

# Returning to Work after retirement

## Understanding the return-to-work (RTW) laws and how they apply to you

Louisiana's return-to-work (RTW) laws have changed significantly in recent years. This booklet outlines how the laws work and their impact on retirees who become re-employed in positions eligible for TRSL membership.

If you're thinking about returning to work, please read this booklet carefully so you'll know what to expect during your re-employment.

Retirees receiving a disability benefit can review information on returning to work in TRSL's *Disability Retirement* booklet available at [www.TRSL.org](http://www.TRSL.org).

---

# Contents

Do RTW laws apply to me?	3
How will re-employment affect my TRSL benefit?	4
Which RTW law do I fall under?	4
<b>2010 RTW LAW provisions:</b>	
Who is in the 2010 RTW Group?	5
“Retired Teacher” or “Retired Member?”	6
What can I expect as a “Retired Teacher?”	7
What can I expect as a “Retired Member?”	9
Frequently asked questions	10
<b>2020 RTW LAW provisions:</b>	
Who is in 2020 RTW Group?	12
Options for the 2020 RTW Group	12
Frequently asked questions	15
<b>Other information</b>	
Re-employment by contract or corporate contract	17
Regaining active TRSL membership	18
TRSL disability retirement	19

---

---

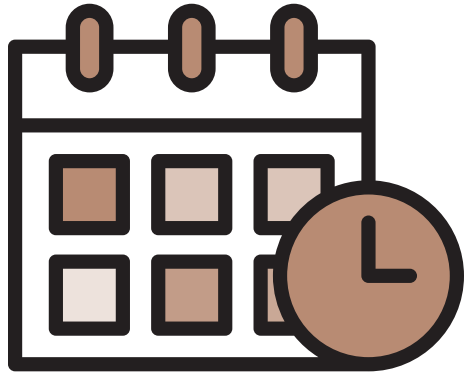
## Do RTW laws apply to me?

Once you cash or deposit (includes direct deposit) your first TRSL retirement check, you are officially retired and subject to the state's RTW laws. RTW laws affect TRSL retirees who are re-employed directly or by contract/corporate contract in positions eligible for TRSL membership.

### Break in service:

To be considered retired, you must have a break in service of at least one weekday (Monday through Friday).

*EXAMPLE: If your last day of work is Friday, your retirement date would be a Saturday. You could return to work on Tuesday. Monday would be the one weekday break in service.*



### Waiting period:

Retirees who return to work in positions eligible for TRSL membership are subject to a mandatory waiting period during which their TRSL benefits will be suspended. The waiting period begins on the date of retirement, and the duration of the waiting period is determined by the RTW law to which you are subject.

**TRSL retirees who return to work in positions that are *not* eligible for TRSL membership are *not* subject to the RTW laws.**

---

## How will re-employment affect my TRSL benefit?

As of August 1, 2020, there are two different RTW laws:

- **2010 RTW Law** (*La. R.S. 11:710*)
- **2020 RTW Law** (*La. R.S. 11:710.1*)

The law that applies to you is determined by when you retired and/or when you returned to work. Furthermore, that law also stipulates how your TRSL benefit will be affected if you return to work.

### Which RTW law do I fall under?

#### 2010 RTW Group:

*If you meet the criteria below, you are in the 2010 RTW Group, and subject to the 2010 RTW Law (La. R.S. 11:710).*

- Retirees who returned to work in positions eligible for TRSL membership before July 1, 2020
- Retirees who retired on or before June 30, 2010 (*grandfathered group*)

#### 2020 RTW Group:

*If you meet the criteria below, you are in the 2020 RTW Group, and subject to the 2020 RTW Law (La. R.S. 11:710.1).*

- Retirees who return to work in positions eligible for TRSL membership **for the first time** on or after July 1, 2020
- Retirees who meet criteria for the 2010 RTW Group, but who make an **irrevocable election** to be in the 2020 RTW Group

# 2010 RTW Law provisions

## Who is in the 2010 RTW Group?

The provisions in this section apply to retirees meeting these criteria:

- Returned to work in positions eligible for TRSL membership before July 1, 2020
- Retired on or before June 30, 2010 (*grandfathered group*)

TRSL retirees who meet the criteria above are categorized as either “**retired teachers**” or “**retired members**” once they return to work in positions eligible for TRSL membership.

