

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: FL/CS/SB 207

49th Legislature, 2nd Session, 2010

Tracking Number: .182069.3

Short Title: Public Employees Returning to Work

Sponsor(s): Senator David Ulibarri and Others

Analyst: James Ball

Date: February 18, 2010

**SENATE FLOOR SUBSTITUTE FOR
SENATE PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR
SENATE BILL 207**

Bill Summary:

FL/CS/SB 207 amends the *Public Employee Retirement Act* to change the requirements for Public Employees Retirement Association (PERA) members returning to work for an affiliated public employer after retirement on or after July 1, 2010 by:

- increasing the waiting period before returning to work from 90 days to 12 months;
- prohibiting a retired member from returning to work during the waiting period as a regular employee or as an independent contractor for the same public employer from which the member retired;
- suspending the retired member's pension upon commencement of re-employment;
- prohibiting accrual of service credit and contributions to the retirement fund by the previously retired member or that member's affiliated public employer during the period of re-employment except as provided in current statute;
- allowing resumption of pension benefits to the members upon re-retirement following procedures specified in current statute for initial retirement;
- providing exemptions from the provisions previously noted, except for the prohibition on accrual or purchase of service credit, for staff of the Legislature, legislative session workers, and elected officials.

Fiscal Impact:

FL/CS/SB 207 makes no appropriation.

The original analysis of SB 207 by the State Personnel Office (SPO) estimated the potential savings to the state would be 15.09 percent of a Return to Work (RTW) employee's salary. The state would not be contributing the estimated employer's portion of retirement contribution totaling approximately \$3.7 million, based on an average salary of \$42,058 for the 623 employees currently under RTW.

Technical Issues:

The FIR on the original SB 207 questions the rationale for a 12-month "wait-out" period, a provision that remains in the floor substitute. If a retiree had a job offer from an affiliated public

employer, the only thing PERA would do if the employee had not waited for 12 months before returning to work is to suspend the retiree's pension, which would happen anyway under this bill.

Related Bill(s):

SB 164 *Salaries for Educators Returning to Work*