

Returning to Work after retirement

Understanding return-to-work laws

Louisiana's return-to-work (RTW) laws have changed significantly in recent years. This booklet explains the law that applies when a regular service retiree returns to work in a position eligible for TRSL membership. Please read this booklet carefully if you're thinking about returning to work.

It's important to understand how these laws may affect you. Failure to comply with all RTW laws, by you or your employer, could result in suspension of your retirement benefits.

Retirees receiving a disability benefit can review information on returning to work in TRSL's *Disability Retirement* booklet available at www.TRSL.org.

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A break in service is required.

To be considered retired and eligible to return to work, you must have a break in service of at least one weekday (Monday through Friday).

EXAMPLE: *If your last day of work is Friday, your retirement date would be a Saturday. You could return to work on Tuesday. Monday would be the one weekday break in service.*

Will I still receive my retirement benefit if I return to work?

Return-to-work laws apply to retirees who become re-employed in a position eligible for TRSL membership, including retirees employed by contract or corporate contract.

Under state law, TRSL retirees who return to work in a position eligible for TRSL membership are categorized as either retired teachers or retired members and are subject to a waiting period.

Payment of retirement contributions and receipt of retirement benefits are determined by the classification to which the return-to-work retiree belongs. Use the checklist on the next page to determine your classification.

Checklist... TEACHER or MEMBER?

If you meet any of the criteria below (as outlined in state law), you can be considered a **RETIRED TEACHER**. Contact the personnel office of your potential employer to find out which retired teacher criteria they may use to re-employ you.

Re-employment eligible retiree:

- ☐ Retired on or before June 30, 2010.
- ☐ Retiree with an advanced degree in speech therapy, speech pathology, or audiology.

Re-employment eligible position *(subject to 25% earnings limit)*:

- ☐ Returning to work as a substitute, PreK-12 “classroom teacher” or proctor for admissions, evaluation, or assessment testing.
- ☐ Returning to work instructing adults in an adult education or literacy program administered through a public institution of elementary and secondary education. Retiree must hold a valid Louisiana teaching certificate.
- ☐ Returning to work as an adjunct professor, as defined in return to work law.
- ☐ Returning to work as a school nurse, as defined in R.S. 17:28.

Re-employment eligible critical shortage position

- ☐ Returning to work (full- or part-time) as a K-12 “classroom teacher” in a declared critical shortage area. For full-time positions, retiree must be certified in the subject area of the critical shortage. For part-time positions, retiree must be a certified teacher.
- ☐ Returning to work as a full-time certified speech therapist, speech pathologist, audiologist, educational diagnostician, school social worker, school counselor, or school psychologist in a school district where a shortage exists. The position of employment must require a valid Louisiana ancillary certificate approved and issued by the Louisiana Department of Education.

If you do not meet any of the criteria above, you are considered a **RETIRED MEMBER**. (See page 6.)

Retired TEACHER:

You continue receiving your retirement benefit after a waiting period.

Retired teachers who are re-employed in a position eligible for TRSL membership can receive their TRSL retirement benefits after fulfilling a 12- or 36-month waiting period. Refer to the chart below for information on the applicable waiting period.

| Required waiting period | |
|-------------------------|---|
| 12 months | Individuals who retired before July 1, 2017. |
| | Individuals who retired on or after July 1, 2017 and have advanced degrees in speech therapy, speech pathology, or audiology. |
| | Individuals who retired on or after July 1, 2017 and whose retirement benefit <u>was not</u> actuarially reduced or <u>was not</u> calculated at an accrual rate of less than 2.5%. |
| 36 months | Individuals who retired on or after July 1, 2017 and whose retirement benefit <u>was</u> actuarially reduced or <u>was</u> calculated at an accrual rate of less than 2.5%. |

Re-employment within the applicable waiting period will result in the suspension of TRSL benefits until completion of the waiting period or the end of re-employment, whichever occurs first.

Both you and your employer make retirement contributions during re-employment

Employee and employer contributions are required on compensation received as a re-employed retired teacher, even if such service is by contract or corporate contract. Upon terminating your re-employment, you can apply for a refund of employee contributions that you made.