Payment of retirement contributions and receipt of retirement benefits are determined by the classification to which the return-to-work retiree belongs. Use the checklist on the next page to determine your classification.

### “Retired TEACHERS”

<b>Receipt of benefits</b>	<ul style="list-style-type: none"><li>• Eligible to continue receiving TRSL retirement benefits during re-employment only after fulfilling a 12- or 36-month waiting period that starts on the date of retirement. (<i>See Page 7 for information on the required waiting period.</i>)</li></ul>
<b>Payment of contributions</b>	<ul style="list-style-type: none"><li>• Employee and employer contributions required during re-employment</li></ul>

### “Retired MEMBERS”

<b>Receipt of benefits</b>	<ul style="list-style-type: none"><li>• TRSL benefits suspended during re-employment</li></ul>
<b>Payment of contributions</b>	<ul style="list-style-type: none"><li>• Employee and employer contributions not required during re-employment</li></ul>

# 2010 RTW Law provisions

## Am I a “Retired Teacher” or “Retired Member?”

If you meet any of the criteria below, you can be considered a **RETIRED TEACHER** under the 2010 RTW Law. Contact the personnel office of your potential employer to find out which retired teacher criteria they can use to re-employ you.

### Re-employment eligible retirees

- Retired on or before June 30, 2010 (*grandfathered group*)
- Holds advanced degree in speech therapy, speech pathology, or audiology

### Re-employment eligible positions - 25% EARNINGS LIMIT

- Substitute PreK-12 “classroom teacher”
- Adult education or literacy instructor (*Education/literacy program must be administered through a public institution of elementary and secondary education, and retiree must hold a valid Louisiana teaching certificate.*)
- Adjunct professor (*as defined in La. R.S. 11:710*)
- School nurse (*as defined in La. R.S. 17:28*)
- Presenter of professional development training
- Tutor for any PreK-12 student
- “Classroom teacher” employed in a temporary capacity to proctor tests

### Re-employment eligible positions - CRITICAL SHORTAGE

- Full- or part-time PreK-12 “classroom teacher” in a declared critical shortage area. For full-time positions, retiree must be certified in the subject area of the critical shortage. For part-time positions, retiree must be a certified teacher.
- Full-time certified speech therapist, speech pathologist, audiologist, educational diagnostician, school social worker, school counselor, school psychologist, interpreter, educational transliterator, or educator of the deaf or hard of hearing in a school district where a shortage exists. The position of employment must require a valid Louisiana ancillary certificate approved and issued by the Louisiana Department of Education.

If you do not meet any of the criteria listed above, you are considered a **RETIRED MEMBER**. (See Page 9.)

## 2010 RTW Law provisions

### What can I expect as a “Retired Teacher?”

#### You continue receiving your retirement benefit after a waiting period.

“Retired teachers” can receive their TRSL retirement benefits after fulfilling a 12- or 36-month waiting period. You may also be subject to an earnings limit. Refer to the chart below for information on the applicable waiting period and see the next page for more on the earnings limit.

**IMPORTANT:** Re-employment within the applicable waiting period will result in the suspension of TRSL benefits until completion of the waiting period or the end of re-employment, whichever occurs first.

#### Required waiting period

12 months	Individuals who retired before July 1, 2017
	Individuals who retired on or after July 1, 2017, and have an advanced degree in speech therapy, speech pathology, or audiology.
	Individuals who retired on or after July 1, 2017, and whose retirement benefit <b>was not</b> actuarially reduced or <b>was not</b> calculated at an accrual rate of less than 2.5%.
36 months	Individuals who retired on or after July 1, 2017, and whose retirement benefit <b>was</b> actuarially reduced or <b>was</b> calculated at an accrual rate of less than 2.5%.
	Plan B members who retired on or after July 1, 2017

Contact TRSL if you don't know which waiting period applies to you.

