



Provided below is a list of bills that were pre-filed and/or introduced for consideration by the Legislature during the 2022 Legislative Session that potentially impacted you as a retired educator and/or your retirement system. The descriptions of the bills have been taken from the legislative text and digests.

The words in red are the positions of the LRTA Legislative Committee and Executive Board in accordance with the 2022 LRTA Legislative Priorities. The legislative session began on March 14 and ended on June 6, 2022.

House bills and Senate bills are grouped under the specific topic addressed by the legislation.

Permanent Benefit Increase (PBI)

Senate Bill No. 6 by Senator Ed Price

This bill grants a two percent permanent benefit increase (PBI), also known as a cost-of-living adjustment (COLA), to eligible retirees and beneficiaries of the Teachers' Retirement System of Louisiana (TRSL). Eligible retirees must be at least age 60 and retired for one year. The benefit increase will be applied to the first \$68,396 of the annual benefit currently received from TRSL.

LRTA Supported, Signed by the Governor - Act 657

Return to Work

House Bill No. 22 by Representative Rick Edmonds

This bill proposed to amend the provision governing the 2020 return-to-work (RTW) law to increase the earnings limit under Option 1 from 25 percent of the retiree's final average compensation (FAC) to 50 percent of the retiree's FAC. The proposed increase would apply to retirees who returned to work prior to December 31, 2021 and are certified to teach mathematics, science, English language arts, or special education. The increased earnings limit would also apply to teacher's aide, instructor, assistant professor, associate professor, or professor, who is assigned the professional activity of instructing students or who is conducting research at a public postsecondary education institution. The increased earnings limit would be repealed July 1, 2025, after which it would revert to the current 25 percent of the retiree's FAC

LRTA Neutral, Did not pass

House Bill 26 by Representative Troy Romero

This bill proposed to amend the provision governing the 2020 return-to-work (RTW) law to increase the earnings limit under Option 1 from 25 percent of the retiree's final average compensation (FAC) to 50 percent of the retiree's FAC. There would be no time limit with this bill.

LRTA No position, Did not pass

House Bill 30 by Representative Larry Frieman

As amended, this bill proposes to amend the provision governing the 2020 return-to-work (RTW) law to increase the earnings limit under Option 1 from 25 percent of the retiree's final average compensation (FAC) to 100 percent of the retiree's FAC. The proposed increase would apply to retirees who returned to work prior to December 31, 2021 and would be repealed July 1, 2025. This would create potentially higher costs to the employer and/or the retirement system.

LRTA Opposed, Did not pass

House Bill No. 835 by Rep. Jack McFarland

This bill provided that the benefit of a retiree who is reemployed based on a contract or corporate contract shall not be suspended or reduced. The bill also provided that neither the employer nor the employee make contributions to TRSL during such reemployment. Effective for a period of seven years. Would be repealed July 1, 2029. This would create potentially higher costs to the employer and/or the retirement system.

LRTA Opposed, Did not pass

House Bill No. 1021 by Rep. Jack McFarland

As amended, this bill allows retirees subject to the 2010 RTW Law to be directly re-employed without a suspension or reduction in retirement benefit through June 30, 2027, if:

1. the retiree is certified to teach mathematics, science, English language arts, or special education (excluding gifted/talented) and re-employed to fill a position in the area of certification; or
2. the retiree is at least age 62 with 30 years of service and re-employed to fill a vacancy created by maternity leave, military leave, sabbatical leave, or extended sick leave.

This bill also establishes that those who retired on/before June 30, 2020 are subject to the 2010 RTW Law, and those who retired on or after July 1, 2020 are subject to the 2020 RTW Law. Certain retirees in the 2020 RTW Group may be allowed to return to work under the 2010 RTW Law. And, this bill makes permanent changes to K-12 employer advertising and posting requirements for filling critical shortage vacancies.

Additionally, this bill requires the Louisiana Department of Education to conduct a study and make recommendations for policy changes, which address critical shortages at TRSL-participating and public non-participating schools without employing retirees.

LRTA Supported, Signed by the Governor - Act 601



Senate Bill No. 419 by Senator Stewart Cathey, Jr.

