

**LCTCS CENTRALIZED PEOPLESOFT PAYROLL
MEMORANDUM**
#2008.17

TO: All PeopleSoft Users

FROM: Lura A. Kamiya
LCTCS Human Resources Director

DATE: January 11, 2008

RE: Annual Reminder: Retiree Return to Work Status Does Not Increase TRSL Benefit

Full Benefits After 12-month Waiting Period: No Restrictions

TRSL indicates that since 2001, Louisiana law (LSA-R.S. 11:710) has allowed TRSL retirees (excluding disability retirees) who have been retired at least 12 months to return to work in a position covered by TRSL and earn full salary and full retirement benefits. DROP account withdrawals are not affected by returning to work. The 12-month waiting period begins at the date of retirement. However, if the retiree returns to work before the end of the waiting period, the retiree is subject to special restrictions.

- ❖ If the retiree returns to work **after** the 12-month waiting period, the retiree is not subject to penalty and may earn full salary and full retirement benefits.
- ❖ If, at any time, the retiree returns to work in a job not normally eligible for TRSL membership, the retiree is not subject to the return-to-work restrictions. Jobs not eligible for TRSL membership include bus drivers, janitors, and most classified state positions.

Less than 12-month Waiting Period Restrictions

If the retiree returns to work **before** the end of the 12-month waiting period, **the retiree benefit is suspended** until the end of employment or the lapse of the waiting period, whichever occurs first.

- ❖ The retiree must have a break in service of at least one weekday (Monday through Friday) before you (retiree) can return to work.
- ❖ The retiree must cash, deposit, or negotiate his/her first retirement check in order to be officially retired.
- ❖ The retiree's monthly retirement benefit is suspended for any time worked during the 12-month period after retirement. **The retiree never receives or recovers these suspended benefits.**

- ❖ Once the 12-month waiting period ends or employment is discontinued, whichever happens first, the retiree will begin receiving monthly benefits minus any overpayments made by TRSL.

In either case, **all accumulated leave on the retiree's record is deleted at the time of retirement** when it is converted to additional service credit to compute the retiree's benefit. No additional service credit and no additional retirement benefits are accrued due to employment after retirement. **The retiree can never increase his/her retirement benefit by receiving a retirement benefit and simultaneously working after retirement.**

In either case, the employer is required to deduct unsheltered (after-tax) TRSL contributions from the rehired retiree's salary and remit those contributions, along with the applicable employer contributions, to TRSL. Since the rehired retiree is being paid salary through payroll, the appropriate after-tax TRSL retirement plan is required to be set up on the employee's record for proper contributions to be processed through payroll for submission in the monthly electronic interface.

Unsheltered contributions must continue to be made to TRSL on all salary received in the return-to-work position, but those employee contributions are refundable (without interest) after reemployment ends. The retiree must complete and submit the *Retiree Refund Application* (form 7A) to receive the refund. Withdrawals from DROP or ILSB accounts are not affected by returning to work.

Note 1: Returning to work after retirement is not the same as continuing to work after completion of DROP participation.

Note 2: A regular retiree (not DROP and ILSB retiree) may regain membership in TRSL and cancel retirement benefits but must remain in active service for six years to qualify for a retirement benefit re-computation. Note that in this particular situation the person does not receive a retirement benefit during any of the active service years and is considered an active member. This would require repayment of benefits plus interest and payment of employer and employee contributions that would have been paid. If the member does not remain in active service for six years, the employee contributions remitted since regaining membership will be refunded, and the original benefit will be resumed once active service is terminated. The member will not be refunded any monies paid to regain membership.

If you or the retiree have questions, please call TRSL's Member Information Center at 225-925-6446 or 1-877-275-8775.