



Recap of the 2011 Regular Legislative Session

The Louisiana legislature adjourned sine die at 6:00 p.m. on Thursday, June 23. The bill on Permanent Benefit Increases that was sponsored for LRTA, and the bills monitored by LRTA which passed both houses of the legislature, are listed below. Amendments to the bills are described in bullet points found underneath the description of the original version of the bills. Actions taken by committees, by the House of Representatives and the Senate, and by the governor are provided in red. The bills have been categorized by topic.

- **Provision of Future Permanent Benefit Increases**

Senate Bill No. 10 by Senator B. L. “Buddy” Shaw

This bill was sponsored by Senator Shaw at the request of LRTA. The legislation proposed to eliminate certain provisions of Act 497 of 2009. It allowed for the deposit of 50% of all actuarial gains in any given year into the Employee Experience Account, provided for the payment of permanent benefit increases to eligible retirees age 55 and older, and provided for the distribution of funds from the Employee Experience Account before TRSL reaches 80% of full funding. The bill eliminated the “hurdles” that were incorporated into Act 497.

LRTA supported this legislation. **Passed by the Senate Retirement Committee on May 23, 2011. Deferred by the Senate Finance Committee on June 1, 2011.**

- **Funded Status of the Teachers’ Retirement System of Louisiana**

House Bill No. 384 by Representative J. Kevin Pearson and Senator D. A. “Butch” Gautreaux

This bill is a constitutional amendment that will dedicate a minimum of 10% of any money designated in the official revenue forecast as nonrecurring to be applied to the unfunded accrued liabilities of the Louisiana State Employees’ Retirement System and the Teachers’ Retirement System of Louisiana.

- This bill was amended to provide for 5% of those payments to be made in FY 2013-2014, and 2014-2015, and to begin the 10% payments in FY 2015-2016.

LRTA supported this legislation. **Passed by the House Appropriations Committee on June 6, 2011. Passed by House Civil Law and Procedure Committee on June 13, 2011. Passed by the Senate Finance Committee on June 16, 2011. Passed by the Senate on June 22, 2011. Filed with the Secretary of State. The constitutional amendment will go before voters for approval on the October 22, 2011 ballot.**

House Bill No. 435 by Representative J. Kevin Pearson and Senator D. A. “Butch” Gautreaux

This bill dedicates a minimum of 10% of any of money designated in the official revenue forecast as nonrecurring to be applied to the unfunded accrued liabilities of the Louisiana State Employees’ Retirement System and the Teachers’ Retirement System of Louisiana. This is the companion bill to House Bill No. 384.

- This bill was amended to provide for 5% of those payments to be made in FY 2013-2014, and 2014-2015, and to begin the 10% payments in FY 2015-2016.

LRTA supported this legislation. **Passed by the House Appropriations Committee on June 6, 2011. Passed by the House on June 9, 2011. Passed by the Senate Finance Committee on June 15, 2011. Passed by the Senate on June 20, 2011. Becomes Act No. 357.**

House Bill No. 495 by Representative J. Kevin Pearson and Senator D. A. “Butch” Gautreaux

This bill provided that the state treasurer, beginning with the 2012-2013 FY, shall pay certain UAL amortization payments directly to the Teachers’ Retirement System of Louisiana. The payments shall be deducted from monies appropriated to the employer for that employer’s proportionate share of the total amortization payment. The bill further provided if an employer objects to the direct payments, then the employer will pay the rate without the applied reductions for direct payments.

LRTA supported this legislation. **Passed by the House Retirement Committee on June 2, 2011. Passed by the House on June 9, 2011. Passed by Senate Retirement Committee on June 13, 2011. Passed by the Senate on June 19, 2011. Vetoed by the governor.**

Senate Bill No. 6 by Senator D. A. “Butch” Gautreaux

This bill required a TRSL employing agency to pay its proportionate share of the system’s unfunded accrued liability generated by its employees if the agency terminates participation in the retirement system.

LRTA supported this legislation. **Passed by the Senate Retirement Committee on May 23, 2011. Passed by the Senate June 1, 2011. Passed by the House Retirement Committee June 7, 2011. Passed by the House on June 14, 2011. Vetoed by the governor. This veto means that House Bill Nos. 150, 369 and 417, the retiree return-to-work legislation will not become effective even though the bills were passed and signed by the governor.**

- **Retiree Return-to-Work Legislation**

House Bill No. 150 by Representative Hollis Downs

This bill allow a retired educator who has at least 30 years of service credit in TRSL, who is at least 60 years of age, and who has been retired at least 12 months to return to work as an adjunct professor at an institution of higher education, and continue to receive retirement benefits while working. Earnings may not exceed the uniform schedule of pay for the post-secondary institution for adjunct professors. If compensation does exceed the uniform pay schedule, the retirement benefit received by the retiree will be reduced by the amount of the excess earnings.

