



Reemploying Retirees

Understanding the state's return-to-work laws

Douglas Swenson, TRSL Deputy Director

RTW: A balancing act

Protecting the financial soundness of the pension plan while addressing the needs of employers and retirees is a balancing act.

Stakeholder Priorities

Retirees

Enjoy the flexibility to return to work for what may be personal or financial reasons

Employers

Fill vacancies with skilled and qualified candidates, which may include retirees

Plan Sponsor/Legislature

Focus on maintaining financial integrity of the public pension plan

- Return-to-work (RTW) policies can serve as guardrails that help:
 - » protect the actuarial soundness of the plan,
 - » enable employers to fill positions, and
 - » accommodate retired public employees who want to return to work.

History

Before 2001

- **1956:** First RTW law passed
 - » Allowed a retired teacher to return to work as a substitute for up to 45 days without a benefit suspension.
 - » Employer was required to certify that no other qualified person was available for the position.
- **1970 to 2000:** RTW law was amended 22 times.
- Many RTW restrictions prior to 2001 were similar to those we have today.

History

1970 to 2000

- **1970s:**
 - » Allowed RTW with suspension of benefits.
- **1980s:**
 - » Allowed RTW for K-12 and Higher Education positions under earnings limits and critical shortage (teachers) provisions
 - » Critical shortage provisions: Included 12-month waiting period and RTW period limited to 2 years
 - » RTW includes employment by contract or corporate contract

History

1970 to 2000

- **1990s - DROP Participants RTW**
 - » Initially required a suspension of benefit and employee contributions.
 - » Law expanded to allow certain positions to work 10 days a month without suspension
 - » Law expanded again to allow more RTW positions with earnings limits and critical shortage designations
- **Higher Education**
 - » **1995:** Certain retirees could return to work as higher education instructors for no more than one course and related lab
 - » **2000:** Higher education DROP retirees who were at least age 62 at retirement could return to work at the institution they retired from with a 50% earnings limit

History

2000 to 2001

Uniform standard implemented

- **2000:** RTW option was added for regular service retirees returning to K-12 classroom teacher positions.
 - » Retirees could return to work with no benefit suspension following a 12-month waiting period.
 - » Employee and employer contributions were required.
- **2001:** RTW option expanded to include to all retirees.

History

2010 Revamp

- **2010:** RTW law was changed significantly.
 - » Established specific, limited categories employers could use to hire a TRSL retiree without impacting the retirement benefit.
 - » 2010 legislation projected to save \$108M annually after 5 years.

History

2010 to 2020

- RTW legislation was typically filed each session.
- RTW law amended 11 times.
- Each change expanded the options for a retiree to RTW with no impact on the retirement benefit.
- Each change reduced the cost savings projected in 2010.

History

2020 Revamp

- 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. suspend their retirement benefit due to employment by contract or corporate contract.

When do RTW laws apply?

- RTW laws apply to any work arrangement where a TRSL retiree is re-employed with a TRSL agency, performing TRSL-eligible duties.
- Method of payment does not exempt a retiree from RTW laws (i.e. accounts payable vs. 1099, grant money, contract/one-time, vendor, etc.)
- In addition to direct employment, RTW laws apply to the employment via contract or corporate contract (i.e. LLCs, staffing agencies, third-party agencies, independent contractors, etc.)

RTW statistics

Reemployment at a glance: On average, approximately 5% of eligible retirees are reemployed in some capacity. TRSL data shows that the number of retirees who are reemployed decreased since 2010; however, the length of time in which they work after retirement has increased.

Return-To-Work Retirees by Fiscal Year			
Fiscal Year	Total	Fiscal Year	Total
2023*	3,212	2016	4,996
2022	4,105	2015	5,124
2021	2,995	2014	5,302
2020	4,140	2013	5,592
2019	4,483	2012	6,037
2018	4,552	2011	6,759
2017	4,719	2010	7,735

*Data through 09/08/2022

COVID-19 Impact: As reflected in the **FY 2021** RTW data, the coronavirus most likely affected the willingness and ability of retirees to return to work.

Overview of RTW laws

As of June 2022, three individual statutes make up the group collectively referred to as the RTW Laws. They are named for the respective year in which they were enacted. In general, these laws specify what happens to retiree benefits during reemployment and whether contributions are required.

