



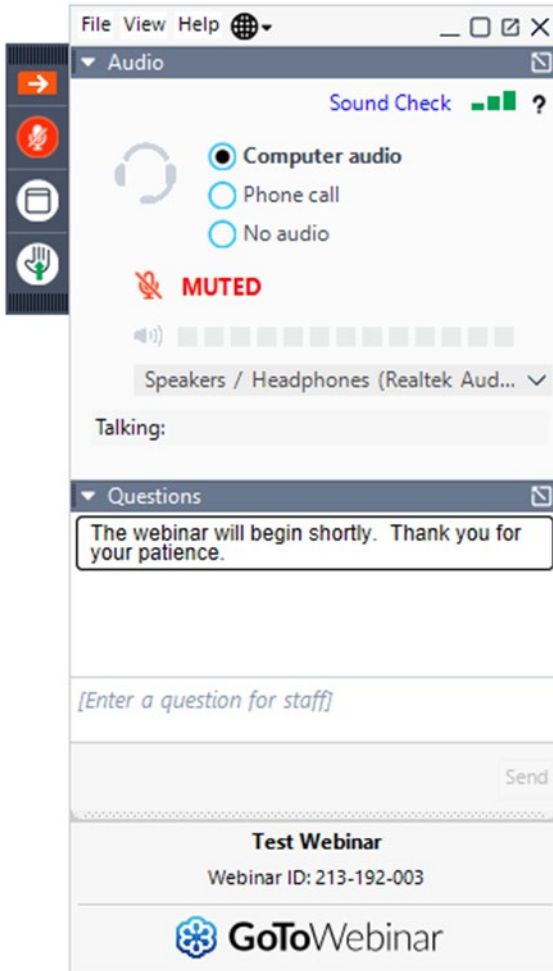
# Legislative Updates

June 24, 2020

# Friendly reminders

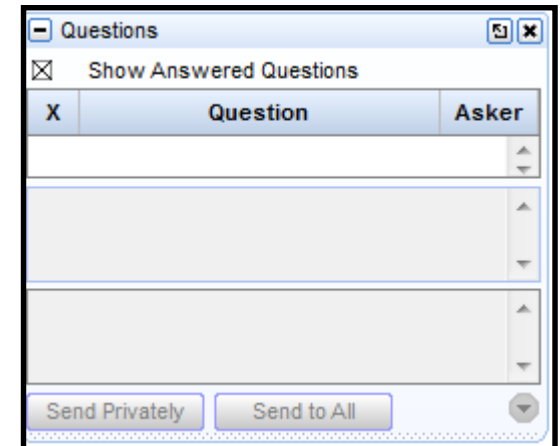
- This presentation contains general information.
- It is meant to be used as a guide during the webinar.
- All participants are muted during the webinar.
- **Have a question?**
  - » Type your question in the **Questions** area during the webinar. The moderator will see it and respond.
- There will be a question-and-answer period at the end of the webinar.
- Please maximize your screen size to have full use of the webinar's features.

# Go To Webinar features



The screenshot shows the audio control panel and the questions section of the GoTo Webinar interface. The audio panel includes a 'Sound Check' indicator, radio buttons for 'Computer audio' (selected), 'Phone call', and 'No audio', a 'MUTED' status with a red microphone icon, a volume slider, and a speaker selection dropdown set to 'Speakers / Headphones (Realtek Aud...)'. Below the audio panel is a 'Talking:' field. The 'Questions' section contains a message: 'The webinar will begin shortly. Thank you for your patience.' Below this is a text input field with the placeholder '[Enter a question for staff]' and a 'Send' button.

Type your  
question  
here.



The screenshot shows the 'Questions' window in the GoTo Webinar interface. It has a checkbox for 'Show Answered Questions' which is checked. Below this is a table with columns for 'X', 'Question', and 'Asker'. The table is currently empty. At the bottom of the window are two buttons: 'Send Privately' and 'Send to All'.

