pay the actuarial cost of reemploying such person under the "100 % rule".

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

- (4) State Police Pension and Retirement System (STPOL) - provides that if a retiree is reemployed and his earnings exceed 50% of his average final compensation, his benefit shall be suspended.

## STATEWIDE RETIREMENT SYSTEMS

- (1) La. Assessor's Retirement Fund (LARF) - provides that if a retiree is reemployed for more than 100 working days, the benefits payable to him shall be reduced by the amount he earned (in salary) after 30 working days.
- (2) Clerks' of Court Retirement and Relief Fund (CCRS) - if a retiree is reemployed for more than 60 working days, the benefits payable to him shall be reduced by the amount of salary earned after 60 working days.
- (3) District Attorney's Retirement System (DARS) - provides that a reemployed retiree's benefits are suspended, but during the period of reemployment he shall accrue a supplemental benefit. Provides an exception allowing a district attorney or assistant district attorney to be reemployed without having his benefit suspended if his salary is less than \$45,000, but he shall not accrue a supplemental benefit while reemployed.
- (4) Firefighters' Retirement System (FRS) - provides that a reemployed retiree's benefit shall be suspended, but such person shall earn a supplemental benefit during the period of his reemployment.
- (5) Municipal Employees' Retirement System (MERS) - provides that a reemployed retiree's benefits shall continue only if his monthly earnings (salary) are equal to or less than the difference between his average final compensation and his retirement benefits. If his salary exceeds this difference, then his benefits will be reduced by the amount of such difference.
- (6) Municipal Police Employees' Retirement System (MPERS) - provides that a reemployed retiree's benefit shall be suspended but the retiree shall accumulate a supplemental benefit during his period of reemployment.
- (7) Parochial Employees' Retirement System (PERS) - provides that a reemployed retiree who has three years of service credit and is 65 or older, may work for up to 1,040 hours in the calendar year. If such retiree is not 65 with three years of service then he may work up to 480 hours during the calendar year. If a retiree exceeds such limits, his retirement benefit will be reduced by the amount of salary earned in excess of those limits.
- (8) Registrars of Voters Employees' Retirement System (ROVERS) - provides that a retiree can be rehired without a suspension in benefits if he has terminated employment for at least six months and is employed for no more than 60 days or 480 hours in a calendar year. Employment in excess of this requires a reduction of the benefit by an amount equal to the amount earned in excess of the limitation. Any retiree reemployed within six months shall have his benefit reduced by the amount earned during his reemployment. For any retiree returning to work full-time, his benefit will be suspended during reemployment, and he will earn a supplemental benefit for such period.
- (9) Sheriffs' Pension and Relief Fund (SPRF) - provides that a reemployed retiree may return to work part-time, in which case his earnings shall not exceed 50% of his final average compensation; however, a full-time reemployed retiree's benefits shall be suspended during reemployment, but he shall accrue a supplemental benefit.

Proposed law, relative to the above-named state and statewide retirement systems, requires the suspension of benefits for reemployed retirees of such systems who retire on or after July 1, 2010, and prohibits the accrual of additional benefits during such period. Furthermore, proposed law requires employers and reemployed retirees to notify the systems of reemployment. Requires the employer to compensate the system for any benefits payments to reemployed retirees if the system has not received the required notification of reemployment.

Effective July 1, 2010.

(Amends R.S. 11:149, 416(A)(intro. para.), (B), and (C), 710, 1006, 1007(A)(1), 1311, 1413, 1513, 1631(F), 1762, 1928, 2078, 2220(A)(1)(e), (f), and (g), 2256(A)(5); Adds R.S. 11:2175(E)(7))