



Back TO SCHOOL

RTW

**A guide
for TRSL
members
& retirees**

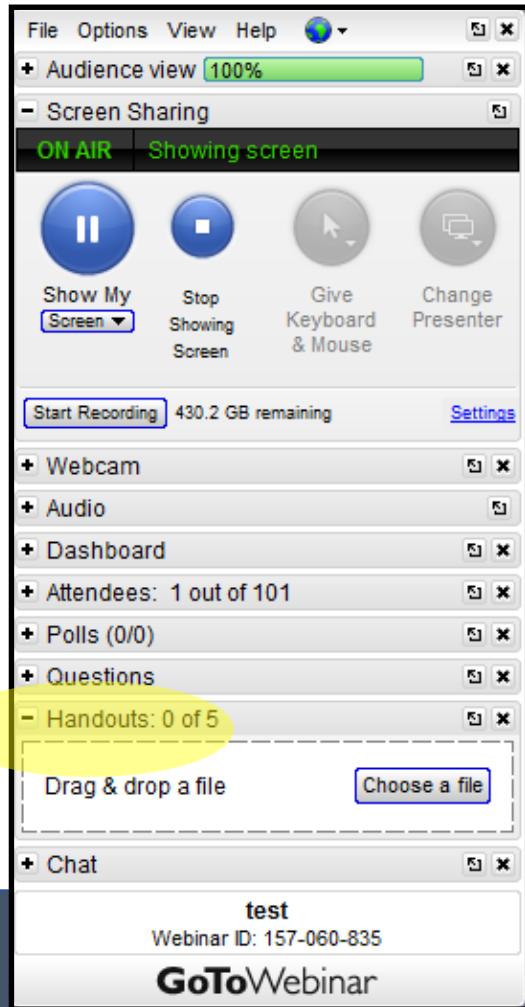
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- It is meant to be used as a guide during the webinar.
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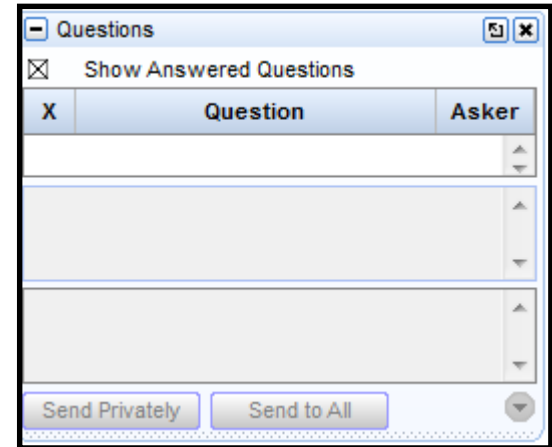
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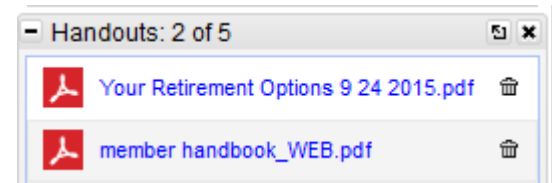
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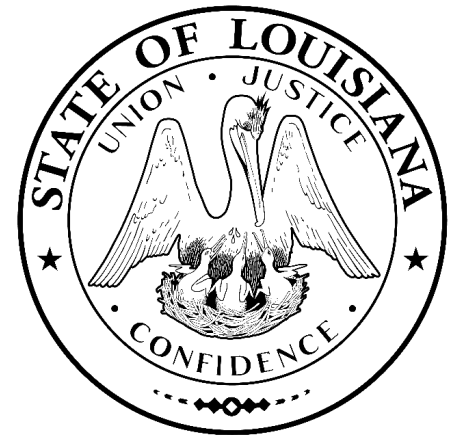


Returning to work after retirement

- **If you are rehired in a position eligible for TRSL membership, the laws specify what will happen to your TRSL retirement benefits and whether TRSL contributions are due.**
 - Return-to-work laws apply to retirees who become re-employed in a position eligible for TRSL membership, including retirees employed by contract or corporate contract.
- **If you are rehired in a position not eligible for TRSL membership, you are not subject to any TRSL return-to-work laws.**
 - Positions not eligible for TRSL membership include employment in private schools, non-reporting charter schools, private sector, or civil service jobs that report to another retirement system.



