

2025 Regular Session

HOUSE BILL NO. 24

BY REPRESENTATIVE BACALA

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RETIREMENT/TEACHERS: Provides relative to the optional retirement plan in the Teachers' Retirement System of Louisiana

1 AN ACT

2 To amend and reenact R.S. 11:921(A), 924(2) and (5), 925, 927(B)(2)(b), (c), (d), and (e)
3 and (3)(a) and (b), 928, 931, and 932(B)(1), to enact R.S. 11:721.1(D) and 933, and
4 to repeal R.S. 11:927(B)(2)(f), relative to the Teachers' Retirement System of
5 Louisiana; to provide for optional participation in the regular retirement plan; to
6 provide for the expansion of participation in the optional retirement plan; to provide
7 for eligibility; to provide relative to employer contributions; to provide for
8 implementation; to provide relative to transferring from the optional retirement plan
9 to the regular retirement plan; to provide for an Optional Retirement Plan Advisory
10 Committee; to provide an effective date; and to provide for related matters.

11 Notice of intention to introduce this Act has been published
12 as provided by Article X, Section 29(C) of the Constitution
13 of Louisiana.

14 Be it enacted by the Legislature of Louisiana:

15 Section 1. R.S. 11:921(A), 924(2) and (5), 925, 927(B)(2)(b), (c), (d), and (e) and
16 (3)(a) and (b), 928, 931, and 932(B)(1) are hereby amended and reenacted and R.S.
17 11:721.1(D) and 933 are hereby enacted to read as follows:

18 §721.1. Option to participate in system

19 * * *

1 (2) The efficacy of the contracts in the recruitment and retention of
 2 employees for the various state public postsecondary education institutions ~~of higher~~
 3 ~~education~~ and for the Board of Regents, Board of ~~Trustees~~ Supervisors for ~~State~~
 4 ~~Colleges and Universities~~ the University of Louisiana System, Board of Supervisors
 5 of Louisiana State University and Agricultural and Mechanical College, ~~and~~ Board
 6 of Supervisors of Southern University and Agricultural and Mechanical College, and
 7 Board of Supervisors of Community and Technical Colleges, or their successors, and
 8 any other constitutionally established board which manages public postsecondary
 9 education institutions ~~of higher education~~.

* * *

11 (5) The suitability of the rights and benefits to the needs and interests of
 12 participating employees and the various state public postsecondary education
 13 institutions ~~of higher education~~ and the Board of Regents, Board of ~~Trustees~~
 14 Supervisors for ~~State Colleges and Universities~~ the University of Louisiana System,
 15 Board of Supervisors of Louisiana State University and Agricultural and Mechanical
 16 College, ~~and~~ Board of Supervisors of Southern University and Agricultural and
 17 Mechanical College, and Board of Supervisors of Community and Technical
 18 Colleges, or their successors, and any other constitutionally established board which
 19 manages public postsecondary education institutions ~~of higher education~~.

* * *

§925. Eligibility

22 A. Academic and administrative employees of public postsecondary
 23 education institutions ~~of higher education~~ and employees of the Board of Regents,
 24 Board of ~~Trustees~~ Supervisors for ~~State Colleges and Universities~~ the University of
 25 Louisiana System, Board of Supervisors of Louisiana State University and
 26 Agricultural and Mechanical College, ~~and~~ Board of Supervisors of Southern
 27 University and Agricultural and Mechanical College, and Board of Supervisors of
 28 Community and Technical Colleges or their successors, and any other
 29 constitutionally established board which manages public postsecondary education

