
DIGEST

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HB 24 Engrossed

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 the 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.

Board of Trustees

Present law provides that the TRSL board is composed of:

- (1) Six ex officio members.
- (2) Seven members elected from districts throughout the state.
- (3) Two retiree representatives.
- (4) A member of the state colleges and universities.

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

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 that 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.

Proposed law provides that a participant of the ORP who first became eligible on or before Jul. 31, 2020, and who was not an actively employed participant in the ORP on Jun. 30, 2024, and is employed on or after Jul. 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.

Proposed 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 participants first participation or after Jul. 1, 2024, in a position that would otherwise make him eligible for membership in the regular retirement plan of TRSL

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), (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))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Retirement to the original bill:

1. Allow a member of the ORP who left a position covered by the system and later became employed in a position covered by the system to choose to join the regular retirement plan of TRSL.
2. Add the commissioner of higher education or his designee as an ex officio member of the TRSL board of trustees.
3. Make technical changes.