Retired teacher positions with an earnings limit:

- Applies to PreK-12 substitute “classroom teachers,” adult education and literacy teachers, adjunct professors, and school nurses.
- Restricts any earnings from such a position in a fiscal year to no more than 25% of the retiree’s annual retirement benefit.
- If earnings exceed 25% of the retirement benefit, the retiree’s benefit will be reduced by the excess amount.
- If a retiree returns to active service in more than one position that is subject to the 25% earnings limit in any fiscal year, the limit applies to the total earnings for all such positions in that fiscal year.

Retired teacher positions that require a critical shortage:

- Applies to full- or part-time classroom teachers and full-time certified speech therapists, speech pathologists, audiologists, educational diagnosticians, school social workers, school counselors, or school psychologists.
- Requires that an employing district complete certain advertisement requirements before declaring a critical shortage and certify the critical shortage to TRSL and BESE.
- Qualified retiree can be hired as a retired teacher under the critical shortage RTW provision, if fewer than three qualified applicants apply.

Retired MEMBER

Your retirement benefits will be suspended during re-employment.

Retired members will have their TRSL benefits suspended for the duration of their re-employment in a position eligible for TRSL membership, even if employment is by contract or corporate contract.

REMEMBER: *DROP/ILSB account withdrawals can still be made, even if the retiree's benefit is suspended.*

Retirement contributions are not required.

No employee or employer contributions are required during the period of re-employment.

Frequently asked questions

What is a classroom teacher? Any employee (1) whose position of employment requires a valid Louisiana teaching certificate, and (2) who is assigned the professional activities of instructing pupils in courses in classroom situations which daily pupil attendance figures for the school system are kept; or is assigned to proctor admissions, evaluation, or assessment testing.

What is an adjunct professor? Any part-time faculty, including any instructor, assistant professor, associate professor, or professor, assigned the professional activities of instructing pupils or conducting research at a public institution of postsecondary education.

What is a critical shortage? A critical shortage area can exist (1) for teaching positions in any subject area where a shortage of certified teachers exists, and/or (2) for full-time certified speech therapists, speech pathologists, audiologists, educational diagnosticians, school social workers, school counselors, or school psychologists. The school superintendent and/or personnel director must complete certain actions to declare a critical shortage before re-employing a retiree.

What is a contract or corporate contract? In general, individuals hired through contract are independent contractors who are providing services for an employer that participates in TRSL. Compensation paid is typically reported to the IRS on a 1099 Form. Employment by corporate contract is when an individual is performing services for a company pursuant to its contract with a TRSL employer.

SUMMARY: RTW provisions

Retired TEACHERS

- Eligible to continue receiving TRSL retirement benefits during re-employment only after fulfilling a 12- or 36-month waiting period that starts on the date of retirement.
- Must pay contributions to TRSL during re-employment.
- Some positions require there to be a critical shortage.
- Some positions are subject to a 25% earnings limit.

Retired MEMBERS

- Do not meet the definition of retired teacher (generally include, but are not limited to, retirees returning to work as teachers in non-critical shortage areas, administrators, and secretaries).
- TRSL benefits suspended during re-employment.
- Do not make contributions to TRSL during re-employment.



Employers do not have the authority to waive any part of the return-to-work laws under any circumstances.

Can I regain active TRSL membership?

If you are a retiree who is re-employed in a position eligible for TRSL membership (excluding TRSL members retired under disability or DROP), you can regain active membership in TRSL by doing the following:

- Return all retirement benefits paid to you plus interest;
- Pay employee and employer contributions that would have been paid to TRSL during the period of your re-employment;
- Remain in active service for at least six years to receive a retirement benefit recomputation.

TRSL disability retirement

The TRSL disability retirement laws govern the return to work of a retiree receiving a TRSL disability retirement benefit. A retiree receiving a TRSL disability retirement cannot return to work in the field of public or private education. Those who do so will have their disability benefits terminated.

These retirees can return to work outside the field of education without penalty. However, there are limits on how much they can earn while continuing to collect a disability benefit.

Contact TRSL before accepting any type of employment to make sure you are in compliance with all disability retirement laws. Find additional information on TRSL's disability retirement laws in TRSL's publication *Disability Retirement* available at www.TRSL.org.

We're here to help!

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