2020 Regular Session: Changes to RTW law

- Act 337 of 2020 enacted La. R.S. 11:710.1. – **2020 RTW Law**
- The new law establishes a separate set of RTW provisions for retirees who return to work for the first time in a position eligible for TRSL membership on or after July 1, 2020.
- The **2010 RTW Law** (La. R.S. 11:710) remains in place for all retirees who returned to work in a position eligible for TRSL membership before July 1, 2020 as well as retirees who retired on or before June 30, 2010.



Retirees subject to the 2010 RTW Law can make an irrevocable election to be covered by the provisions of 2020 RTW Law.

2010 Group v. 2020 Group

RTW LAW	WHO IS COVERED
 <p>2010 GROUP Subject to LA R.S. 11:710</p>	<ul style="list-style-type: none">✓ Retirees who returned to work in a position eligible for TRSL membership before July 1, 2020✓ Retirees who retired on or before June 30, 2010 (grandfathered group)
 <p>2020 GROUP Subject to LA R.S. 11:710.1</p>	<ul style="list-style-type: none">✓ Retirees who return to work in a position eligible for TRSL membership <u>for the first time</u> on or after July 1, 2020✓ Retirees in the 2010 Group (subject to La. R.S. 11:710) who make an <u>irrevocable election</u> to be in the 2020 Group



2020 Group: La. R.S. 11:710.1

- Requires retirees in the **2020 Group** to choose between options that will either...
 1. limit their earnings during re-employment;
 2. suspend their retirement benefit while they accrue a supplemental benefit during re-employment; *or*
 3. simply suspend their retirement benefit due to employment by contract or corporate contract.

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

2020 Group: La. R.S. 11:710.1

Under La. R.S. 11:710.1, retirees in the 2020 Group must choose one of the following options:

RTW Option 1

*available to all
part-time and full-time
direct employment
positions*

- Retiree earnings are limited to 25% (per fiscal year) of their final average compensation (FAC) from their original retirement.
- Benefit is reduced when earnings limit is reached, and if necessary, suspended to recover amounts over earnings limit.

RTW Option 2

*available to all
full-time direct
employment positions*

- Retiree benefit is suspended for the duration of re-employment and retiree regains active membership in TRSL.
- Service credit is earned during re-employment and retiree accrues a supplemental benefit. Supplemental benefit is calculated with the same formula used to determine the original benefit, utilizing service credit earned during re-employment under RTW Option 2. The FAC utilized will depend on the length of re-employment.

2020 Group: La. R.S. 11:710.1

- If re-employment with a TRSL-reporting agency is by contract/corporate contract, the following occurs:

Re-employment by contract or corporate contract

- Retirees returning 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.

RTW Option 1: *Additional information*

- The RTW Option 1 provision differs from current law in two important ways:
 1. The earnings limit is calculated on the retiree's FAC, not their retirement benefit amount; and
 2. RTW Option 1 can be selected regardless of the TRSL-eligible position the retiree is filling, as long as the position is through direct employment.
- 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 Option 2 position is full-time.
- Employee and employer contributions are required, but employee contributions are refundable upon termination of all employment.

RTW Option 1

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

- Retiree earnings are limited to 25% (per fiscal year) of their final average compensation (FAC) from their original retirement.
- Benefit is reduced when earnings limit is reached, and if necessary, suspended to recover amounts over earnings limit.

RTW Option 2: *Additional information*

- Supplemental benefit is calculated with same formula used to determine original benefit.
 - » **If re-employment lasts at least 36 months:** Supplemental benefit is calculated based on the higher of original FAC or the FAC since re-employment.
 - » **If re-employment lasts less than 36 months:** Supplemental benefit is calculated based on original FAC.
- Once the retiree elects RTW Option 2, a return to RTW Option 1 is only allowed in limited circumstances.
- Employee and employer contributions to TRSL are required during re-employment.

RTW Option 2

available to all full-time direct employment positions

- Retiree benefit is suspended for the duration of re-employment and retiree regains active membership in TRSL.
- Service credit is earned during re-employment and retiree accrues a supplemental benefit. Supplemental benefit is calculated with the same formula used to determine the original benefit, utilizing service credit earned during re-employment under Option 2. The FAC utilized will depend on the length of re-employment.

Important notes:

RTW Option 1 & RTW Option 2

- Please note that these options are not connected to the retirement option you chose when you retired from TRSL.

RTW Option 2 refers to a supplemental benefit.

