

2026 Regular Session

HOUSE BILL NO. 42

BY REPRESENTATIVE BACALA

RETIREMENT/TEACHERS: Provides relative to a phased retirement program within the Teachers' Retirement System of Louisiana

1 AN ACT

2 To amend and reenact R.S. 11:927(F)(2) and to enact R.S. 11:791, relative to the Teachers'
3 Retirement System of Louisiana; to provide for the creation of and participation in
4 a phased retirement program; to provide relative to benefits; to provide relative to
5 participant and employer contributions; to provide relative to the payment of certain
6 administrative fees; and to provide for related matters.

7 Notice of intention to introduce this Act has been published
8 as provided by Article X, Section 29(C) of the Constitution
9 of Louisiana.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 11:927(F)(2) is hereby amended and reenacted and R.S. 11:791 is
12 hereby enacted to read as follows:

13 §791. Phased retirement program

14 A. Any member of this system who qualifies for phased retirement pursuant
15 to the policy governing his institution and who has been approved for participation
16 in a phased retirement program in accordance with such policy shall apply for
17 retirement as otherwise provided in this Chapter.

18 B. For the duration of his participation in the employer's phased retirement
19 program, the participant shall receive a reduced retirement benefit. This reduced
20 retirement benefit shall be based on the full regular benefit amount for which he

1 would have been eligible at the commencement of his participation in the employer's
2 phased retirement program, reduced by the percentage of work effort to be
3 performed by the participant as set forth in the approved documents governing his
4 participation in his employer's phased retirement program. Upon completion of
5 participation in the employer's phased retirement program, the participant shall begin
6 receiving his full regular retirement benefit.

7 C. During the time that a participant receives a benefit pursuant to this
8 Section, the participant and the employer shall not pay contributions to the defined
9 benefit plan, and the participant's benefit, average compensation, and creditable
10 service shall remain fixed as they existed on the date of commencement of
11 participation in his employer's phased retirement program.

12 D. The employer of any participant in a phased retirement program shall
13 notify the system of the terms of the participant's phased retirement, including the
14 start date, length of the phased retirement, final termination date, and percentage of
15 work effort to be performed by the participant. The employer and participant shall
16 notify the system upon the completion or termination of the phased retirement
17 program.

18 * * *

19 §927. Contributions

20 * * *

21 F.

22 * * *

23 (2)(a) The employer's share of the monthly fee shall be the balance
24 remaining after payment of the participant's share.

25 (b) Notwithstanding any provision of Paragraph (1) of this Subsection,
26 beginning July 1, 2027, the employer shall pay the full amount of the monthly fee.

27 Section 2. The cost of this Act, if any, shall be funded with additional employer
28 contributions in compliance with Article X, Section 29(F) of the Constitution of Louisiana.

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)]

HB 42 Original

2026 Regular Session

Bacala

Abstract: Provides relative to the creation of and participation in a phased retirement program within the Teachers' Retirement System of Louisiana and for the payment of administrative fees.

Proposed law provides for the creation of a Phased Retirement Program (PRP) within the Teachers' Retirement System of La.

Proposed law provides that a member of the system who qualifies with the member's respective institution must apply to the retirement system as provided in present law.

Proposed 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.

Proposed law provides that upon completion of the phased retirement program, the participant begins to receive his full regular retirement benefit.

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

- (1) The participant's benefit.
- (2) Final average compensation.
- (3) Creditable service.

Proposed 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.

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

Present law provides for a monthly fee to cover the administration and maintenance of the Optional Retirement Program. Provides that the fee is expressed as a percentage of the participant's earnable compensation. Provides that the participant's share of the monthly fee is the lesser of:

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

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

Present law provides that the employer's share of the fee is the balance remaining after payment of the participant's share.

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

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)).

(Amends R.S. 11:927(F)(2); Adds R.S. 11:791)