

New law allows members of the La. State Employees' Retirement System (LASERS) and the Teachers' Retirement System of La. (TRSL) who are involuntarily or voluntarily furloughed by a public college or university or the governing board or management board of a college or university to accrue service credit for the periods of furlough. Such service credit shall be used for calculation of benefits and attaining retirement eligibility. The employer and employee shall remit their respective contributions which would have been remitted if not for the furlough, and as otherwise provided by law. The service credit accrued, together with certain other credit purchases, shall not exceed five years. The provisions of new law shall not apply to furloughs implemented as a result of a declaration of financial exigency or force majeure. No more than 30 days of service credit shall accrue pursuant to new law in any fiscal year.

Existing law (R.S. 11:921 et seq.) generally provides for a defined contribution plan within TRSL known as the Optional Retirement Plan (ORP). Certain TRSL eligible persons may participate in the ORP. Such persons are not members of the TRSL defined benefit plan. During ORP participation, no service credit is earned. Rather, the employee and employer contributions that would be paid on behalf of a TRSL member are remitted to a third-party provider who invests the ORP funds on behalf of the participant.

New law provides that any TRSL ORP participant furloughed by a public college or university or the governing board or management board of a public college or university may continue to remit his employee contributions and have the employer remit the appropriate employer contributions to the ORP provider.

New law requires that any cost of new law be funded with the employee and employer contributions required pursuant to new law. Provides that the additional cost, if any, shall be funded with additional employer contributions from the furloughing agencies in compliance with Art. X, §29(E)(5)(b) of the state constitution.

Effective July 1, 2009.

(Adds R.S. 11:163.1)