

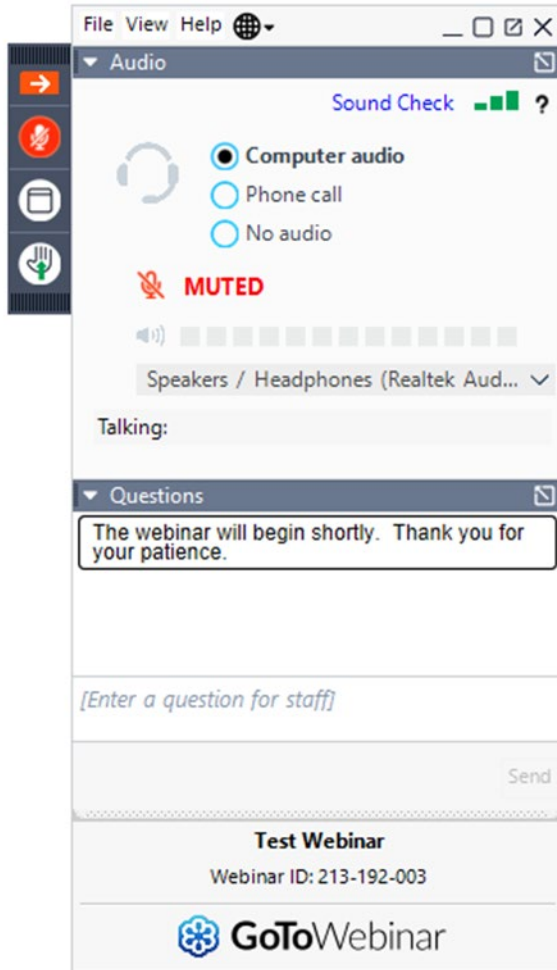


# Optional Retirement Plan (ORP)

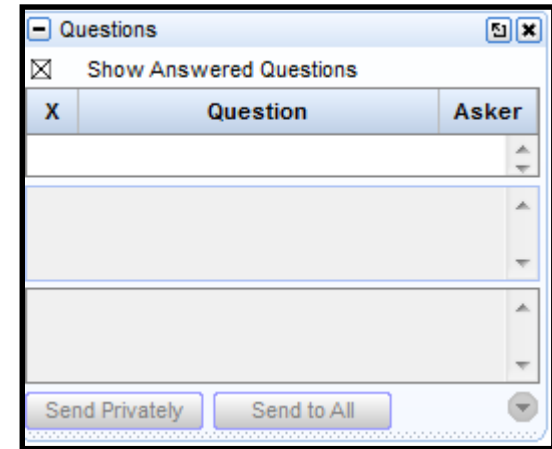
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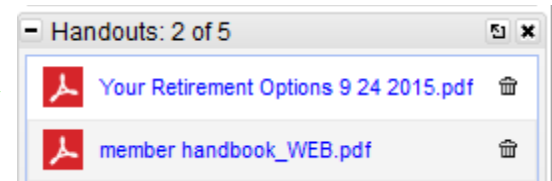
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# Index 16.0: Optional Retirement Plan (ORP)

**EMPLOYER MANUAL** **INDEX 16.0**

INDEX 16.0: Optional Retirement Plan (ORP)*March 2018*

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The Optional Retirement Plan (ORP) is a defined contribution plan and an alternative to the defined benefit plan administered by TRSL. The ORP was established on July 1, 1990, to provide retirement benefits to eligible participants while affording maximum portability.



Eligible employees make an **irrevocable** election to participate in ORP. ORP participants are not considered TRSL members.

**Key features of the ORP:**

- An ORP account is owned by the participant, and there is no waiting period to join the plan.
- ORP accounts are portable.
- ORP participants control their own investments.
- Employee and employer contributions are invested by the designated ORP carrier in the investment option chosen by the participant.
- Participants are 100% vested from the date of ORP enrollment.

- Discusses the defined contribution plan available to academic and unclassified employees of Louisiana colleges, universities, and community colleges

# What is the Optional Retirement Plan?



## ORP

### Optional Retirement Plan

#### What is the ORP?

The ORP (Optional Retirement Plan) is a defined contribution plan, under Internal Revenue Code §401(a), in which account holders direct their own investments through private carriers.

#### Am I eligible?

Academic and unclassified employees of Louisiana colleges, universities, and community colleges can participate in the ORP. This retirement plan is also available to employees of any constitutionally established board that manages institutions of higher education.

#### How does it work?

- An ORP account is owned by the member, and there is no waiting period to join the plan. ORP members are 100% vested from the date of enrollment.
- Member and employer contributions are pooled and invested by the designated ORP carrier in the investment options chosen by the member.
- The performance of the member's investments determines the retirement benefit due. Projections of possible benefits are provided, but not guaranteed, by the ORP carriers.

