



# Louisiana Retired Teachers Association

## 2011 Regular Legislative Session Update No. 9—Final Update July 7, 2011

Provided below is a list of bills to be monitored by LRTA during the 2011 Regular Session. The listing provides the last action taken by the legislature on all the legislation.

---

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

This bill provided 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.

LRTA will oppose this language in the Ancillary Expenses bill. **The House Appropriations Committee, on May 23, 2011, eliminated 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 the Office of Group Benefits. 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.**

### House Bill No. 150 by Representative Hollis Downs

This bill would 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 supports 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 will allow 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 supports 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 will 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 supports 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. 384 by Representative J. Kevin Pearson and Senator D. A. “Butch” Gautreaux

This bill is a constitutional amendment that would 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 supports 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.**

House Bill No. 386 by Representative Joel C. Robideaux

This bill allows a state retirement system to effectuate life insurance on its members and retirees when the beneficiary is the same retirement system. Any member of the retirement systems may make a written objection to the selected insurer ten (10) days after the policy is delivered to the retirement system, and the policy shall be voided for such member.

LRTA opposes this legislation.

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 supports 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.**

**House Bill No. 422 by Representative Reed S. Henderson**

This bill is a constitutional amendment which is a companion bill to House Bill No. 436. The bill removes the prohibition related to the imposition of an additional tax or license on gas, authorizes the levy of a tax, fee, permit, or license on natural gas transported in Louisiana, and creates the Fair Share Fund.

LRTA supports this legislation. **Deferred by the House Ways and Means Committee on May 23, 2011.**

**House Bill No. 426 by Chuck Kleckley**

This bill adds the commissioner of administration to the boards of trustees of the Louisiana State Employees' Retirement System, the Louisiana School Employees' Retirement System and the Teachers' Retirement System of Louisiana.

LRTA will monitor this legislation. **Passed by the House Retirement Committee on May 5, 2011. Passed by the House on May 16, 2011.**

**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 supports 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. 436 by Representative Reed S. Henderson**

This bill levies a tax on the transportation of natural gas through pipelines in Louisiana and provides that revenues generated shall be deposited into the Fair Share Fund.

LRTA supports this legislation. **Deferred by the House Ways and Means Committee on May 23, 2011.**

**House Bill No. 479 by Representative M. "Kirk" Talbot**

This bill increases the employee contributions for members of the Louisiana State Employees' Retirement System by 3%.

LRTA will monitor this legislation. **Passed by the House Retirement Committee on May 19, 2011.**

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

This bill provides 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 provides if an employer objects to the direct payments, then the employer will pay the rate without the applied reductions for direct payments.

LRTA supports 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.**

**House Bill No. 530 by Representative J. Kevin Pearson**

This bill increases employee contributions for TRSL members in higher education in any fiscal year in which the employer contribution rate exceeds 23%. Rates shall be increased by 1.5% for the first \$50,000 in salary, and by 3% on any amount of salary earned over \$50,000. The increase in the employee contribution rate shall be used to reduce the portion of the employer contribution rate paid by state general funds. The bill also proposes to reduce the amount of salary increases to be computed in determining final average compensation from 15% to 5%. The effective date of this legislation is July 1, 2011.

- This bill was amended by the full House on June 6, 2011. Additional employee contributions contained in the original bill were removed. The final average compensation used to compute benefits on or after July 1, 2011 will be over a 5 year period, and salary increases up to 15%, each year instead of 10%, will be included in the benefit computation. If a member’s final average compensation over a 3 year period is higher than the 5 year period, then the 3 year period will be used to compute the benefit.

LRTA opposes this legislation. **Passed by the House Retirement Committee on May 25, 2011. Passed by the House on June 6, 2011. Deferred by the Senate Retirement Committee on June 19, 2011.**

**House Bill No. 630 by Representative Harold L. Ritchie**

This bill would require retirees to pay Louisiana state income taxes on 10% of their retirement benefit for the period of July 1, 2011 through December 31, 2014. Currently, all benefits are exempt from state income taxes. Revenues generated shall be deposited into the Temporary Assistance for Education Fund.

LRTA opposes this legislation. **Deferred by the House Ways and Means Committee on May 16, 2011.**

**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 supports 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 supports 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. 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 will oppose 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.**

**Senate Bill No. 6 by Senator D. A. "Butch" Gautreaux**

This bill requires a TRSL employing agency to pay its proportionate share of the system's unfunded accrued liability if it terminates participation in the retirement system.

**LRTA supports 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.**

**Senate Bill No. 10 by Senator B. L. "Buddy" Shaw**

This bill eliminates certain provisions of Act 497 of 2009 to allow for the deposit of 50% of excess interest earnings into the Employee Experience Account, to provide for the payment of permanent benefit increases to eligible retirees age 55 and older, and to provide for the distribution of funds from the Employee Experience Account before TRSL reaches 80% of full funding. The bill eliminates the "hurdles" that were incorporated into Act 497.

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

**Senate Bill No. 12 by Senator D. A. “Butch” Gautreaux and Representative J. Kevin Pearson**

This bill creates a second tier of benefits for all public employee retirement systems. Employee contributions for Tier 2 participants increase by 0.5%. Requirements to be met for an unreduced retirement benefit are 5 years of service at age 65. An actuarially reduced benefit is available to members in Tier 2 with 25 years of service at any age. Benefits will be determined using a 60-month final average compensation calculation. Enrollment of employees in Tier 2 is at the option of the employer. Employers participating in plans whose plan year begins on July 1 must notify employees by the previous December 31. Benefit calculations of employees who have accrued service in Tier 1 and in Tier 2 shall be governed by current reciprocal recognition of service laws.

LRTA opposes this legislation. **Deferred by the Senate Retirement Committee on May 16, 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 supports this resolution. **Passed by the Senate on June 8, 2011. Passed by the House on June 9, 2011.**

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

**Senate Concurrent Resolution No. 70 by Senators D. A. “Butch” Gautreaux, Karen Carter Peterson, Lydia P. Jackson and Edwin R. Murray**

This resolution directs the Division of Administration to immediately release to members of the legislature any report generated by Chaffe and Associates, Inc. relative to the financial analysis and possible privatization of the Office of Group Benefits.

LRTA supports this resolution. **Passed by the Senate on June 8, 2011. Deferred by the House and Governmental Affairs Committee on June 14, 2011.**

gal 7/7/2011