1 institutions ~~of higher education~~ who are current members in the regular retirement
2 plan of the Teachers' Retirement System of Louisiana may make an irrevocable
3 election to participate in the optional retirement plan within one hundred eighty days
4 after the implementation date of the optional retirement plan at their employer
5 institution or board. Eligible employees who are initially employed on or after the
6 implementation date at their employer institution or board may make an irrevocable
7 election to participate in the optional retirement plan within sixty days after their
8 employment date. Any academic or administrative employee of a public
9 postsecondary education institution ~~of higher education~~ or employee of the Board of
10 Regents, Board of ~~Trustees~~ Supervisors for ~~State Colleges and Universities~~ the
11 University of Louisiana System, Board of Supervisors of Louisiana State University
12 and Agricultural and Mechanical College, ~~or~~ Board of Supervisors of Southern
13 University and Agricultural and Mechanical College, or Board of Supervisors of
14 Community and Technical Colleges, or their successors, and any other
15 constitutionally established board which manages public postsecondary education
16 institutions ~~of higher education~~ who is not eligible for membership in the Teachers'
17 Retirement System of Louisiana because of age shall be eligible to participate in the
18 optional retirement plan upon election by such employee. Elections must be made
19 in writing and filed with the appropriate officer of the employer institution or board,
20 who shall forward a copy of the completed election to the Teachers' Retirement
21 System of Louisiana. Current Teachers' Retirement System of Louisiana members'
22 elections will be effective as of the date they are filed. Elections of eligible
23 employees hired on or after the implementation date of the optional retirement plan
24 at their institution or board will be effective as of the date of their employment. If
25 an eligible employee fails to make the election provided for in this Section, he shall
26 become a member of the regular retirement plan of the Teachers' Retirement System
27 of Louisiana in accordance with R.S. 11:721.

28 B. Notwithstanding the provisions of Subsection A of this Section any
29 academic or administrative employee of a public postsecondary education institution

1 ~~of higher education~~ and any employee of the Board of Regents, Board of Trustees
2 ~~Supervisors for State Colleges and Universities~~ the University of Louisiana System,
3 Board of Supervisors of Louisiana State University and Agricultural and Mechanical
4 College, ~~and~~ Board of Supervisors of Southern University and Agricultural and
5 Mechanical College, and Board of Supervisors of Community and Technical
6 Colleges, or their successors, and any other constitutionally established board which
7 manages public postsecondary education institutions ~~of higher education~~ who is an
8 active contributing member in the regular retirement plan of the Teachers'
9 Retirement System of Louisiana and who has less than five years of creditable
10 service in the Teachers' Retirement System of Louisiana, may make an irrevocable
11 election to participate in the optional retirement plan and transfer his accumulated
12 employee contributions to the optional retirement plan under the provisions of R.S.
13 11:926(A). The election provided by this Subsection can only be elected by a
14 member prior to attainment of five years of creditable service in the Teachers'
15 Retirement System of Louisiana.

16 C. Any person who is an academic or administrative employee of a public
17 postsecondary education institution ~~of higher education~~ or employee of the Board of
18 Regents, Board of Trustees ~~Supervisors for State Colleges and Universities~~ the
19 University of Louisiana System, Board of Supervisors of Louisiana State University
20 and Agricultural and Mechanical College, ~~or~~ Board of Supervisors of Southern
21 University and Agricultural and Mechanical College, or Board of Supervisors of
22 Community and Technical Colleges, or their successors, and any other
23 constitutionally established board which manages public postsecondary education
24 institutions ~~of higher education~~ who is not eligible for membership in the Teachers'
25 Retirement System of Louisiana because he is a part-time, seasonal, or temporary
26 employee as defined in 26 CFR 31:3121(b)(7)-2, or in any successor regulation, may
27 make an irrevocable election to participate in the optional retirement plan and

1 transfer any accumulated employee contributions to the optional retirement plan
2 under the provisions of R.S. 11:926(A).

3 * * *

4 §927. Contributions

5 * * *

6 B.

7 * * *

8 (2)

9 * * *

10 (b) Beginning July 1, 2018, each constitutionally established board which
11 manages public postsecondary education institutions ~~higher education board created~~
12 ~~by Article VIII of the Constitution of Louisiana~~ and each employer institution and
13 agency under its supervision and control shall contribute to the Teachers' Retirement
14 System of Louisiana on behalf of each participant in the optional retirement plan the
15 sum of:

16 (i) The amounts calculated pursuant to R.S. 11:102(D)(6)(b), (c), and (d).

17 (ii) ~~An~~ Through June 30, 2025, an amount not less than six and two-tenths
18 percent of pay. Beginning on July 1, 2025, an amount not less than eight percent of
19 pay.