X	Question	Asker

# 2020 Legislative Session



- **REGULAR SESSION**
  - » April 8 – June 6
- **SPECIAL SESSION**
  - » Started June 6
  - » No bills affecting TRSL

# New RTW law – La. R.S. 11:710.1

- **Act 337** - formerly House Bill 8 (*Rep. Ryan Bourriaque*)
  - Establishes new RTW provisions (La. R.S. 11:710.1) for retirees who returned to work for a TRSL-reporting employer for the first time on/after after July 1, 2020
    - « These retirees must choose between two options that will either limit their earnings during re-employment or suspend their retirement benefit while they accrue a supplemental benefit during re-employment.
    - « The options from which retirees can choose are determined by whether their position in re-employment is part-time or full-time. The options are only available to retirees returning to work through direct employment; employment by contract or corporate contract results in a benefit suspension.
  - Retains the RTW law in effect before La. R.S. 11:710.1 for retirees who returned to work before July 1, 2020 or who retired on/before June 30, 2010; *however allows such retirees to make an irrevocable election to be covered by the new provisions*

# New RTW law – La. R.S. 11:710.1

RTW law	Who is covered
<p><b>2010 Group</b> <i>(Subject to RTW law La. R.S. 11:710)</i></p>	<ul style="list-style-type: none"><li>• Retirees who returned to work for a TRSL-reporting employer before July 1, 2020</li><li>• Retirees who retired on or before June 30, 2010 (grandfathered group)</li></ul>
<p><b>2020 Group</b> <i>(Subject to RTW law La. R.S. 11:710.1)</i></p>	<ul style="list-style-type: none"><li>• Retirees who return to work for a TRSL-reporting employer <b><u>for the first time</u></b> on or after July 1, 2020</li><li>• Retirees in the <b><u>2010 Group</u></b> (subject to La. R.S. 11:710) who make an <b><u>irrevocable</u></b> election to be in the <b><u>2020 Group</u></b> (subject to La. R.S. 11:710.1)</li></ul>

# New RTW law – La. R.S. 11:710.1

## 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.
- Benefits are suspended when earnings limit is reached and are reduced to recover amounts over earnings limit.

*This 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 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).*

# New RTW law – La. R.S. 11:710.1

## RTW Option 2:

*Available to all full-time direct employment positions*

- TRSL benefits suspended for the duration of re-employment
- Retiree returns to active member status in TRSL and accrues a supplemental benefit, which will be calculated with the same formula used to determine the original benefit.
  - « **If re-employment is at least 36 months:** Supplemental benefit is calculated based on the higher of original FAC or the FAC since re-employment.
  - « **If re-employment is less than 36 months:** Supplemental benefit is calculated based on original FAC.



# New RTW law – La. R.S. 11:710.1

## ***Employment by Contract/Corporate contract:***

- Retiree returning to work through **any** employment by contract or corporate contract will have their benefit suspended for the duration of re-employment and do not earn a supplemental benefit.
- *This includes contract or corporate contract work performed as a substitute teacher.*
- *Substitute teachers must be direct employees of a TRSL-reporting employer in order to choose RTW Option 1 or 2.*

# COLA study

- **Senate Resolution 15** (*Sen. Ed Price*)
- **House Resolution 21** (*Rep. Lance Harris*)
  - » Request that the four state retirement systems work together to submit a report to the legislature by December 1, 2020 on alternative methods for providing permanent benefit increases to retirees in future years

# Social Security offsets

- **House Concurrent Resolution 9** (*Rep. Mike Johnson*)
- **Senate Concurrent Resolution 34** (*Sen. Beth Mizell*)
  - » Ask Congress to consider eliminating or reducing the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO) Social Security benefit reductions.

# Supplemental UAL payment

- **Act 255** - formerly House Bill 307 (*Rep. Jerome Zeringue*)
  - » Makes a \$36.7 million supplemental appropriation to the TRSL initial unfunded accrued liability (IUAL) from a portion of the FY 2018-19 surplus funds in the state treasury.

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



For more information, visit the “Legislation” page of our website at [www.TRSL.org](http://www.TRSL.org).

# Questions?



# We are here for you!



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