#### Both you and your employer make retirement contributions during re-employment.

Employee and employer contributions are required on compensation received as a re-employed “retired teacher,” even if such service is by contract or corporate contract. Upon terminating your re-employment, you can apply for a refund of employee contributions that you made.

## 2010 RTW Law provisions

### Certain “retired teacher” positions are subject to an earnings limit.

In any fiscal year (July 1 - June 30), the earnings limit restricts earnings from the positions listed below to no more than 25% of the retiree’s gross annual retirement benefit.

If earnings exceed 25% of the annual retirement benefit, the retiree’s benefit will be reduced, and if necessary, suspended to recover the excess amount.

If a retiree returns to active service in more than one position that is subject to the 25% earnings limit in any fiscal year, the limit applies to the total earnings for all such positions in that fiscal year.

### Positions subject to the 25% earnings limit

- Substitute PreK-12 “classroom teachers”
- Adult education or literacy instructors
- Adjunct professors (*as defined in La. R.S. 11:710*)
- School nurses (*as defined in La. R.S. 17:28*)
- Presenters of professional development training
- Tutors for any PreK-12 student
- “Classroom teachers” employed in a temporary capacity to proctor tests

### Earnings limit sample calculation

**Calculation:** Monthly gross benefit × 12 × 25%

*Example:* \$3,000 × 12 × 25% = \$9,000 per fiscal year

### Certain positions must meet critical shortage criteria in order for a TRSL retiree to be re-employed in them as a “retired teacher.”

Qualified retirees can be hired as “retired teachers” under the critical shortage provision only after employers declare a critical shortage and if fewer than three qualified applicants apply.



## 2010 RTW Law provisions

To declare a critical shortage, employers must certify both full- and part-time critical shortage areas to TRSL and the Board of Elementary and Secondary Education (BESE). For full-time positions, employers must also complete certain advertisement requirements before declaring a critical shortage.

### Eligible critical shortage positions

<b>Full-time or part-time positions</b>	<ul style="list-style-type: none"><li>• PreK-12 “classroom teachers”</li></ul>
<b>Full-time positions only</b>	<ul style="list-style-type: none"><li>• Certified speech therapists, speech pathologists, audiologists, educational diagnosticians, school social workers, school counselors, school psychologists, interpreters, educational transliterators, or educators of the deaf or hard of hearing</li></ul>

### What can I expect as a “Retired Member?”

Retirees who do not meet the definition of “retired teacher” are categorized as “retired members.” Generally this includes, but is not limited to, retirees returning to work as teachers in non-critical shortage areas, administrators, secretaries, and certain employees in higher education or vocational schools.

### Your retirement benefits will be suspended during re-employment.

“Retired members” will have their TRSL benefits suspended for the duration of their re-employment in a position eligible for TRSL membership, even if re-employment is by contract or corporate contract.

### Retirement contributions are not required.

No employee or employer contributions are required during the period of re-employment.

# 2010 RTW Law provisions

## Frequently asked questions

### What is a “classroom teacher?”

Any employee (1) whose position of employment requires a valid Louisiana teaching certificate, and (2) who is assigned the professional activities of instructing pupils in courses in classroom situations for which daily pupil attendance figures for the school system are kept; or is assigned to proctor admissions, evaluation, or assessment testing.

### What is an adjunct professor?

Any part-time faculty, including any instructor, assistant professor, associate professor, or professor, assigned the professional activities of instructing pupils or conducting research at a public institution of postsecondary education.

### What is a critical shortage?

A critical shortage area can exist (1) for teaching positions in any subject area where a shortage of certified teachers exists, and/or (2) for full-time certified speech therapists, speech pathologists, audiologists, educational diagnosticians, school social workers, school counselors, school psychologists, interpreters, educational transliterators, or educators of the deaf or hard of hearing. The school superintendent and/or personnel director must complete certain actions to declare a critical shortage before re-employing a retiree.