This bill allows for a TRSL retiree to return to work immediately without suspension or reduction of retirement benefits upon reemployment. This bill would require payment of employer and employee contributions, and the retiree would not receive any additional service credit nor accrue any additional retirement benefits. Upon termination of active service, the retiree shall be refunded the employee contributions without interest. The provisions of this bill, should it become law, will remain in effect through June 30, 2027. This bill would create potentially higher costs to the employer and/or the retirement system.

LRTA Opposed, Did not pass

Senate Bill No. 425 by Senator Rick Ward

This bill proposes changing the employer advertising and posting requirements for declaring a critical shortage for any position needing to be filled before July 1, 2025. This bill also proposes making the 2020 RTW law applicable to any retiree who retired on or after July 1, 2020—rather than who returned to work for the first time on/after July 1, 2020. It would also allow retirees who retired on/before June 30, 2020 (initially subject to the 2010 RTW law), but who made an irrevocable election to be subject to the 2020 RTW law to return to being subject to the 2010 RTW law.

LRTA Neutral, Did not pass

Senate Bill No. 434 by Senator Cleo Fields

As amended, this bill allows retirees subject to the 2010 RTW Law to be directly re-employed without a suspension or reduction in retirement benefit through June 30, 2027, if:

1. the retiree is certified to teach mathematics, science, English language arts, or special education (excluding gifted/talented) and re-employed to fill a position in the area of certification; or
2. the retiree is at least age 62 with 30 years of service and re-employed to fill a vacancy created by maternity leave, military leave, sabbatical leave, or extended sick leave.

This bill also establishes that those who retired on/before June 30, 2020 are subject to the 2010 RTW Law, and those who retired on or after July 1, 2020 are subject to the 2020 RTW Law. Certain retirees in the 2020 RTW Group may be allowed to return to work under the 2010 RTW Law. And, this bill makes permanent changes to K-12 employer advertising and posting requirements for filling critical shortage vacancies.

Additionally, this bill requires the Louisiana Department of Education to conduct a study and make recommendations for policy changes, which address critical shortages at TRSL-participating and public non-participating schools without employing retirees.

LRTA Supported, Signed by the Governor - Act 549



Optional Retirement Plan

Senate Bill No. 10 by Senator Jay Morris and Senator Jay Luneau

This bill allows a current participant in the Optional Retirement Plan (ORP) to transfer into the defined benefit plan offered by TRSL. The transfer must be on an actuarially equivalent basis in accordance with current laws governing transfers from one public retirement system to another. Benefit calculations and retirement eligibility will be based on the date of the transferee's first employment date making him or her eligible for membership in TRSL. The provisions of this bill, should it become law, will remain in effect through June 30, 2028.

LRTA Neutral, Did not pass

Investments

House Bill 25 by Representative Danny McCormick

This bill prohibited state retirement systems from investing in companies having policies that prohibit investing in energy companies, doing business with energy companies, and entering into contracts with energy companies or with any class or group of companies within the energy sector. This would restrict systems' abilities to invest in certain companies.

LRTA Opposed, Did not pass

House Resolution No. 137 by Rep. Edmond Jordan

Requests the state and statewide retirement systems to invest in companies that practice diversity, equity, and inclusion. This resolution would not have a fiscal affect on the retirement system.

LRTA No Position, Did not pass

Payments Toward UAL

House Bill 29 by Representative Richard Nelson

(Proposed Constitutional Amendment) To require the legislature to appropriate no less than 50 percent of nonrecurring state revenue (surplus) for application to certain state retirement system unfunded accrued liability (UAL). Currently, the legislature is required by the state constitution to appropriate a minimum 10 percent of surplus monies for application to certain state retirement system debt. This amendment would increase the minimum amount to 50 percent beginning fiscal year 2023-2024.

LRTA Supported, Did not pass

House Bill No. 592 by Rep. Jerome "Zee" Zeringue

This bill appropriates supplemental funding and provides for means of financing substitutions and other budgetary adjustments for Fiscal Year 2021-2022. Additionally appropriates \$27,043,431 of State General Fund (Direct) of nonrecurring revenue out of the surplus from Fiscal Year 2019-20 for the Unfunded Accrued Liability in state retirement systems.