- This bill was amended in the House Retirement Committee meeting May 5, 2011. The committee amendments eliminated the age and service provisions, and would now allow retirees to return to work as adjunct professors and earn up to 25% of their retirement benefit. If compensation exceeds 25% of the benefit in any given fiscal year, the benefit shall be reduced by the excess earned.
- This bill was amended by the Senate to include individuals who were participating in the Deferred Retirement Option Plan or who were working after completion of plan participation on June 30, 2010.
- This bill was amended by the Conference Committee to provide the bill becomes effective when Senate Bill No. 6 becomes effective.

LRTA supported this legislation. Passed by the House Retirement Committee on May 5, 2011. Passed by the full House on May 12, 2011. Passed by the Senate Retirement Committee on June 6, 2011. Passed by the Senate Finance Committee June 14, 2011. Passed by the Senate on June 20, 2011. House rejected the Senate amendments on June 21, 2011. Passed by the Conference Committee on June 23, 2011. Becomes Act No. 388, but the act does not become effective because Senate Bill No. 6 was vetoed by the governor.

House Bill No. 151 by Representative Frank Hoffman

This bill allows any retired member of TRSL who has been retired at least 12 months to return to work in a position covered by TRSL and earn up to 25% of their retirement benefit in any given fiscal year. If earnings exceed 25% of the benefit in any fiscal year, the benefit shall be reduced by the excess earnings.

- This bill was amended in the House Retirement Committee meeting held June 2, 2011 to extend the grandfather provision to any member who retired on or before June 30, 2010 to return to work and receive full retirement benefits while working. Current law only allows retired members who had retired and who had returned to work prior to June 30, 2010 to be paid benefits while working.
- This bill was also amended by the House of Representatives to extend the grandfather provision to only those members who retired on or after May 1, 2009, and on or before June 30, 2010. Retirees must return to work in a position requiring a valid Louisiana teaching certificate, or a valid Louisiana ancillary certificate.

LRTA supported this legislation. Deferred by the House Retirement Committee on May 5, 2011. Rescheduled and passed by the House Retirement Committee on June 2, 2011 with the above amendment. Passed by the House on June 13, 2011. Passed by the Senate Retirement Committee on June 19, 2011. Passed by the Senate on June 20, 2011. Becomes Act No. 347.

House Bill No. 369 by Representative Gary Smith

This bill allow any retired member of TRSL who has been retired for at least 12 months to return to work on a part-time basis in a TRSL covered position and continue to receive their retirement benefit while working.

- This bill was amended in the House Retirement Committee meeting May 5, 2011, and on the House floor. The amendments will allow a retiree to return to work on a part-time basis and continue receiving benefits while instructing adults in adult education or literacy programs administered through a K-12 public school. Retirees may earn up to 25% of their retirement benefit. Earnings exceeding 25% will be reduced from the retirement benefit.
- This bill was amended by the Senate to include individuals who were participating in the Deferred Retirement Option Plan or who were working after completion of plan participation on June 30, 2010.
- This bill was amended by the Conference Committee to provide the bill becomes effective when Senate Bill No. 6 becomes effective.

LRTA supported this legislation. Passed by the House Retirement Committee May 5, 2011. Passed by the House on May 12, 2011. Passed by the Senate Retirement Committee on June 6, 2011. Passed by the Senate Finance Committee on June 13, 2011. Passed by the Senate on June 20, 2011. House rejected the Senate amendments on June 21, 2011. Passed by the Conference Committee on June 23, 2011. Becomes Act No. 394, but the act does not become effective because Senate Bill No. 6 was vetoed by the governor.

House Bill No. 417 by Representative P. Page Cortez

This bill allows retired educators to return to work as a substitute teacher in a K through 12 classroom and continue receiving retirement benefits if they have been retired for at least twelve months, have 30 years of credited service in TRSL, and are at least age 60. If the period of reemployment exceeds 90 days in a fiscal year, then retirement benefits shall be reduced by the amount earned beyond 90 days of substitute teaching.

- This bill was amended in the House Retirement Committee meeting May 5, 2011, and on the House floor on May 16, 2011. The amendments eliminated the age and service provisions, and will allow retirees to return to work as substitute teachers and earn up to 25% of their retirement benefit. If compensation exceeds 25% of the benefit in any given fiscal year, the benefit shall be reduced by the excess earned.
- This bill was amended by the Senate to include individuals who were participating in the Deferred Retirement Option Plan or who were working after completion of plan participation on June 30, 2010.
- This bill was amended by the Conference Committee to provide the bill becomes effective when Senate Bill No. 6 becomes effective.

LRTA supported this legislation. Passed by the House Retirement Committee May 5, 2011. Passed by the House on May 16, 2011. Passed by the Senate Retirement Committee on June 6, 2011. Passed by the Senate Finance Committee June 14, 2011. Passed by the Senate on June 20, 2011. House rejected the Senate amendments on June 21, 2011. Passed by the Conference Committee on June 23, 2011. Becomes Act No. 395, but the act does not become effective because Senate Bill No. 6 was vetoed by the governor.

NOTE: The veto of Senate Bill No. 6 is significant. It impacts many LRTA members who have called the office with questions regarding their return-to-work status.

