

RÉSUMÉ DIGEST

ACT 109 (HB 31)

2024 Regular Session

Freiberg

Existing law, relative to the Teachers' Retirement System of Louisiana (TRSL), provides that an employee of a public institution of higher education may elect to enter the optional retirement plan (ORP) when he is first hired in an eligible TRSL-covered position.

Existing law provides for a monthly fee established by TRSL to cover the cost of administration and maintenance of the ORP, which fee is remitted to the appropriate designated company or companies for application to the participant's contract or contracts.

New law requires the employer to contribute the administration and maintenance fee. Provides for the participant to pay a share of the monthly fee, which shall be the lesser of:

- (1) One-half of the total monthly fee.
- (2) 0.05% of the participant's earnable compensation.

New law provides the balance remaining of the monthly fee is to be paid by the employer.

Existing law provides that participation in the ORP is an irrevocable decision and a participant is not eligible for membership in TRSL after joining the ORP.

New law creates an exception to existing law by providing that an active, contributing participant in the ORP may elect, through written notice to TRSL, to cease contributions to the ORP and begin membership in the regular retirement plan of TRSL.

New law provides that for participants in the ORP who became eligible for participation in the plan on or before July 1, 2020, the election to terminate participation must be received by June 30, 2025. For participants who become eligible for participation in the ORP after July 1, 2020, the election to terminate participation must be received within five years after his first employment making him eligible for participation.

New law provides that for a person who moves from the ORP to the regular retirement plan and who has prior service credit in TRSL, the prior service credit may be applied in calculating a benefit but not in determining eligibility for benefits.

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

Effective June 30, 2024.

(Amends R.S. 11:927(A); Adds R.S. 11:927(B)(4) and (F), 929(B)(2)(d), and 932)