### What if I am re-employed in a charter school?

If you are in the 2010 RTW Group and re-employed in a position normally eligible for TRSL membership at a charter school that participates in TRSL, you are subject to the 2010 RTW Law. Re-employment directly or by contract/corporate contract must also be considered.

**2010 RTW Group: Have questions about re-employment by contract or corporate contract?** (See Page 17.)



## 2010 RTW Law provisions

### Frequently asked questions (*cont'd*)

#### If I am in the grandfathered group within the 2010 RTW Law, does the 2020 RTW Law change my status?

If you are a TRSL retiree who retired on or before June 30, 2010 (*grandfathered group*), the 2020 RTW Law has no effect on your status. You will continue to be subject to the 2010 RTW Law unless you make an **irrevocable election** to join the 2020 RTW Group and become subject to the 2020 RTW Law.

#### If I already returned to work on or before July 1, 2020, does the 2020 RTW Law change my status?

If you returned to work on or before July 1, 2020, the 2020 RTW Law has no effect on your status. You will continue to be subject to the 2010 RTW Law unless you make an **irrevocable election** to join the 2020 RTW Group and become subject to the 2020 RTW Law.

#### How do I transfer from the 2010 RTW Group to the 2020 RTW Group, and how will transferring impact my future re-employment?

Retirees in the 2010 RTW Group can make an **irrevocable election** to join the 2020 RTW Group and be subject to the 2020 RTW Law by completing the *Return-to-Work (RTW) of TRSL Retiree – La. R.S. 11:710.1* (Form 15ELEC). Additionally, the employer must update the retiree's option status with TRSL. All future re-employment for retirees making this **irrevocable election** will be subject to the provisions in the 2020 RTW Law (*La. R.S. 11:710.1*).

#### Will my DROP/ILSB withdrawals be impacted if I return to work under the 2010 RTW Law?

Re-employment under the 2010 RTW Law will have no impact on your DROP/ILSB account withdrawals. You will be able to continue receiving withdrawals without interruption.

## 2020 RTW Law provisions

### Who is in the 2020 RTW Group?

The provisions in this section are applicable to the following retirees:

- Retirees who return to work in positions eligible for TRSL membership **for the first time** on or after July 1, 2020
- Retirees who meet criteria for the 2010 RTW Group, but who make an **irrevocable election** to be in the 2020 RTW Group

Retirees, who meet the criteria above and return to work in positions eligible for TRSL membership as direct hires and not by contract or corporate contract, must choose one of the following options that will either limit their earnings during re-employment or suspend their retirement benefit while they accrue a supplemental benefit during re-employment.



### RTW Options for the 2020 RTW Group

The options from which 2020 RTW Group retirees can choose are determined by whether their position in re-employment is part-time or full-time.

Use the tables on the following pages to determine what options are available to you.

# 2020 RTW Law provisions

## RTW Option 1

Available to all part-time and full-time direct employment positions

<b>Contributions:</b>	Employee and employer retirement contributions to TRSL are required during re-employment. Upon termination of re-employment, employee contributions are refundable.
<b>Earnings limit:</b>	Retiree earnings are limited to 25% per fiscal year (July 1 - June 30) of their final average compensation (FAC) from their original retirement. The benefit is reduced when the earnings limit is reached, and if necessary, suspended to recover amounts over earnings limit.
<b>Waiting period:</b>	Retirees returning to active service on or after July 1, 2020, and within 12 months after retirement will have their retirement benefits suspended for the duration of such active service or the lapse of 12 months from retiree's effective date of retirement, whichever occurs first.
<b>Additional information:</b>	<p>Retirees returning to work under RTW Option 1 can convert to RTW Option 2 any time before or after reaching the 25% earnings limit (per fiscal year) provided the RTW Option 2 position is full-time.</p> <p>The retiree must complete a new <i>Return-to-Work (RTW) of TRSL Retiree – La. R.S. 11:710.1</i> (Form 15ELEC) and all re-employment in positions eligible for TRSL membership must be under RTW Option 2 going forward. A retiree cannot be in RTW Option 1 and RTW Option 2 simultaneously.</p>