For those of you who have been following this specific category of legislation, House Bill No. 150 dealing with retired adjunct professors, House Bill No. 369 dealing with adult education and literacy programs, and House Bill No. 417 dealing with retirees returning to classrooms to substitute teach were all amended in the Senate. The amendments to the three bills were alike, and included individuals who were participating in DROP, or who had completed DROP participation and were still teaching, among those who could, after retirement, return to a teaching position covered by TRSL and continue to receive their retirement benefit while working. The House of Representatives rejected the Senate amendments, and the three bills were sent to a conference committee. The conference committee members agreed to remove the Senate amendments pertaining to DROP participants, and made the implementation of the provisions of the three bills contingent upon Senate Bill No. 6 becoming effective. Because Senate Bill No. 6 was vetoed, House Bill Nos. 150, 369, and 417 are not effective.

The only effective piece of legislation dealing with the retiree return-to-work issue is House Bill No. 151. This bill was signed by the governor, became Act No. 347, and became effective July 1, 2011. The act extends the grandfather provision put in place by Act No. 921 of 2010 to those members of TRSL who retired on or after May 1, 2009, but before July 1, 2010, and who return to a position that requires a valid Louisiana teaching certificate or ancillary certificate. As a result of the veto of Senate Bill No. 6, anyone who retired on or after July 1, 2010 who goes back to work in a TRSL covered position will have their benefit suspended for the duration of their reemployment period, unless they return in a position that a local school board has certified as a teacher shortage area.

LRTA supported passage of Senate Bill No. 6 and all of the retiree return-to-work legislation. President Taylor wrote a letter to Governor Jindal on June 16 urging the governor to sign Senate Bill No. 6 into law.

- **Office of Group Benefits**

House Bill No. 32 by Representative James R. “Jim” Fannin

This bill provides for the ancillary expenses of state government. In the section regarding the Office of Group Benefits found on page 5, lines 25-29 of the original version of the bill, there is language dealing with the transfer into the Overcollections Fund in the Department of the Treasury the proceeds generated as a result of the sale or other transaction by the Office of Group Benefits which has the effect of transforming its operations.

- This bill was amended by the House Appropriations Committee on May 23, 2011 to eliminate the language dealing with the sale/privatization of OGB found on page 5 of the bill, and adopted an amendment which reinstated \$10 million for the salaries and related benefits of 149 positions at OGB.

LRTA opposed language in the Ancillary Expenses bill specific to the sale/privatization of OGB, but supported the bill with the amendments that were adopted eliminating that language and reinstating funding for the OGB staff. **Passed by the House Appropriations Committee, on May 23, 2011. Passed by the House on May 31, 2011. Passed by the Senate Finance Committee on June 16, 2011. Passed by the Senate on June 20, 2011. Becomes Act No. 42.**

Senate Concurrent Resolution No. 62 by Senator D. A. “Butch” Gautreaux

This resolution expresses the intent of the legislature to provide affordable health and life insurance to active and retired employees through the Office of Group Benefits.

LRTA supported this resolution. **Passed by the Senate on June 7, 2011. Passed the House on June 21, 2011.**

- **Retirement System Consolidation**

House Concurrent Resolution No. 135 by Representative Joel C. Robideaux

This resolution directs the Louisiana State Employees’ Retirement System, the Louisiana School Employees’ Retirement System, the State Police Pension and Retirement System and the Teachers’ Retirement System of Louisiana to report to the House and Senate Retirement Committees, prior to the 2012 Regular Legislative Session, the administrative and investment costs incurred by each system, and to jointly submit a report on the feasibility of combining the administrative and investment management functions of the systems.

- This resolution was amended by the Senate Retirement Committee to include the Division of Administration as a recipient of the report(s).

LRTA opposed this legislation. **Passed by the House Retirement Committee June 7, 2011. Passed by the House on June 14, 2011. Passed by the Senate Retirement Committee on June 19, 2011. Passed the Senate on June 21, 2011. House concurred in Senate amendments on June 22, 2011.**

- **GPO/WEP Provisions of the Social Security Administration**

House Concurrent Resolution No. 93 by Representative Frank Hoffman

This resolution memorializes the U.S. Congress to review and consider eliminating the Government Pension Offset and the Windfall Elimination Provision Social Security benefit reductions.

LRTA supported this resolution. **Passed by the House on May 12, 2011. Passed by the Senate Retirement Committee on May 23, 2011. Passed by the Senate on May 25, 2011.**

House Concurrent Resolution No. 94 by Representative Gary Smith

This resolution memorializes the U.S. Congress to review and consider eliminating the Government Pension Offset and the Windfall Elimination Provision Social Security benefit reductions.

LRTA supported this resolution. **Passed by the House on May 12, 2011. Passed by the Senate Retirement Committee on May 23, 2011. Passed by the Senate on May 25, 2011.**

Senate Concurrent Resolution No. 57 by Senator D. A. “Butch” Gautreaux

This resolution memorializes the U.S. Congress to review and consider eliminating the Government Pension Offset and the Windfall Elimination Provision Social Security benefit reductions.

LRTA supported this resolution. **Passed by the Senate on June 8, 2011. Passed by the House on June 9, 2011.**