20 (c)(i) Each board ~~shall~~ may establish by resolution an amount in excess of
21 the minimum required by Item (b)(ii) ~~the amount provided pursuant to Items~~
22 ~~(2)(a)(ii) or (b)(ii) of this Paragraph by resolution.~~ The amount established shall be
23 the same for all employer institutions and agencies under each board's supervision
24 and control and shall be effective for an entire fiscal year.

25 ~~(d)~~ (ii) For fiscal year ~~2014-2015~~ 2025-2026, each board shall submit to the
26 retirement system such resolution no later than July 15, ~~2014~~ 2025, in order for an
27 amount established pursuant to this ~~Subsection~~ Subparagraph to become effective.
28 For each fiscal year thereafter, the system shall receive such resolution no later than
29 June first in order for a new rate to become effective for the next fiscal year. If the

1 system does not receive a resolution containing a contribution amount by the
2 required deadline, the system shall apply the most recent contribution amount paid
3 by such board or employer institution or the minimum required by Subparagraph (b)
4 of this Paragraph, whichever is greater.

5 ~~(e)~~ (d) Upon receipt of this contribution, the Teachers' Retirement System
6 of Louisiana shall promptly pay over to the appropriate designated company or
7 companies an amount equal to the amount established by the applicable board
8 pursuant to ~~Items (2)(a)(ii) or (b)(ii)~~ Subparagraph (c) of this Paragraph or the
9 minimum required by Item (b)(ii) of this Paragraph, whichever is greater.

10 ~~(f)~~ (e) All amounts paid over to the appropriate designated company or
11 companies pursuant to this Paragraph shall be credited to the participant's contract
12 or contracts. The Teachers' Retirement System of Louisiana shall retain the balance
13 of this contribution for application to the unfunded accrued liability of the system.

14 (3)(a) Beginning July 1, 2014, for each employer that is not a
15 constitutionally established board which manages public postsecondary education
16 institutions ~~higher education board created by Article VIII of the Constitution of~~
17 ~~Louisiana~~ or an employer institution under the supervision and control of such a
18 board, each such employer institution and board shall contribute to the Teachers'
19 Retirement System of Louisiana on behalf of each participant in the optional
20 retirement plan the sum greater of:

21 (i) ~~The amount it would have contributed if the participant were a member~~
22 ~~of the regular retirement plan of the Teachers' Retirement System of Louisiana~~
23 ~~pursuant to R.S. 11:102(D)(3)~~ The amounts calculated pursuant to R.S. 11:102(6)(b),
24 (c), and (d).

25 (ii) ~~The sum of the amounts calculated pursuant to R.S. 11:102(D)(6)(b), (c),~~
26 ~~and (d) plus~~ Through June 30, 2025, an amount equal to six and two-tenths percent
27 of pay. Beginning on July 1, 2025, an amount equal to eight percent of pay.

28 (b) Upon receipt of this contribution, the Teachers' Retirement System of
29 Louisiana shall promptly pay over to the appropriate designated company or

1 companies an amount equal ~~to~~ to the amount set forth in Item (a)(ii) of this
2 Paragraph.

3 (i) ~~The employer's portion of the normal cost contribution as determined~~
4 ~~annually by the Public Retirement Systems' Actuarial Committee if payment is~~
5 ~~remitted pursuant to Item (3)(a)(i) of this Paragraph.~~

6 (ii) ~~Six and two-tenths percent of pay if payment is remitted pursuant to Item~~
7 ~~(3)(a)(ii) of this Paragraph.~~

8 * * *

9 §928. Limitations

10 Any person electing to participate in the optional retirement plan shall always
11 be ineligible for membership in the regular retirement plan of the Teachers'
12 Retirement System of Louisiana even if he is employed in a position covered by the
13 Teachers' Retirement System of Louisiana, except as provided in R.S. 11:932. If an
14 optional retirement plan participant assumes a position other than as an employee of
15 a public postsecondary education institution ~~of higher education~~ or employee of the
16 Board of Regents, Board of ~~Trustees~~ Supervisors for State Colleges and Universities
17 the University of Louisiana System, Board of Supervisors of Louisiana State
18 University and Agricultural and Mechanical College, ~~or~~ Board of Supervisors of
19 Southern University and Agricultural and Mechanical College, or Board of
20 Supervisors of Community and Technical Colleges, or their successors, and any
21 other constitutionally established board which manages public postsecondary
22 education institutions ~~of higher education~~ in a position covered by the Teachers'
23 Retirement System of Louisiana, he shall continue to participate in the optional
24 retirement plan. If an optional retirement plan participant assumes a position in state
25 service other than as an employee of a public postsecondary education institution ~~of~~
26 ~~higher education~~ or employee of the Board of Regents, Board of ~~Trustees~~
27 Supervisors for State Colleges and Universities the University of Louisiana System,
28 Board of Supervisors of Louisiana State University and Agricultural and Mechanical
29 College, ~~or~~ Board of Supervisors of Southern University and Agricultural and