# 2020 RTW Law provisions

## RTW Option 2

*Available to all full-time direct employment positions*

<b>Contributions:</b>	Employee and employer retirement contributions to TRSL are required during re-employment.
<b>Benefit suspension:</b>	Retiree benefit is suspended for the duration of re-employment and retiree regains active membership in TRSL.
<b>Supplemental benefit:</b>	<p>Service credit is earned during re-employment and retiree accrues a supplemental benefit. The supplemental benefit is calculated with the same formula used to determine the retiree's original benefit, using service credit earned during re-employment under RTW Option 2. The final average compensation (FAC) used will depend on the length of re-employment.</p> <ul style="list-style-type: none"><li>• <b>If re-employment lasts at least 36 months:</b> The supplemental benefit will be calculated based on the higher of the retiree's original FAC or the FAC since re-employment.</li><li>• <b>If re-employment lasts less than 36 months:</b> The supplemental benefit will be calculated based on the retiree's original FAC.</li></ul>

### Frequently asked questions

#### Can I earn more than one supplemental benefit under RTW Option 2?

Yes, if you have multiple periods of entering and leaving re-employment in positions eligible for TRSL membership, a supplemental benefit will be paid for each period for which you earned service credit. However, no supplemental benefit shall be payable until 90 days after your date of termination; and no supplemental benefit, when combined with your original benefit, shall exceed 100% of your highest final average compensation (FAC)—either the FAC used to compute your supplemental benefit or the FAC used to compute your original benefit.

#### If I am re-employed in positions eligible for TRSL membership with multiple employers, can I switch from RTW Option 1 to RTW Option 2?

Yes, retirees initially choosing RTW Option 1 can switch to RTW Option 2, if filling a full-time position. This switch can occur any time before or after reaching the 25% earnings limit. A retiree must complete a new *Return-to-Work (RTW) of TRSL Retiree – La. R.S. 11:710.1* (Form 15ELEC) and all re-employment in positions eligible for TRSL membership must be under RTW Option 2 going forward. ***A retiree cannot be in RTW Option 1 and RTW Option 2 simultaneously.***

#### If I switch from RTW Option 1 to RTW Option 2, when can I receive my RTW Option 1 refund of employee contributions?

When a retiree switches from RTW Option 1 to RTW Option 2, the election of RTW Option 2 is prospective. RTW Option 1 employee contributions are refundable, but only after termination of all re-employment. Thus, in a scenario where a retiree switches from RTW Option 1 to RTW Option 2, the retiree cannot receive RTW Option 1 employee contributions until their RTW Option 2 re-employment is terminated.

## 2020 RTW Law provisions

### Frequently asked questions (*cont'd*)

#### Can adjunct professors choose RTW Option 2?

Since RTW Option 2 is only available to full-time positions, adjunct professors would need to work at least 50% of what their employer considers full-time in order to choose RTW Option 2.

#### If I am a DROP retiree, will my FAC before or after DROP be used for RTW purposes?

A retiree's final average compensation (FAC) is used when determining the earnings limit for RTW Option 1 and for purposes of determining the calculation components for a supplemental benefit for RTW Option 2. The pre-DROP FAC (also called the original FAC) is used in both instances. For RTW Option 1, the pre-DROP FAC is used to determine the retiree's 25% earnings limit. For RTW Option 2, the pre-DROP FAC is used in the retiree's supplemental benefit calculation if the retiree's re-employment lasts less than 36 months. If the retiree's re-employment lasts 36 months or longer, the supplemental benefit will be calculated on the higher of the pre-DROP FAC or the FAC since re-employment.

#### Will my DROP/ILSB withdrawals be impacted if I return to work under the 2020 RTW Law?

Re-employment under the 2020 RTW Law will have no impact on your DROP/ILSB account withdrawals. You will be able to continue receiving without interruption.

