RÉSUMÉ DIGEST

ACT 781 (HB 42) **2026 Regular Session** **Bacala**

Existing law provides that a person who meets certain qualifications based upon the year the person became a member of the system may apply for retirement benefits.

New law provides for the creation of a phased retirement program (PRP) within the Teachers' Retirement System of La.

New law requires a member of the system who qualifies with the member's respective public postsecondary education institution to apply to the retirement system as provided in existing law.

New law provides that during participation in the PRP the participant's benefit is reduced. Provides that the reduction of the retirement benefit is based on the full regular benefit amount the participant would have been eligible to receive at the beginning of the participation period reduced by the percentage of work performed by the participant.

New law provides that upon completion of the PRP, the participant begins to receive his full regular retirement benefit.

New law provides that during the PRP, the participant and the employer do not make contributions if they are on the defined benefit plan. Provides that the following remain fixed as they were when the participant began in the PRP:

(1) The participant's benefit.

(2) Final average compensation.

(3) Creditable service.

New law requires the employer of the participant in the PRP to notify the system of the participant's terms, including the following:

(1) The participant's start date.

(2) Length of participation in the plan.

(3) Final termination date.

(4) The percentage of work to be performed by the participant.

New law requires the employer and participant to notify the system upon completion or termination of participation in the PRP.

New law provides:

(1) Each public postsecondary education management board may develop and implement a PRP.

(2) Any such program is subject to board policy, which shall provide for, at a minimum, all of the following:

    (a) Program participation is voluntary.

    (b) Eligibility criteria for employees to participate in the program.

    (c) A program participation period of 12-36 months.

    (d) Requirement for a memorandum of understanding between the employee and his institution or system about workload (must be no less than 50%), schedule, and program expectations.

(e) A requirement for formal written acknowledgment by the employee of all program terms and conditions.

(3) Authorizes a management board to adopt a policy prior to July 1, 2027, but prohibits program implementation prior to that date.

Existing law provides for a monthly fee to cover the administration and maintenance of the Optional Retirement Program (ORP). Provides that the fee is a percentage of the participant's earnable compensation.

Prior law provided that the participant's share of the monthly fee was the lesser of:

(1) One-half of the total monthly fee.

(2) Five-hundredths of one percent of the participant's compensation.

New law, beginning July 1, 2027, provides that the employer shall pay the full amount of the monthly fee.

Existing law requires that, beginning July 1, 2018, each constitutionally established board that manages public postsecondary education institutions and each employer institution and agency to contribute to TRSL on behalf of each participant in the optional retirement plan the following amounts:

(1) An amount calculated in accordance with existing law.

(2) An amount not less than 6.2% of pay.

New law provides that, beginning July 1, 2026, employers pay an additional 1.8% of pay, subject to appropriation.

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

Effective August 1, 2026.

(Amends R.S. 11:927(B)(2)(c)(i) and (d) and (F)(2); Adds R.S. 11:791 and 927(B)(2)(b)(iii) and R.S. 17:3357)