1 of the Teachers' Retirement System of Louisiana may make an irrevocable election
2 to become a member of the regular retirement plan of the Teachers' Retirement
3 System of Louisiana. The election shall be made in writing in a manner prescribed
4 by the system and shall be received by the retirement system within ~~five~~ seven years
5 of the participant's first employment making him eligible for participation in the
6 optional retirement plan.

7 * * *

8 §933. Optional Retirement Plan Advisory Committee

9 A. There is hereby established an advisory committee, to be known as the
10 Optional Retirement Plan Advisory Committee.

11 B. The advisory committee shall be comprised of the following members:

12 (1) The president of each constitutionally established board which manages
13 public postsecondary education institutions shall select one faculty member from
14 among the faculty members of the institutions under the management of the board
15 to be a member of the advisory committee. The person selected shall be a participant
16 in the optional retirement plan established by R.S. 11:921, et seq.

17 (2) The president of each constitutionally established board which manages
18 public postsecondary education institutions shall select one nonfaculty unclassified
19 staff member from among the nonfaculty unclassified staff members of the
20 institutions under the management of the board to be a member of the advisory
21 committee. The person selected shall be a participant in the optional retirement plan
22 established by R.S. 11:921, et seq.

23 (3) The commissioner of higher education shall select one member to
24 represent participants in the optional retirement plan who are not employed by a
25 public postsecondary education institution. The person selected shall be a
26 participant in the optional retirement plan established by R.S. 11:921, et seq.

27 C. Members shall serve without compensation but may be reimbursed for
28 expenses as provided by the appointing authority.

29 D. The advisory committee shall:

1 (1) Provide information and feedback to the Board of Trustees for the
2 Teachers' Retirement System of Louisiana related to:

3 (a) Optional Retirement Plan terms.

4 (b) Vendor selection.

5 (c) Administrative fees.

6 (d) Investments.

7 (2) Provide regular updates to optional retirement plan participants.

8 E. Each entity represented by a member of the advisory committee shall
9 provide clerical staff and clerical support as requested by the advisory committee in
10 fulfillment of the duties of the advisory committee.

11 Section 2. R.S. 11:927(B)(2)(f) is hereby repealed in its entirety.

12 Section 3. The cost of this Act, if any, shall be funded with additional employer
13 contributions in compliance with Article X, Section 29(F) of the Constitution of Louisiana.

14 Section 4. This Act shall become effective on July 1, 2025.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 24 Original

2025 Regular Session

Bacala

Abstract: Provides relative to the Teachers' Retirement System of La. (TRSL) including provisions for: opting out of the retirement system; optional retirement plan (ORP) participation, eligibility, employer contribution rate, and implementation of the plan; election to move from the ORP to the regular retirement plan; and ORP Advisory Committee.

Membership

Present law provides for optional participation in TRSL for certain members.

Proposed law additionally provides that membership in the system is optional for those who:

- (1) Are 60 years of age or older.
- (2) Are 55 years of age or older with 40 quarters in Social Security.

Optional Retirement Plan (ORP)

Present law provides for the creation of the ORP. Provides employees eligible for membership in the ORP are as follows:

- (1) Academic and administrative employees of public postsecondary education institutions.
- (2) Employees of the Board of Regents, the Board of Supervisors for the University of La. System, the Board of Supervisors of La. State University Ag. and Mechanical College, and the Board of Supervisors of Southern University Ag. and Mechanical College.

Proposed law retains present law.

Proposed law adds the Board of Supervisors of Community and Technical Colleges.

Present law requires the TRSL board of trustees to select no more than three companies from which contracts will be purchased.

