



Louisiana Association of School
Business Officials
March 24, 2011

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TRSL Board Leadership



**ANNE H. BAKER
BOARD CHAIR**

Retired Teachers



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BOARD VICE CHAIR**

District 7

TRSL at a Glance



July 1, 2010 through February 28, 2011 – preliminary:

- Total assets: \$13.5 billion
- Investment returns: 21.4%

TRSL at a Glance

As of 6/30/10

<u>Membership</u>	<u>2010</u>	<u>2009</u>
▪ Active members	88,783	88,206
▪ Retirees and beneficiaries	63,940	62,417
▪ DROP participants	3,148	3,421
▪ Total annual benefits	\$1.53 bil.	\$1.46 bil.

TRSL at a Glance

As of 6/30/10

- 30-year average actuarial rate 8.40%
- TRSL actuarial rate -0.89%
- DROP interest rate:
 - Eligible to participate before 1/1/04 0.00%
 - Eligible to participate on/after 1/1/04 0.01%

TRSL at a Glance

As of 6/30/10

- Funded ratio 54.4%
- Unfunded accrued liability \$10.8 billion
- 2011-12 contribution rates
 - Employer (Percentage of payroll) 23.7%
 - Normal cost – 5.96%
 - UAL payment – 17.74%
 - Employee (Percentage of salary) 8.0%
Regular Plan

2011 Legislative Session

Anticipated State Legislative Issues

- Restructuring benefits for current employees
- Unfunded accrued liability (UAL)
- Permanent Benefit Increases (PBIs)
- Defined benefit vs. defined contribution
- Employer contribution rates
- Returning to work after retirement



2011 Legislative Session

Anticipated State Legislative Issues

- Investments: Louisiana brokerage, consolidation
- Consolidation of systems
- Restructuring system board
- Charter schools
- Opting out of TRSL plan
- Forfeiture/garnishment of benefits



Act 921: Return-to-Work Provisions

AN OVERVIEW

Act 921: Return-to-Work Provisions

- TRSL service retirees who return to work in TRSL-covered positions are now categorized as either retired teachers or retired members.
- During period of re-employment, the category to which the return-to-work retiree belongs determines:
 - Receipt of retirement benefits
 - Payment of retirement contributions

Act 921: Return-to-Work Provisions

Retired teacher provisions:

- Retirement benefit – Benefits will be suspended for the first 12 months of retirement or duration of employment, whichever occurs first.
- Retirement contributions - Employee and employer contributions are required on compensation received as a re-employed retired teacher. Employee contributions are returned when applied for at the end of re-employment.

Act 921: Return-to-Work Provisions

Retired member provisions:

- Retirement benefit – Benefits will be suspended for the duration of employment.
- Retirement contributions – No employee and employer contributions are required on compensation received during period of re-employment.

Act 921: Return-to-Work Provisions

Act 921 defines a retired teacher as:

- TRSL retiree who returned to work on or before 6/30/10 (Grandfathered provision);
- Full-time K-12 classroom teacher in a critical shortage area;
- Part-time K-12 classroom teacher in a critical shortage area; or
- Full-time certified speech pathologist, speech therapist, or audiologist where a shortage exists

Act 921: Return-to-Work Provisions

Grandfather provisions:

- TRSL retirees who meet the following criteria are considered “grandfathered,” and the critical shortage provision does not apply.
 - Retiree was re-employed prior to 7/1/10
 - Retiree worked at least one day at any time prior to 7/1/10, even with different employer
 - Retiree was rehired in any TRSL-covered position (full-time, part-time, temporary) no impact to benefit, unless not retired for 12 months

Act 921: Return-to-Work Provisions

Grandfather provisions (cont'd):

- Examples of positions that may be filled by TRSL retirees who are grandfathered under Act 921:
 - Employees at colleges and universities
 - Employees at technical schools
 - Administrators and other school board personnel, school principals, secretaries, aides and food service personnel
 - Part-time or temporary teaching positions at K-12 schools where a teaching certificate is not required
 - Other state agencies with an available TRSL-eligible position

Act 921: Return-to-Work Provisions

Classroom teacher:

- In addition to the grandfathered group, Act 921 defines a “retired teacher” as a K-12 “classroom teacher” in a critical shortage area.
- Act 921 defines “classroom teacher” as:
 - Any employee whose position of employment requires (1) a Louisiana teaching certificate, and (2) who performs professional activities of instructing pupils in courses in classroom situations for which daily attendance figures are kept.

