
DIGEST

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Pearson

HB No. 6

Abstract: For participants in the Teachers' Retirement System of La. (TRSL), establishes a minimum employer contribution credit to Optional Retirement Plan (ORP) accounts at the greater of the regular plan normal cost rate or 6.25% of pay.

Present law establishes the ORP for higher education members of TRSL. Provides that the total employer contribution rate for participants in the plan is equal to the employer's rate for regular plan members.

Proposed law establishes the total employer contribution rate for ORP members at the greater of:

- (1) Present law; or
- (2) The payment for the unfunded accrued liability calculated pursuant to present law plus 6.25% of the participant's pay.

Present law provides that upon receipt of this contribution, TRSL shall forward an amount equal to the regular plan normal cost as determined by the Public Retirement Systems' Actuarial Committee to the participant's ORP provider company for credit to the participant's account.

Proposed law retains present law for contributions remitted that are equal to the amount the employer would have contributed if the participant were a member of the regular retirement plan. Provides that for contributions remitted based on payments for the unfunded accrued liability of the system plus 6.25%, the system shall forward the 6.25% to the ORP provider company for credit to the participant's account.

Present law provides for amounts remitted by employers to the system in excess of the amount credited to the employee's account to be applied to the unfunded accrued liability of the system. Proposed law retains present law.

Effective June 30, 2014.

(Amends R.S. 11:927(B))