2010 RTW LAW (La. R.S. 11:710)

Retired Teacher Provisions
(grandfathered, earnings
limit based on annual
benefit, critical shortage)

Retired Member

NEW: Core Subjects and
Special Leave Provisions

2020 RTW Law (La. R.S. 11:710.1)

Earnings Limit
(based on FAC)

Suspend Benefit & Regain
Active Membership

Suspend
Contract Employment

NEW: 2022 RTW Law (La. R.S. 11:710.2)

*Higher Ed
Critical Shortage of Nursing
Instructors*

Where we are today (Act 549 & Act 601 of 2022)

Overall Law Changes

- Eligibility criteria now based on **retirement date**:
 - » Before July 1, 2020 **or**
 - » On/after July 1, 2020

2010 RTW Law

- New RTW provisions for core subjects and special leave

Higher Education Critical Shortage

- New critical shortage provision for certain retirees filling **adjunct nursing instructor positions**

New RTW provisions

2010 RTW Law

Core Subjects

- Available to retirees certified in **math, science, English language arts, or special education** (excluding gifted/talented)
- Retiree must be replaced if non-retired member available

Special Leave

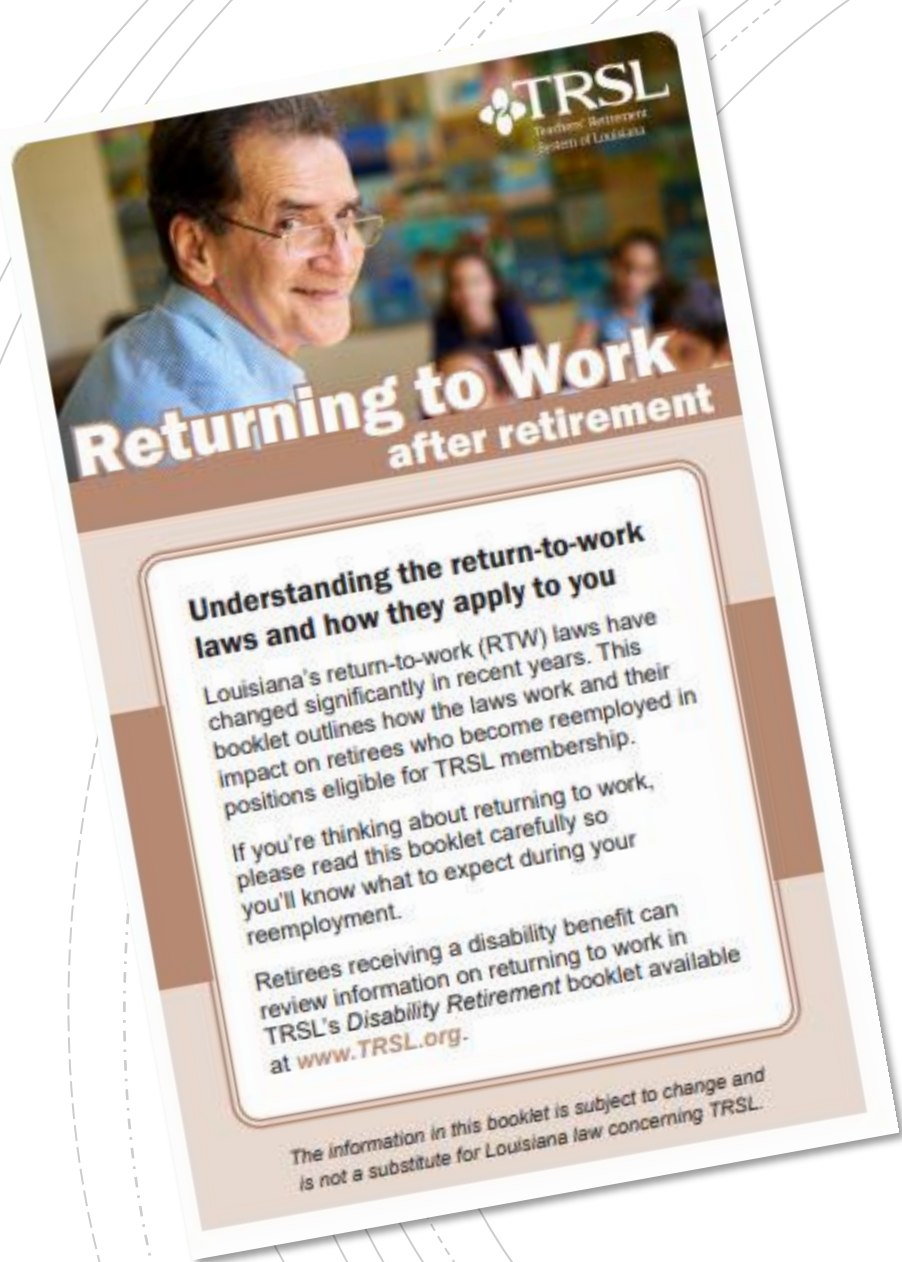
- Available to **certified** retirees who are **at least age 62 with at least 30 years of service**, when filling a teaching vacancy due to maternity leave, military leave, extended sick leave or sabbatical leave

2022 RTW Law

Higher Ed Only

- Available to adjunct professor positions in a nursing program where a **critical shortage exists**
- Retiree must have **retired on/before June 30, 2020** (excluding disability retirement), **be at least age 62 with at least 30 years of service**

The above provisions are effective until 07/01/2027.



Need more information?

- Our RTW brochure is available online at www.TRSL.org.
- Contact our RTW Liaison:
 - » **Jessica Trosclair**
 - » **Phone: 225-925-3663**
 - » **Email: jessica.trosclair@trsl.org**

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Questions?