- This is not the same as the DROP supplemental benefit calculation for those DROP participants who continue working after DROP

Contract/corporate contract employment:

Additional information:

- Benefit suspension includes contract or corporate contract work performed as a substitute teacher, consultant, etc.
- Substitute teachers must be direct employees of the TRSL-reporting agency in order to choose RTW Option 1 or RTW Option 2.
- Contributions are not required, and no service credit is earned.

Employment by contract or corporate contract

- Retirees returning to work through any employment by contract or corporate contract will have their benefits suspended for the duration of re-employment.

2020 Group: La. R.S. 11:710.1

Additional provisions:

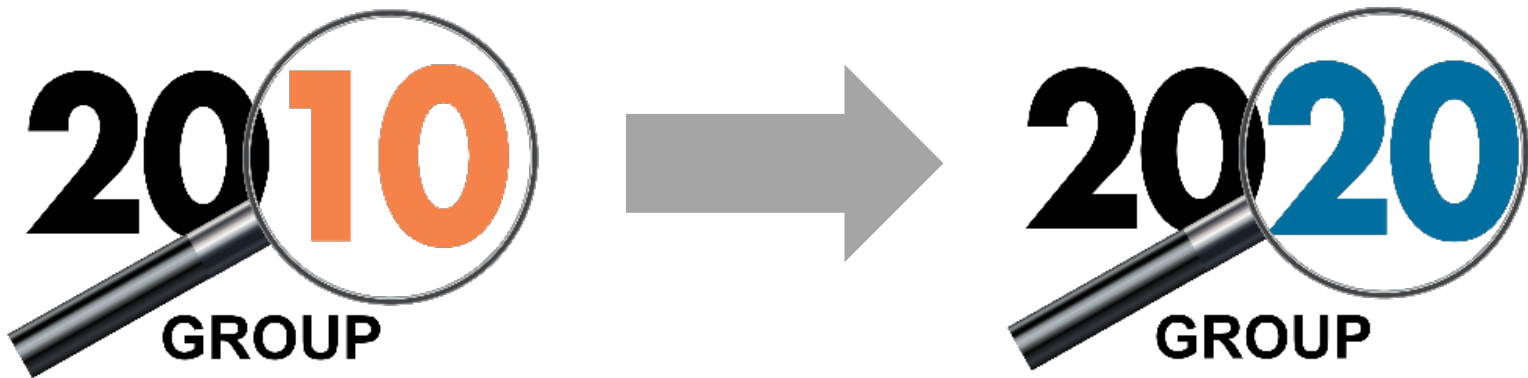
- **RTW Option 1:** Retirees returning to active service on or after July 1, 2020, and within 12 months after retirement will have their retirement benefits suspended for the duration of such active service or the lapse of 12 months from retiree's effective date of retirement, whichever occurs first.
- **RTW Option 2:** Retirees will have their benefits suspended for the duration of re-employment.

2020 Group: Summary of provisions

RTW Option	Contributions Required	Earnings Limit	Benefit Status	Supplemental Benefit	Position Requirements
RTW Option 1	Yes, refundable upon terminating re-employment	25% of FAC (per fiscal year)	Benefit suspended <u>if</u> earnings limit exceeded or if within 12-month waiting period	N/A	Available to <u>all</u> part-time and full-time direct employment positions
RTW Option 2	Yes	None	Benefit suspended for duration of re-employment	Accrues supplemental benefit	Available to <u>all</u> full-time direct employment positions
Employment by contract or corporate contract	No	None	Benefit suspended for duration of re-employment	N/A	Applies to <u>all</u> employment by contract or corporate contract

Election to transfer from 2010 Group

- Retirees in the 2010 Group who returned to work before July 1, 2020, or who retired on or before June 30, 2010 (Grandfathered Group) can make an irrevocable election to transfer from the 2010 Group to the 2020 Group (to be covered by La R.S. 11:710.1).



