

## RÉSUMÉ DIGEST

ACT 47 (HB 24)

2025 Regular Session

Bacala

### Membership

Existing law provides for optional participation in Teachers' Retirement System of Louisiana (TRSL) for certain members.

New law 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.

New law does not apply to rehired retirees.

### Board of Trustees

Existing law provides that the TRSL board is composed of:

- (1) The state superintendent of education, ex officio, or his designee.
- (2) A member representing the members paid by school food service funds.
- (3) The state treasurer, ex officio, or his designee.
- (4) The commissioner of administration, ex officio, or his designee.
- (5) A member of the House Committee on Retirement appointed by the speaker of the House, or the member's designee.
- (6) The chairman of the Retirement Committee of the Senate of the Legislature of La., ex officio, or his designee.
- (7) A member of the state colleges and universities.
- (8) Seven members elected from districts throughout the state.
- (9) Two retiree representatives.
- (10) A member who shall be a parish or city superintendent of schools.

New law adds the commissioner of higher education or his designee as an ex officio member.

### Optional Retirement Plan (ORP)

Existing law provides for the creation of the ORP. Provides that 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.

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

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

Existing law provides for the efficacy of contracts in the recruitment and retention of employees. Provides for suitability of rights and benefits to the need of participating employees.

Existing law applies to the following institutions and boards:

- (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.

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

### **ORP Eligible Employees**

Existing law provides for the eligibility of employees to participate in the ORP if employed by certain public postsecondary institutions or boards.

Existing law provides that if an employee chooses to participate in the ORP, the irrevocable election must be made 180 days after the implementation date at the employer institution or board.

Existing law allows an employee of an institution or board, who has already implemented the ORP, the opportunity to elect to participate within 60 days after employment.

Existing law allows an employee of certain 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.

Existing law applies to the following institutions or boards:

- (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.

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

### **ORP Employer Rate**

Existing 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 sum of the following amounts:

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

Existing law further authorizes each board to establish an amount, by resolution, for the following fiscal year.

Prior law required each board to choose between an amount equal to or greater than the equivalent of the employer's portion of the normal cost of the regular retirement plan or an amount not less than 6.2% of pay.

New law allows a board to set an amount greater than 6.2% of pay, by resolution, for the next fiscal year.

New law provides that for fiscal year 2025-2026, each board is required to submit to the retirement system no later than July 15, 2025, the amount for the next fiscal year.

Existing law requires TRSL to pay the appropriate contribution amount to designated ORP providers.

Prior law required each board to choose between an amount equal to or greater than the equivalent of the employer's portion of the normal cost of the regular retirement plan or an amount not less than 6.2% of pay.

New law requires TRSL to pay the greater of:

- (1) 6.2% of pay.
- (2) An amount in excess of 6.2% of pay established by employer resolution.

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

Prior law required the contribution to be the greater of:

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

New law requires the contribution of the sum of:

- (1) The amounts calculated as provided in existing law.
- (2) 6.2% of pay.

Existing 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 existing law.
- (2) 6.2% of pay pursuant to existing law.

New law requires the pay to be equal to an amount pursuant to existing law (R.S. 11:102(D)(6)(b), (c), and (d)).

### **ORP Membership**

Existing law provides that 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.

Existing law provides that if an ORP participant assumes a position that is not an employee of an educational institution or board, he continues to participate in the ORP. Provides that if a participant becomes employed by an educational institution or board, in a position covered by another retirement system, he must begin membership in that system.

Existing law applies to the following educational institutions or boards:

- (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.

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

### **ORP Implementation**

Existing law provides for the implementation of the ORP for the TRSL board of trustees and public institutions of higher education on July 1, 1990. Requires 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.

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

### **Transfer From ORP to Regular Retirement Plan**

Existing law provides that 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.

New law provides that a participant of the ORP who first became eligible on or before July 31, 2020, and who was not an actively employed participant in the ORP on June 30, 2024, and is employed on or after July 1, 2024, in a position making him eligible for participation in the regular retirement plan of TRSL may irrevocably elect to become a member of the regular retirement plan of TRSL.

New law requires the election to participate in the regular retirement plan of TRSL to be made by the later of:

- (1) September 2, 2025.

- (2) 60 days after the date of the participant's first participation or after July 1, 2024, in a position that would otherwise make him eligible for membership in the regular retirement plan of TRSL.

Existing law requires an election to transfer from the ORP to the TRSL regular retirement plan to be made in writing and received by the retirement system.

Prior law required the election to be made within five years of the participant's first employment making him eligible for membership in the ORP.

New law increases the time period from five years to seven years.

### **ORP Advisory Committee**

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

New law provides that the committee is 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.

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

New 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.

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

New law makes technical changes.

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

Effective July 1, 2025.

(Amends R.S. 11:921, 924(2) and (5), 925, 927(B)(2)(b)(intro. para.), (c), (d), and (e) and (3)(a) and (b), 928, 931, and 932(B), (C), and (D); Adds R.S. 11:721.1(D), 822(A)(11), 932(E), and 933; Repeals R.S. 11:927(B)(2)(f))