Act 921: Return-to-Work Provisions

Critical shortage areas:

- Employers must declare critical shortage area before a retiree can be rehired and classified as a “retired teacher.”
- Critical shortage area - defined as any subject area where a shortage of certified teachers exists

Act 921: Return-to-Work Provisions

- Declaring a critical shortage for full-time K-12 classroom teachers:
 - Position must be K-12 classroom teacher as defined.
 - Employer must advertise on two separate occasions in the official journal notice that a shortage of certified teachers exists in the positions sought to be filled.
 - Certified applicants who are not retirees must be hired before a certified “retired teacher” unless there are fewer than three certified applicants.
 - Superintendent and personnel director must certify to BESE and TRSL that a shortage of certified teachers exists for the subject area.
 - Retiree must be certified in the subject area.

Act 921: Return-to-Work Provisions

- Declaring a critical shortage for part-time K-12 classroom teachers:
 - Position must be classroom teacher as defined, includes day-by-day substitutes and temporary positions.
 - Superintendent and personnel director must certify to BESE and TRSL that a shortage of certified teachers exists for the subject area.
 - Advertising is not required.
 - Substitute positions: For part-time positions such as substitutes, employers must list all subject areas in which a shortage exists and specify that the retiree who is a certified teacher may fill the substitute position in those subject areas listed.
 - Retiree must be a certified teacher.

Act 921: Return-to-Work Provisions

- Declaring a critical shortage for certified speech therapists, speech pathologists, or audiologists:
 - Position must be in a K-12 school district.
 - The school board must certify to BESE and TRSL that a shortage of full-time speech therapists, speech pathologists, or audiologists exists in the school district when they re-employ a TRSL “retired teacher” in any of these positions.
 - Advertising is not required.
 - Retiree must possess a valid ancillary certificate approved and issued by the state Department of Education.

Act 921: Return-to-Work Provisions



Duration of critical shortage:

- Once a “retired teacher” is rehired in a critical shortage area, he or she can remain continuously employed for the duration of the declared critical shortage.

Act 921: Return-to-Work Provisions

- In order to be in compliance with the certification requirements of the law, employing agencies must submit the following:
 - **A Form 15CS** – *Retiree Return to Work Critical Shortage Certification*; or
 - **A certification letter** declaring a critical shortage

Act 921: Return-to-Work Provisions

Certification letter must contain the following:

- Statement declaring a critical shortage in the K-12 classroom teacher (subject area), speech therapist, speech pathologist, or audiologist position to be filled.
- **For full-time K-12 classroom teacher positions only:**
 - The position has been properly advertised on two separate occasions.
 - No certified non-retiree applicants applied, or there were fewer than three certified applicants.

Act 921: Return-to-Work Provisions

Certification letter must contain the following (cont'd):

- Duration of employment
- The following certified retiree was hired to fill the critical shortage area
- Signature of the superintendent and the personnel director for full-time and part-time K-12 classroom teacher position
- Signature of school board designee for full-time speech therapist, speech pathologist, or audiologist
- For day-by-day substitutes:
 - A list of all subject areas in which a shortage exists can be attached as well as a list of all certified retirees who can fill the part-time classroom teacher position.

Act 921: Return-to-Work Provisions

Employer Reporting Requirements:

- Changes to notification requirements/penalties
 - Enroll rehired retirees in TRSL within 30 days of re-employment
 - Any overpayment of benefits resulting from failure to notify TRSL in a timely manner will be charged to the employer.
- Reporting Requirements
 - August 15 reporting – Employers must report to TRSL the earnings of all persons paid in prior fiscal year, including those paid through accounts payable.
 - January 15 reporting - Employers must report to House and Senate retirement committees and TRSL the names, positions, and salaries of persons re-employed as of January 1, who receive a TRSL retirement benefit. Must report, even if no retirees were re-employed.

Any Questions?