LRTA Supported, Signed by the Governor - Act 170



Supplemental Benefit Payment

House Bill 31 by Representative Phillip Tarver

(Proposed Constitutional Amendment) The proposed amendment would dedicate a certain amount of state nonrecurring revenue (surplus) to state retirement systems for supplemental benefit payments for eligible retirees. The amount to be used for such supplemental benefit would be the lesser of \$50 million or the balance of surplus money leftover after allocations are made for payments against retirement system debt and for the Budget Stabilization Fund. Retirees, beneficiaries or survivors must have been receiving a benefit by June 30 of the previous fiscal year in order to be eligible for the lump sum payment.

LRTA Supported, Did not pass

House Bill 32 by Representative Phillip Tarver

This is a companion bill for House Bill 31. Requires the Public Retirement Systems' Actuarial Committee (PRSAC) to certify and report to the legislature the number of persons in each state system who are eligible for the supplemental benefit after the committee adopts the official valuations for the state public retirement systems.

LRTA Supported, Did not pass

Constitutional Convention

House Bill No. 259 by Rep. Tanner Magee

Called a limited constitutional convention to convene on Aug. 1, 2022, to be composed of 120 delegates, appointed from congressional districts by the speaker of the House, president of the Senate, governor, and chief justice of the supreme court. Requires convention to complete draft of proposed constitution by July 1, 2023. Article X of the Louisiana Constitution (which contains the lifetime benefit guarantee for retirees) was originally included in the call. The author introduced an amendment to remove Article X, Section 29 Retirement and Survivor's Benefits from the provisions authorized for substantive changes.

LRTA Neutral as amended, Did not pass

House Bill No. 405 by Rep. Mark Wright

Called for a full constitutional convention preceded by plan for the convention and a draft proposed constitution by an Planning and Drafting Committee. Calls convention to convene on July 8, 2024, to be composed of 132 delegates, 105 elected from representative districts and 27 appointed. Requires convention to complete a new constitution by June 1, 2026.

LRTA Opposed, Did not pass

House Concurrent Resolution No. 11 by Rep. Mike Johnson

Requests congress and other state legislatures to request that congress review and eliminate the provisions of federal law which reduce Social Security benefits for persons receiving pension from federal, state, or local government retirement systems

LRTA Supported , Sent to Secretary of State

Food Service

House Bill No. 986 by Rep. Rick Edmonds

This bill removed the prohibition on disbursement of state appropriated funds for school nutrition programs. Several stakeholders expressed concerns that the bill would lead to privatization of food services and mass layoffs that could increase the UAL of TRSL.

LRTA Opposed, Did not pass

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LRTA closely monitored the following bill but did not take a position on it.

LASERS - New Retirement Plan (Hybrid)

Senate Bill No. 438 by Senator Ed Price

This bill established a New Retirement Plan (New Plan) for rank-and-file state employees hired on or after Jan. 1, 2024, with a defined contribution component (DCC) and a defined benefit component (DBC). The bill also provided for the automatic enrollment in the New Plan, but allows the employee to make an irrevocable election to transfer from the New Plan to the LASERS DB plan within the first two years of enrollment in the New Plan.

For the Defined Benefit Component (DBC), employees would contribute 4 percent of pay and the employer contributions would be actuarially determined. Employees would be eligible for retirement with five years of service at age 62. The lifetime annuity would be calculated according to the formula:

$(1.8\%) \times (\text{years of service}) \times (\text{average compensation of highest 60 months})$

For the Defined Contribution Component (DCC), the employee would contribute 4 percent of pay (any additional voluntary contributions or funds transferred from outside of the system are prohibited) and the employer would contribute 3 percent of pay (in addition to contributions for the DBC). Employee contributions are immediately vested, and employer contributions and investment earnings are fully vested in 48 months according to a specified schedule. The DCC would be managed by a third party, and the DCC account balance must be annuitized

This plan includes pre-funded, periodic COLAs (2 percent every odd-numbered year). No DROP and/or modified IBO is available. LASERS would be required to provide education on investment information. Early studies indicate this plan would produce a benefit equal to Social Security.

LRTA Monitored, Did not pass

Updated: June 28, 2022

