

2026 Regular Session

HOUSE RESOLUTION NO. 352

BY REPRESENTATIVE KERNER

RETIREMENT/TEACHERS: Creates a task force to study the Optional Retirement Plan within the Teachers' Retirement System of Louisiana

1 A RESOLUTION

2 To establish a task force to study the Optional Retirement Plan within the Teachers'  
3 Retirement System of Louisiana, including differences affecting long-term  
4 participants, and to report its findings to the House Committee on Retirement no  
5 later than ninety days prior to the convening of the 2027 Regular Session of the  
6 Legislature.

7 WHEREAS, the House of Representatives of the Legislature of Louisiana recognizes  
8 that the Optional Retirement Plan (ORP) was created to provide flexibility and to assist in  
9 the recruitment and retention of faculty and staff within public postsecondary education  
10 institutions; and

11 WHEREAS, the legislature created the ORP as a defined contribution plan within  
12 the Teachers' Retirement System of Louisiana (TRSL); the traditional TRSL plan is a  
13 defined benefit plan with a guaranteed pension, but the ORP is a defined contribution plan  
14 without a guaranteed pension and participants assume all investment risks, making the ORP  
15 unique among the plans available to public employees in Louisiana; and

16 WHEREAS, ORP participants are not provided Social Security coverage, resulting  
17 in an increased reliance on individual retirement savings; and

18 WHEREAS, employer contribution rates for ORP participants in Louisiana is  
19 currently 6.2% of pay; and

20 WHEREAS, the median default employer contribution rate for optional defined  
21 contribution plan accounts is 8.25% of pay according to National Association of State

1 Retirement Administrator's key findings for higher education employees of the Southeastern  
2 Conference schools; and

3 WHEREAS, long-term employees who transition from the ORP to the TRSL defined  
4 benefit plan later in their careers face an inability to apply prior years of service toward  
5 vesting requirements; and

6 WHEREAS, differences exist in the treatment of accrued leave, as defined benefit  
7 plan members may convert unused leave into service credit, while ORP participants receive  
8 limited or no comparable benefit; and

9 WHEREAS, ORP participants may be subject to state income taxation on retirement  
10 distributions in circumstances where defined benefit plan retirees are exempt; and

11 WHEREAS, prior task force efforts have not fully addressed the differences affecting  
12 long-term ORP participants or evaluated targeted remedies for this population; and

13 WHEREAS, the House of Representatives requires comprehensive, objective, and  
14 updated information in order to evaluate potential reforms and ensure equitable retirement  
15 outcomes for all public education employees.

16 THEREFORE, BE IT RESOLVED that the House of Representatives of the  
17 Legislature does hereby establish a task force to study the Optional Retirement Plan within  
18 the Teachers' Retirement System of Louisiana, with a specific focus on differences affecting  
19 long-term participants and options for achieving greater parity with the defined benefit plan.

20 BE IT FURTHER RESOLVED that the task force shall examine, including but not  
21 limited to, the following:

22 (1) The feasibility and potential design of granting pension service credit to long-  
23 term ORP participants, including those who have transitioned to the defined benefit plan and  
24 those who have not, based on actuarial years of service, in exchange for the transfer of ORP  
25 account balances, with or without requiring the purchase of such credit, including  
26 consideration of graduated or tenure-based approaches, and taking into account historical  
27 employer contribution levels to the ORP in evaluating actuarial equity.

28 (2) The development of hybrid or partial retirement benefit models for both current  
29 long-term ORP participants and recent transfers, combining elements of defined contribution  
30 and defined benefit plans to improve retirement security.

1 (3) Alternatives to the current five-year vesting requirement for employees who  
2 transition from the ORP to the defined benefit plan later in their careers, including  
3 recognition of prior service or accrued leave.

4 (4) Policies to provide equitable treatment of accrued leave for ORP participants  
5 and recent pension transfers, including actuarial conversion of leave into ORP retirement  
6 accounts, direct payment of accrued leave at retirement, or application toward vesting  
7 requirements.

8 (5) The feasibility of allowing ORP participants who transfer to alternative providers  
9 to receive the same state tax exemptions on their retirement income as TRSL defined benefit  
10 retirees.

11 (6) A review of employer contribution rates to the ORP, including historical  
12 changes, the extent to which such rates have been reduced or redirected, the impact of  
13 contributions toward the pension system's unfunded accrued liability, and the resulting  
14 effects on ORP participants' ability to accumulate sufficient retirement savings, including  
15 lost opportunities to supplement and grow their ORP accounts.

16 (7) The impact of the absence of Social Security coverage for ORP participants and  
17 recent pension transfers, and options to address resulting retirement income gaps.

18 (8) Identification of long-term ORP participants and recent transfers, including those  
19 with twenty or more years of service, and evaluation of targeted remedies to address  
20 differences affecting this population.

21 (9) A review and reassessment of prior task force findings and recommendations  
22 related to the ORP and identification of any gaps.

23 (10) The impact of irrevocable ORP election decisions on employees with  
24 intermittent or non-continuous service, including those who return to public education after  
25 extended absences and are subsequently ineligible for participation in the defined benefit  
26 plan, as well as those who transition to the defined benefit plan later in their careers but  
27 encounter difficulties in meeting vesting requirements, and the feasibility of providing  
28 alternative enrollment pathways or targeted remedies for such individuals.

29 BE IT FURTHER RESOLVED that the task force shall be composed of members  
30 appointed as follows:

1           (1) The Board of Supervisors for the University of Louisiana System shall appoint  
2 three members, at least two of whom shall be ORP participants.

3           (2) The Board of Supervisors of the Louisiana State University and Agricultural and  
4 Mechanical College shall appoint three members, at least two of who shall be Optional  
5 Retirement Plan participants.

6           (3) The Board of Supervisors of the Southern University and Agricultural and  
7 Mechanical College shall appoint three members, at least two of who shall be Optional  
8 Retirement Plan participants.

9           (4) The Board of Supervisors of Community and Technical Colleges shall appoint  
10 two members at least one of whom shall be an Optional Retirement Plan participant.

11           (5) The Board of Regents shall appoint two members, at least one of whom shall be  
12 an Optional Retirement Plan participant.

13           (6) The board of trustees of the Teachers' Retirement System of Louisiana shall  
14 appoint two members, at least one of whom shall be an Optional Retirement Plan participant.

15           (7) The actuary for the legislative auditor shall serve as an ex officio member.

16           (8) At least two members representing long-term Optional Retirement Plan  
17 participants with twenty or more years of service, including at least one who has transitioned  
18 to the defined benefit plan, shall be appointed by the speaker of the House of  
19 Representatives.

20           BE IT FURTHER RESOLVED that the appointing authorities shall submit the names  
21 and contact information for their appointees to the commissioner of higher education no later  
22 than July 1, 2026, and the commissioner shall call the first meeting of the task force no later  
23 than August 1, 2026.

24           BE IT FURTHER RESOLVED that the Board of Regents shall provide staff support  
25 for the task force, and the legislative auditor shall provide actuarial services upon request.

26           BE IT FURTHER RESOLVED that members shall serve without compensation.

27           BE IT FURTHER RESOLVED that the task force shall submit a written report of  
28 its findings and recommendations to the House Committee on Retirement no later than ninety  
29 days prior to the convening of the 2027 Regular Session of the Legislature.

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)]

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2026 Regular Session

Kerner

Establishes a task force to study the Optional Retirement Plan within the Teachers' Retirement System of La. and report its findings to the House Committee on Retirement no later than 90 days prior to the 2027 R.S.