HLS 24RS-1500 ENGROSSED

2024 Regular Session

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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

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 than ninety days prior to the convening of the 2025 Regular Session of the 6 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; and 18 WHEREAS, the Legislature created the Optional Retirement Plan (ORP), a defined 19 contribution plan within the Teachers' Retirement System of Louisiana (TRSL); the 20 traditional TRSL plan is a defined benefit plan with a guaranteed pension, but the ORP is 1

2 the plans available to public employees in Louisiana; and 3 WHEREAS, a participant in the defined contribution plan assumes all risk associated 4 with the investment of his or her contributions and is not guaranteed a pension upon 5 retirement or upon termination of employment prior to retirement, but rather, their individual 6 retirement benefits are based on the value of the account at the time of the individual's 7 retirement and solvency of the carrier; and 8 WHEREAS, TRSL participants have a lifetime benefit guaranteed by the state of 9 Louisiana; ORP participants have no lifetime guarantee; eligible TRSL participants receive 10 disability and survivor benefits; ORP participants do not receive disability or survivor 11 benefits other than the value of their ORP account at the time of disability or death; and 12 WHEREAS, the ORP is within the Teachers' Retirement System of Louisiana, which has a board to represent interests of TRSL members; there is neither a board to represent 13 14 interests of ORP participants nor a seat dedicated to ORP participants on the TRSL board; 15 and 16 WHEREAS, although ORP participants do not receive a defined retirement pension, 17 they are nevertheless subject to a reduction or elimination of any earned Social Security 18 benefits through the Windfall Elimination Provisions and the Government Pension Offset; 19 and 20 WHEREAS, the House of Representatives needs comprehensive, objective 21 information on these and other aspects of the ORP to make informed decisions about 22 possible adjustments to the laws providing for it. 23 THEREFORE, BE IT RESOLVED that the House of Representatives of the 24 Legislature of Louisiana does hereby establish a task force to study the Optional Retirement 25 Plan within the Teachers' Retirement System of Louisiana in relation to the unclassified staff 26 and faculty recruitment and retention crisis faced by Louisiana's public postsecondary 27 education institutions and to report its findings to the House Committee on Retirement not 28 later than ninety days prior to the convening of the 2025 Regular Session of the Legislature. 29 BE IT FURTHER RESOLVED that the task force hereby established shall examine 30 aspects of the ORP program, including but not limited to:

a defined contribution plan without a guaranteed pension, making the ORP unique among

1	(1) The requirement for ORP participants to contribute toward the unfunded accrued
2	liability of the Teachers' Retirement System of Louisiana.
3	(2) How nonpension retirement plans are managed in other states.
4	(3) Advantages and disadvantages associated with selection of the ORP.
5	(4) Information about what other states offer to their respective public postsecondary
6	employees.
7	(5) The feasibility of allowing a participant in ORP to change their decision to
8	participate in the ORP.
9	(6) Options for a blended plan, including the possibility of different retirement plan
10	options being available at various stages of a career, and the pros and cons of each such
11	option identified.
12	(7) Differences, if any, in the definitions of "higher education" and "postsecondary
13	education" as these terms are used in laws establishing institutions and interpreted by TRSL
14	in the administration of retirement plans.
15	(8) Other issues the task force believes the legislature should be aware of.
16	(9) Provide ORP providers an opportunity to share industry best practices on
17	individual savings and plan design.
18	(10) Employer contribution rates for the defined benefit pension plans and ORP and
19	the benefits accrued to the members.
20	BE IT FURTHER RESOLVED that the task force shall be comprised of fifteen
21	members appointed as follows:
22	(1) The Board of Supervisors for the University of Louisiana System shall appoint
23	three members, at least two of whom shall be Optional Retirement Plan participants and one
24	of those shall be a faculty member in a hard-to-recruit research, scientific, or medical
25	discipline.
26	(2) The Board of Supervisors of Louisiana State University and Agricultural and
27	Mechanical College shall appoint three members, at least two of whom shall be Optional
28	Retirement Plan participants and one of those shall be a faculty member in a hard-to-recruit
29	research, scientific, or medical discipline.

1	(3) The Board of Supervisors of Southern University and Agricultural and
2	Mechanical College shall appoint three members, at least two of whom shall be Optional
3	Retirement Plan participants and one of those shall be a faculty member in a hard-to-recruit
4	research, scientific, or medical discipline.
5	(4) The Board of Supervisors of Community and Technical Colleges shall appoint
6	two members, at least one of whom shall be an Optional Retirement Plan participant.
7	(5) The Board of Regents shall appoint two members, at least one of whom shall be
8	an Optional Retirement Plan participant.
9	(6) The board of trustees of the Teachers' Retirement System of Louisiana shall
10	appoint two members, at least one of whom shall be an Optional Retirement Plan participant.
11	BE IT FURTHER RESOLVED that the appointing authorities shall submit the names
12	and contact information for their appointees, no later than July 1, 2024, to the commissioner
13	of higher education, who shall call the first meeting of the task force no later than August 1,
14	2024.
15	BE IT FURTHER RESOLVED that at the first meeting, the members of the task
16	force shall elect a chair and such other officers as it deems necessary; the chair shall call
17	subsequent meetings.
18	BE IT FURTHER RESOLVED that the Board of Regents shall provide staff for the
19	task force, and task force members shall serve without compensation and without
20	reimbursement of expenses associated with participation or travel except that which they are
21	entitled to from 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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