#### What if I am re-employed in a charter school?

Retirees in the 2020 RTW Group who return to work in positions normally eligible for TRSL membership at a charter school that participates in TRSL are subject to the 2020 RTW Law. Re-employment directly or by contract/corporate contract must also be considered.

**2020 RTW Group: Have questions about re-employment by contract or corporate contract?** (See Page 17.)





---

## Other information

### Re-employment by contract or corporate contract

In general, individuals hired through contract are independent contractors who are providing services for an employer that participates in TRSL. Compensation paid is typically reported to the IRS on a 1099 Form—not a W-2 Form which is used by employers to report employee wages.

Employment by corporate contract is when an individual is performing services for a company pursuant to its contract with an employer that participates in TRSL.

#### ***2010 RTW Group:***

- **For retirees classified as “retired teachers:”** Employee and employer contributions are required on compensation received as a re-employed “retired teacher.” Upon terminating re-employment, the retiree can apply for a refund of employee contributions made.
- **For retirees classified as “retired members:”** These retirees will have their TRSL benefits suspended for the duration of their re-employment in a position eligible for TRSL membership.

#### ***2020 RTW Group:***

- Retirees who return to work through ***any*** employment by contract or corporate contract will have their benefits suspended for the duration of re-employment, and do not earn a supplemental benefit.
- Contributions are not required, and no service credit is earned.

---

## **Regaining active TRSL membership**

With the enactment of the 2020 RTW Law, there are now two means by which a retiree can regain active membership in TRSL. However, the requirements and benefits resulting from regaining membership differ greatly for each.

### **Regaining membership for the purpose of original benefit recomputation – La. R.S. 11:738**

La. R.S. 11:738 allows a retiree to regain membership for the purpose of benefit recomputation by doing the following:

- Return all retirement benefits paid to the retiree plus interest;
- Pay employee and employer contributions that would have been paid to TRSL during the period of re-employment;
- Remain in active service for at least six years to receive a retirement benefit recomputation.

### **Regaining membership for the purpose of accruing a supplemental benefit – La. R.S. 11:710.1**

Under RTW Option 2 of the 2020 RTW Law, a retiree regains active membership while re-employed and accrues a supplemental benefit that is based on service earned during re-employment. There is no minimum length of re-employment necessary to receive a supplemental benefit.

The supplemental benefit is calculated with the same formula used to determine the retiree's original benefit, using service credit earned during re-employment under RTW Option 2. The final average compensation (FAC) used depends upon the length of re-employment. See page 14 for information on the FAC used to calculate a supplemental benefit.

Retirees regaining membership under the 2020 RTW Law do not receive a recomputation of their original retirement benefit. These retirees only regain membership for the purpose of accruing a RTW supplemental benefit.

---

## TRSL disability retirement

A retiree receiving a TRSL disability retirement cannot return to work in the field of public or private education. Those who do so will have their disability benefits terminated. Contact TRSL before accepting any type of employment to make sure you are in compliance with all disability retirement laws.

Find more information on TRSL's disability retirement laws in our publication *Disability Retirement* available at [www.TRSL.org](http://www.TRSL.org).



**Employers do not have the authority to waive any part of the RTW laws under any circumstances.**

*Last revised August 2020*

This is an electronic document. The Teachers' Retirement System of Louisiana did not incur any printing costs.

# Questions about returning to work after retirement?

## We're here to help!

**Physical address:**

8401 United Plaza Blvd, Ste 300  
Baton Rouge LA 70809-7017

**Mailing address:**

PO Box 94123  
Baton Rouge LA 70804-9123

**Telephone:** 225-925-6446

**Toll free (outside Baton Rouge area):**  
1-877-ASK-TRSL (1-877-275-8775)

**Email:** [web.master@trsl.org](mailto:web.master@trsl.org)

**Web:** [www.TRSL.org](http://www.TRSL.org)

**Facebook:** [facebook.com/TRSLonline](https://facebook.com/TRSLonline)

**Twitter:** [@TRSLonline](https://twitter.com/TRSLonline)

