

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 and R.S. 17:3357, relative  
3 to the Teachers' Retirement System of Louisiana; to provide for the creation of and  
4 participation in a phased retirement program; to provide relative to benefits; to  
5 provide relative to participant and employer contributions; to provide relative to the  
6 payment of certain administrative fees; to authorize each public postsecondary  
7 education management board to develop and implement a phased retirement  
8 program; to provide that such program is subject to board policy; to specify  
9 minimum provisions for each policy; to provide for implementation; and to provide  
10 for related matters.

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

14 Be it enacted by the Legislature of Louisiana:

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

17 §791. Phased retirement program

18 A. Any member of this system who qualifies for phased retirement pursuant  
19 to the policy governing his public postsecondary education institution and who has



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

3           Section 2. R.S. 17:3357 is hereby enacted to read as follows:

4           §3357. Phased retirement program

5           A. Each public postsecondary education management board may develop  
6           and implement a phased retirement program, referred to in this Section as a  
7           "program", for institutions under its management and supervision for the purpose of  
8           supporting faculty and staff recruitment and retention, facilitating institutional  
9           knowledge transfer, and promoting strategic succession planning.

10           B. If a management board opts to exercise its authority, it shall adopt a  
11           policy for this purpose which shall address the specific operational and institutional  
12           needs of the applicable system and institutions and provide for, at a minimum, all of  
13           the following:

14           (1) A provision that participation in the program is voluntary on the part of  
15           an employee.

16           (2) A definition of eligible employee with respect to program participation,  
17           which shall include, at a minimum, all of the following:

18           (a) He is eligible for retirement as provided in R.S. 11:761 at the time that  
19           he begins participating in the program.

20           (b) He has a minimum of ten years of collective service at a public  
21           postsecondary education institution in Louisiana, whether consecutive or  
22           nonconsecutive, without a refund of retirement contributions.

23           (c) He has reached the age of fifty-nine and one-half years or older.

24           (3) An employee participation period of not less than twelve months and not  
25           more than thirty-six months.

26           (4)(a) A requirement that a written memorandum of understanding be  
27           executed between the public postsecondary education system or institution and the  
28           employee that specifies workload, schedule, and program expectations.



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 provides:

- (1) Each public postsecondary education management board may develop and implement a phased retirement program.
- (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) Program participation period of 12-36 months.
  - (d) Requirement for 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.

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 and R.S. 17:3357)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Retirement to the original bill:

1. Authorize each public postsecondary education management board to develop and implement a voluntary phased retirement program for faculty and staff.
2. Specify that the member's institution is a public postsecondary education institution.
3. Make technical changes.