Present law provides for the efficacy of contracts in the recruitment and retention of employees for the following:

- (1) Various state public postsecondary education institutions.
- (2) Board of Regents.
- (3) Board of Supervisors for the University of La. System.
- (4) Board of Supervisors of La. State University Ag. and Mechanical College.
- (5) Board of Supervisors of Southern University Ag. and Mechanical College.
- (6) Any other constitutionally established board which manages public postsecondary education institutions.

Proposed law retains present law.

Proposed law adds the Board of Supervisors of Community and Technical Colleges.

Present law provides for the suitability or rights and benefits to the needs of the following participating employees of:

- (1) Various state public postsecondary education institutions.
- (2) Board of Regents.
- (3) Board of Supervisors for the University of La. System.
- (4) Board of Supervisors of La. State University Ag. and Mechanical College.
- (5) Board of Supervisors of Southern University Ag. and Mechanical College.
- (6) Any other constitutionally established board which manages public postsecondary education institutions.

Proposed law retains present law.

Proposed law adds the Board of Supervisors of Community and Technical Colleges.

ORP Eligible Employees

Present law provides for the eligibility of employees employed by the following to participate in the ORP:

- (1) Various state public postsecondary education institutions.
- (2) Board of Regents.
- (3) Board of Supervisors for the University of La. System.
- (4) Board of Supervisors of La. State University Ag. and Mechanical College.
- (5) Board of Supervisors of Southern University Ag. and Mechanical College.
- (6) Any other constitutionally established board which manages public postsecondary education institutions.

Proposed law retains present law.

Proposed law adds the Board of Supervisors of Community and Technical Colleges.

Present law provides if employees choose to participate in the ORP, the irrevocable election must be made 180 days after the implementation date at their employer institution or board.

Present law allows employees of the following institutions or boards the opportunity to elect to participate in the ORP within 60 days after employment:

- (1) Various state public postsecondary education institutions.
- (2) Board of Regents.
- (3) Board of Supervisors for the University of La. System.
- (4) Board of Supervisors of La. State University Ag. and Mechanical College.
- (5) Board of Supervisors of Southern University Ag. and Mechanical College.
- (6) Any other constitutionally established board which manages public postsecondary education institutions.

Proposed law retains present law.

Proposed law adds the Board of Supervisors of Community and Technical Colleges.

Present law allows an employee of the following institutions or boards who is an active contributing member in the TRSL regular retirement plan with less than five years of service the opportunity to make the irrevocable election to participate in the ORP and transfer all accumulated employee contributions to his ORP account:

- (1) Various state public postsecondary education institutions.
- (2) Board of Regents.

- (3) Board of Supervisors for the University of La. System.
- (4) Board of Supervisors of La. State University Ag. and Mechanical College.
- (5) Board of Supervisors of Southern University Ag. and Mechanical College.
- (6) Any other constitutionally established board which manages public postsecondary education institutions.

Proposed law retains present law.

Proposed law adds the Board of Supervisors of Community and Technical Colleges.

ORP Employer Rate

Present law requires, beginning July 1, 2018, each constitutionally established board that manages postsecondary education institutions and each employer institution and agency to contribute to TRSL the following amounts:

- (1) An amount calculated in accordance with present law.
- (2) An amount not less than 6.2% of pay.

Proposed law provides that through June 30, 2025, employers pay 6.2% of pay. Provides beginning July 1, 2025, the employer rate increases to 8% of pay.

Present law authorizes each board to establish an amount as provided for in present law by resolution. Provides the amount established is effective for an entire fiscal year.

Proposed law provides for fiscal year 2025-2026, each board is to submit to the retirement system no later than July 15, 2025, an amount established in present law and proposed law for the next fiscal year.

Present law requires each employer that is not a higher education board created by present constitution (Art. VIII) or an employer institution under the supervision and control of such board to contribute to TRSL the greater of:

- (1) An amount it would have contributed in accordance with present law.
- (2) The sum of amounts calculated pursuant to present law.

Proposed law provides the contributions are the sum of:

- (1) The amounts calculated as provided in present law.
- (2) Through June 30, 2025, 6.2% of pay.
- (3) Beginning July 1, 2025, 8.0% of pay.

