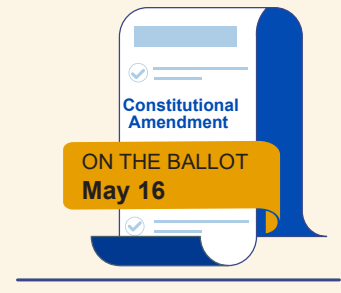




TRSL & Constitutional Amendment 3: What you should know

In a May 16 statewide election, voters will decide whether to make changes to a portion of the state constitution. On the ballot, you'll see [Constitutional Amendment 3](#), which would directly affect TRSL.

It proposes making a one-time payment to TRSL's unfunded accrued liability (UAL) as a way to permanently fund teacher and school support staff pay increases.



Impact on TRSL

- The UAL is debt owed to TRSL by the state, which has chosen to pay this debt through the annual contribution rate employers pay to TRSL.
- Constitutional Amendment 3 proposes to use the money in three educational trust funds to erase a portion of the UAL.
- The three funds are constitutionally protected and have approximately \$2 billion in them. They are the **Education Excellence Fund**, the **Louisiana Education Quality Trust Fund**, and the **Louisiana Quality Education Support Fund**. The money in these accounts supports certain educational programs in K-12 and higher education.
- Voters will be asked to use the balance in these three funds to make a one-time payment to erase a portion of the UAL, which would lower the contribution rate and create savings for employers.
- Employers would be required to use the savings from the reduced contribution rate to make permanent salary increases of \$2,250 for teachers and \$1,125 for school personnel, if the constitutional amendment passes.
- Passage of Constitutional Amendment 3 would not change the employee contribution rate for actively working TRSL members, nor would it increase monthly benefits for retired members.

TRSL Board of Trustees position on debt payments

At its April 2025 meeting, the TRSL Board of Trustees passed a motion to support the legislature's continued efforts to ensure a sustainable retirement system for Louisiana's educators, including accelerated payoff of the UAL debt schedules.

Projections show that the one-time payment, as designed through the constitutional amendment, would immediately reduce the annual employer retirement contributions by approximately \$271 million (\$199 million for K-12 and \$72 million for higher education) with the long-term savings on interest payments estimated at \$1 billion.



Frequently Asked Questions (FAQs)

What kind of retirement plan do I have?

TRSL is a defined benefit (DB) plan. TRSL members have a guaranteed lifetime benefit that is calculated using a formula set in state law:

years of service × final average compensation (FAC) × benefit factor (typically 2.5%)

Unlike a 401(k) type retirement plan, a TRSL retirement benefit is **not** determined by the amount of contributions made to a retirement account **nor** the balance in an account.

How is my benefit funded?

The TRSL retirement plan is funded from three sources: **(1) employee contributions, (2) employer contributions, and (3) investment earnings**. The retirement system invests member and employer contributions, and retirement benefits are paid from TRSL investment earnings.

Most members contribute 8% of every paycheck toward their retirements. Their employers contribute a percentage of payroll for this purpose as well. The employer contribution is calculated annually and is made up of four parts: (1) the cost of funding the accruing benefit for all active employees, (2) the shared payment for the unfunded accrued liability (UAL), (3) a percentage rate to fund retiree cost-of-living increases, and (4) the non investment-related administrative expenses of the system.

Does TRSL have debt?

Yes, the unfunded accrued liability (UAL) is debt owed by the state to TRSL. The state has chosen to pay this debt through employer contributions remitted each year to TRSL. All employers that participate in TRSL share in the payment of this debt. As mentioned above, the shared payment to the UAL is one component of the annual employer contribution rate; and the total employer contribution rate is paid as a percentage of payroll.

How will Constitutional Amendment 3 provide pay raises?

If passed, the balance from the three education trust funds would be used to make a one-time payment to pay off a portion of the UAL, which will reduce future employer contribution payments. The funds generated as a result of the reduction in the employer contribution rate must be used to make permanent the salary increase teachers and support staff are receiving this year.

Will Constitutional Amendment 3 affect my retirement benefits?

No, it will not. Current and future TRSL retirement benefits will not be affected by the provisions in Constitutional Amendment 3.