

2024 Regular Session

HOUSE RESOLUTION NO. 169

BY REPRESENTATIVE BACALA

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 in relation to the unclassified staff and faculty
4 recruitment and retention crisis faced by Louisiana's public postsecondary education
5 institutions and to report its findings to the House Committee on Retirement not later
6 than ninety days prior to the convening of the 2025 Regular Session of the
7 Legislature.

8 WHEREAS, higher education is facing a recruitment and retention crisis, and state
9 public higher education officials have informed the legislature that current retirement options
10 are limited and do not provide a flexible choice for unclassified staff and faculty and that a
11 more flexible retirement option is needed to make Louisiana's public higher education
12 institutions more competitive with other states, especially when seeking to retain or recruit
13 individuals from among the limited pool within certain highly specialized disciplines; and

14 WHEREAS, the Legislature of Louisiana appreciates the leadership role of Louisiana
15 public higher education institutions in accommodating Louisiana workforce needs through
16 their programs and recognizes that because those programs often rely on
17 industry-experienced faculty and staff, these higher education institutions are more likely
18 to be affected by this lack of retirement option flexibility in their recruitment efforts to the
19 detriment of the Louisiana workforce; and

20 WHEREAS, Louisiana public higher education institutions, which employ a majority
21 of research faculty and staff, are also more likely to be affected by this lack of retirement

1 option flexibility in their respective retention and recruitment efforts for research personnel;
2 and

3 WHEREAS, the Legislature created the Optional Retirement Plan (ORP), a defined
4 contribution plan within the Teachers' Retirement System of Louisiana (TRSL); the
5 traditional TRSL plan is a defined benefit plan with a guaranteed pension, but the ORP is
6 a defined contribution plan without a guaranteed pension, making the ORP unique among
7 the plans available to public employees in Louisiana; and

8 WHEREAS, a participant in the defined contribution plan assumes all risk associated
9 with the investment of his or her contributions and is not guaranteed a pension upon
10 retirement or upon termination of employment prior to retirement, but rather, their individual
11 retirement benefits are based on the value of the account at the time of the individual's
12 retirement and solvency of the carrier; and

13 WHEREAS, in certain cases, public postsecondary education unclassified staff and
14 faculty begin their careers with temporary appointments and are ineligible to enroll in the
15 TRSL defined benefit plan; therefore they choose to enroll in the ORP; later when they have
16 worked beyond two years and one day, which would otherwise make them eligible for the
17 TRSL defined benefit plan, they cannot transfer because their ORP enrollment is
18 irrevocable; and

19 WHEREAS, TRSL participants have a lifetime benefit guaranteed by the state of
20 Louisiana; ORP participants have no lifetime guarantee; eligible TRSL participants receive
21 disability and survivor benefits; ORP participants do not receive disability or survivor
22 benefits other than the value of their ORP account at the time of disability or death; and

23 WHEREAS, ORP participants are subject to fluctuations in employer contribution
24 rates because employer contribution rates are determined in part by TRSL's unfunded
25 accrued liability burden even though ORP participants do not contribute to the system's
26 accrued liability; and

27 WHEREAS, equitable employer contributions have not been made consistently on
28 behalf of ORP participants; employer contributions have been less than Social Security
29 contribution rates for a period of ten years; and

1 WHEREAS, the ORP is within the Teachers' Retirement System of Louisiana, which
2 has a board to represent interests of TRSL members; there is neither a board to represent
3 interests of ORP participants nor a seat dedicated to ORP participants on the TRSL board;
4 and

5 WHEREAS, although ORP participants do not receive a defined retirement pension,
6 they are nevertheless subject to a reduction or elimination of any earned Social Security
7 benefits through the Windfall Elimination Provisions and the Government Pension Offset;
8 and

9 WHEREAS, the House of Representatives needs comprehensive, objective
10 information on these and other aspects of the ORP to make informed decisions about
11 possible adjustments to the laws providing for it.

12 THEREFORE, BE IT RESOLVED that the House of Representatives of the
13 Legislature of Louisiana does hereby establish a task force to study the Optional Retirement
14 Plan within the Teachers' Retirement System of Louisiana in relation to the unclassified staff
15 and faculty recruitment and retention crisis faced by Louisiana's public postsecondary
16 education institutions and to report its findings to the House Committee on Retirement not
17 later than ninety days prior to the convening of the 2025 Regular Session of the Legislature.

18 BE IT FURTHER RESOLVED that the task force hereby established shall examine
19 aspects of the ORP program, including but not limited to:

20 (1) The requirement for ORP participants to contribute toward the unfunded accrued
21 liability of the Teachers' Retirement System of Louisiana.

22 (2) How nonpension retirement plans are managed in other states.

23 (3) Advantages and disadvantages associated with selection of the ORP.

24 (4) Information about what other states offer to their respective public postsecondary
25 employees.

26 (5) The feasibility of allowing a participant in ORP to change their decision to
27 participate in the ORP.

28 (6) Options for a blended plan, including the possibility of different retirement plan
29 options being available at various stages of a career, and the pros and cons of each such
30 option identified.

1 (7) Differences, if any, in the definitions of "higher education" and "postsecondary
2 education" as these terms are used in laws establishing institutions and interpreted by TRSL
3 in the administration of retirement plans.

4 (8) Other issues the task force believes the legislature should be aware of.

5 BE IT FURTHER RESOLVED that the task force shall be comprised of fifteen
6 members appointed as follows:

7 (1) The Board of Supervisors for the University of Louisiana System shall appoint
8 three members, at least two of whom shall be Optional Retirement Plan participants and one
9 of those shall be a faculty member in a hard-to-recruit research, scientific, or medical
10 discipline.

11 (2) The Board of Supervisors of Louisiana State University and Agricultural and
12 Mechanical College shall appoint three members, at least two of whom shall be Optional
13 Retirement Plan participants and one of those shall be a faculty member in a hard-to-recruit
14 research, scientific, or medical discipline.

15 (3) The Board of Supervisors of Southern University and Agricultural and
16 Mechanical College shall appoint three members, at least two of whom shall be Optional
17 Retirement Plan participants and one of those shall be a faculty member in a hard-to-recruit
18 research, scientific, or medical discipline.

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

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

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

25 BE IT FURTHER RESOLVED that the appointing authorities shall submit the names
26 and contact information for their appointees, no later than July 1, 2024, to the commissioner
27 of higher education, who shall call the first meeting of the task force no later than August 1,
28 2024.

1 BE IT FURTHER RESOLVED that at the first meeting, the members of the task
2 force shall elect a chair and such other officers as it deems necessary; the chair shall call
3 subsequent meetings.

4 BE IT FURTHER RESOLVED, the Board of Regents shall provide staff for the task
5 force, and task force members shall serve without compensation and without reimbursement
6 of expenses associated with participation or travel except that which they are entitled to from
7 their employers.

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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Bacala

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