2010 Group: La. R.S. 11:710

If you are employed as a TRSL retiree in a position eligible for TRSL membership, you will be classified in one of the following categories:

Retired TEACHER*	Retired MEMBER
<ul style="list-style-type: none">• Receives a monthly benefit after fulfilling applicable waiting period• Pays contributions to TRSL• May be subject to a 25% earnings limit	<ul style="list-style-type: none">• Does not receive monthly benefit during period of re-employment• Does not pay contributions to TRSL

**12- or 36-month waiting period applies.*

2010 Group: Summary of provisions

RTW category†	Contributions required	*Benefits suspended	25% annual earning limit
RETIRED TEACHER: <i>*Benefit suspension applicable if retiree is within applicable waiting period</i>			
Grandfathered group	YES	NO	NO
Advanced degree in speech/audiology	YES	NO	NO
Critical shortage positions	YES	NO	NO
PreK-12 substitutes	YES	NO*	YES
Adult education	YES	NO*	YES
School nurses	YES	NO*	YES
Presenter of professional development	YES	NO*	YES
Tutor	YES	NO*	YES
Proctor	YES	NO*	YES
RETIRED MEMBERS:	NO	YES	N/A

†Includes retirees that return to work at Lab Schools

**Benefits may be reduced or suspended if earnings limit is exceeded.*

RTW provisions that remain unchanged

- Certain provisions of the RTW laws previously discussed are applicable to all TRSL retirees (2010 Group and 2020 Group) regardless of when they retired and/or returned to work in a position eligible for TRSL membership



Required
waiting
period

Disability
retirement



Required waiting period



- RTW retirees who become re-employed within 12 months of their retirement date will have their retirement benefits suspended for the duration of re-employment or the lapse of 12 months, whichever occurs first.

NOTE: Certain retirees (subject to the 2010 RTW Law) may be subject to a 36-month waiting period. Please contact TRSL for specific information.

Disability retirement

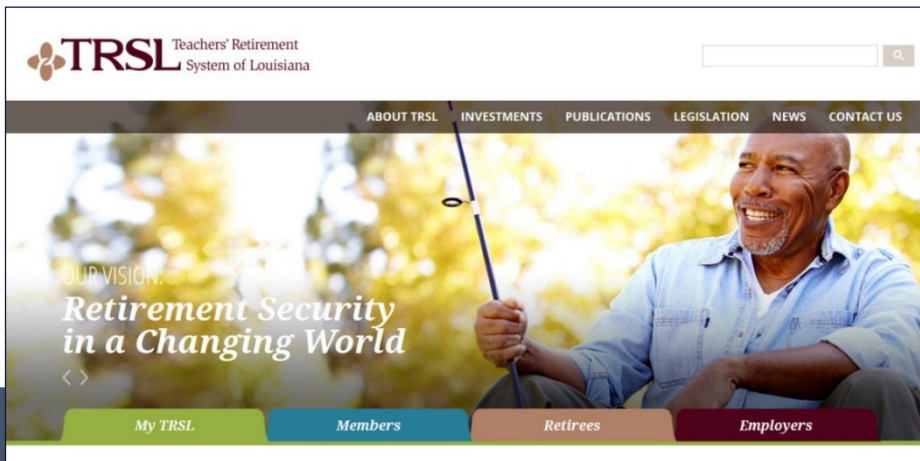


- Any retiree receiving a TRSL disability retirement who returns to work in the field of public or private education will have their disability benefit terminated and could become an active member again depending on the individual's circumstances, but they will not be a RTW retiree under 710.1.
- These retirees can return to work outside the field of education without penalty. However, there are limits on how much they can earn while continuing to collect a disability benefit.

More RTW resources

TRSL website: www.TRSL.org

- Retirees tab; Return-to-Work section
- Member brochure: *Returning to Work after Retirement (update coming soon)*



Returning to Work Overview

Once you cash or deposit (includes direct deposit) your first TRSL retirement check, you are officially retired. Return-to-work laws affect TRSL retirees who are re-employed directly or by contract in a position eligible for TRSL membership.

To be eligible to return to work in this type of position, you must have a break in service of at least one weekday (Monday through Friday). For example, if your last day of work is Friday, your retirement date would be Saturday. You could return to work on Tuesday. Monday would be the one weekday break in service.

If you are considering re-employment in a position eligible for TRSL membership, you are subject to all return-to-work laws. It is important that you understand these laws and how they may affect you. Failure to comply with return-to-work laws could result in suspension of (or loss of for those receiving a TRSL disability benefit) your TRSL retirement benefits.

Retirees (excluding those receiving a TRSL disability benefit) who return to work in positions not eligible for TRSL membership are not subject to return-to-work laws governing TRSL.

Jessica Trosclair, RTW Liaison

- Phone: 225-925-3663
- Toll-free: 877-275-8775 ext. 3663
- Email: Jessica.trosclair@trsl.org

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