Present law requires TRSL to pay to the appropriate company the amount equal to:

- (1) The employer's portion of the normal cost as determined by the Public Retirement Systems' Actuarial Committee pursuant to present law.
- (2) 6.2% of pay pursuant to present law.

Proposed law requires the pay to be equal to an amount pursuant to present law.

ORP Membership

Present law provides a participant in the ORP is not eligible for membership in the TRSL regular retirement plan even if he is employed in a position covered by TRSL.

Present law provides if an ORP participant assumes a position that is not an employee of the following, he continues to participated in the ORP:

- (1) Various state public postsecondary education institutions.
- (2) Board of Regents.
- (3) Board of Supervisors for the University of La. System.
- (4) Board of Supervisors of La. State University Ag. and Mechanical College.
- (5) Board of Supervisors of Southern University Ag. and Mechanical College.
- (6) Any other constitutionally established board which manages public postsecondary education institutions.

Proposed law retains present law.

Proposed law adds the Board of Supervisors of Community and Technical Colleges.

Present law provides if a participant becomes employed by any of the following, in a position covered by another retirement system, he must begin membership in that system:

- (1) Various state public postsecondary education institutions.
- (2) Board of Regents.
- (3) Board of Supervisors for the University of La. System.
- (4) Board of Supervisors of La. State University Ag. and Mechanical College.
- (5) Board of Supervisors of Southern University Ag. and Mechanical College.
- (6) Any other constitutionally established board which manages public postsecondary education institutions.

Proposed law retains present law.

Proposed law adds the Board of Supervisors of Community and Technical Colleges.

ORP Implementation

Present law provides for the implementation of the ORP for the TRSL board of trustees and public institutions of higher education on July 1, 1990. Provides that no later than July 1, 1998, the ORP is implemented by the following:

- (1) Various state public postsecondary education institutions.
- (2) Board of Regents.
- (3) Board of Supervisors for the University of La. System.
- (4) Board of Supervisors of La. State University Ag. and Mechanical College.

- (5) Board of Supervisors of Southern University Ag. and Mechanical College.
- (6) Any other constitutionally established board which manages public postsecondary education institutions.

Proposed law retains present law.

Proposed law requires the ORP to be implemented by postsecondary education institutions not covered by present law no later than July 1, 2025.

Present law provides any active contributing participant in the ORP, whose first employment made him eligible for participation in the ORP on or after August 1, 2020, and who is otherwise eligible for membership in the regular retirement plan of the TRSL may irrevocably elect to become a member of the TRSL regular retirement plan.

Proposed law retains present law.

Transfer From ORP to Regular Retirement Plan

Present law requires election be made in writing and received by the retirement system within five years of participant's first employment making him eligible for membership in the ORP.

Proposed law increases time period to seven years.

ORP Advisory Committee

Proposed law provides for the creation of the ORP Advisory Committee.

Proposed law requires the committee to be composed of the following members who must be participants in the ORP:

- (1) One faculty member from among the faculty members selected by the president of each board which manages public postsecondary education institutions.
- (2) One unclassified non-faculty member from among the unclassified non-faculty members selected by the president of each board which manages public postsecondary education institutions.
- (3) One member selected by the commissioner of higher education not employed by a public postsecondary education institution.

Proposed law requires members to serve without compensation, but provides they may be reimbursed for expenses by the appointing authority.

Proposed law requires the committee to do the following:

- (1) Provide information and feedback to the TRSL board of trustees related to:
 - (a) ORP terms.
 - (b) Vendor selection.
 - (c) Administrative fees.
 - (d) Investments.
- (2) Provide regular updates to ORP participants

Proposed law requires each entity represented to provide clerical and support staff as requested by the committee.

Proposed law makes technical changes throughout present law.

Proposed law requires that any cost of proposed law be funded with additional employer contributions in compliance with present constitution (Art. X, Sec. 29(F)).

Effective July 1, 2025.

(Amends R.S. 11:921(A), 924(2) and (5), 925, 927(B)(2)(b), (c), (d), and (e) and (3)(a) and (b), 928, 931, and 932(B)(1); Adds R.S. 11:721.1(D) and 933; Repeals R.S. 11:927(B)(2)(f))