- ORP is a defined contribution (DC) plan.
  - » Established July 1, 1990
  - » Provides retirement benefits to participants based on contributions and interest earned
  - » Portable
- The decision to participate in ORP is irrevocable.
  - » ORP participants do not participate in TRSL's defined benefit plan and are not considered TRSL members.
- Participants control their own investments through private carriers.
  - » Employee & employer contributions are invested by the ORP carrier in the investment option(s) chosen by the employee.

# ORP eligibility for non-higher education employees

- If the ORP participant is employed in a TRSL-covered position, he/she must remain in ORP (regardless of the number of years).
  - » This holds true even if the position is not in higher education.
- If the ORP member is employed in a position covered by another Louisiana public retirement system, see below:
  - » If member has fewer than five years: You will enroll him/her in the new retirement system.
  - » If member has five or more years: He/she can opt to retain ORP membership under TRSL.

*ORP members are 100% vested from the date of enrollment and make an irrevocable election to participate in ORP.*

# Higher education employees eligible for ORP

- New hires who are unclassified employees and eligible for TRSL membership.
  - New hires who are unclassified employees and not eligible for TRSL membership because of part-time, seasonal, or temporary employment.
  - Current personnel who are unclassified employees enrolled in TRSL's Regular Plan and have less than five years of retirement service credit.
  - IRREVOCABLE ELECTION
  - (Includes elections made during part-time, seasonal, or temporary employment)
-



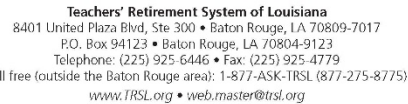
# When is the employee eligible to join?

- Within 60 days of the initial hire date by an ORP-eligible employer; or
- Anytime after the 60-day window closes, but prior to vesting in TRSL's DB Plan with 5 years of service credit; or
- TRSL members who have more than five years of retirement service credit and have never had the opportunity to elect ORP can choose to join ORP when initially hired by an ORP-eligible employer. They must be within their first 60 days of new employment.
  - » EXAMPLE: A TRSL regular member with 10 years of service credit with a K-12 employer changes jobs and is now, for the first time, working as an unclassified employee at a higher education institution.

Members who choose to participate in ORP after being in the TRSL Defined Benefit Plan (Regular Plan): At the member's request, only the member portion of retirement contributions will be transferred to the carrier if the member has been in TRSL more than 60 days.



## ORP enrollment



**Submit original  
form ONLY.  
No copies, faxes,  
or scans are  
accepted.**

**Print in ink or type all entries except signatures.** Incomplete forms will be returned. This is a multipurpose form to be used by individuals joining the Optional Retirement Plan (ORP) or by ORP members changing carriers. The reverse side of this form contains important information about the ORP.

## Name: Last, first, MI, suffix (jr, III, etc.)

Strat / PC, Exe

City, state, zip

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Phone number:

Social Security number	Date of birth	Sex	U.S. Citizen	Type of visa
<div style="border: 1px solid black; width: 100px; height: 20px; display: flex; align-items: center;"> <div style="width: 25px; height: 20px; background-color: black;"></div> <div style="width: 25px; height: 20px; background-color: black;"></div> <div style="width: 25px; height: 20px;"></div> <div style="width: 25px; height: 20px;"></div> <div style="width: 25px; height: 20px;"></div> <div style="width: 25px; height: 20px;"></div> <div style="width: 25px; height: 20px;"></div> <div style="width: 25px; height: 20px;"></div> </div>	____/____/____ mm dd yyyy	<input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____

To be completed only by current members of the Teachers' Retirement System (TRS):

Please ☐ transfer my accumulated contributions with TRSL to the ORP carrier I have designated below.  
☐ do not transfer

☐ New enrollment      ☐ Change of CRP carrier      ☐ Existing ORP participant

ORP carrier \_\_\_\_\_

CRP carrier code		02 TAA
		03 AIG - RS

I hereby make irrevocable application for the Optional Retirement Plan (ORP) in accordance with LSA-R.S. 11:921-931. I understand that future employee contributions, less a small administrative fee, and the normal cost portion of future employer contributions will be forwarded to the ORP carrier designated above. I have read the back of this form. I understand that I can never again become a contributing member of TRSL and that no lump-sum payout of the entire account can be made from the ORP carrier directly to me during my lifetime.

Applicant's signature: (do not print or type)

Date signed (mm/dd/yyyy)

## Name of agency \_\_\_\_\_ Agency number \_\_\_\_\_

Effective date of ORP election \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
(date of employment for new employees) mm-dd-yy

Effective date for change of carrier (mm-yyyy) \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ or when this form is received by TRSL, whichever is later. Contributions withheld for this period and thereafter will be transferred to the carrier in Section 2 above.

I certify that this employee is eligible to participate in the ORP according to LSA-R.S. 11:925 and that he or she has signed a contract with the carrier designated above.

Authorized signature (Authorized representative of agency – no facsimile accepted)

Date signed (mm-dd-yyyy)

Time

See reverse side for important information

- Application for Optional Retirement Plan or Change of Carrier  
(Form 16)
  - » Employee completes Sections 1-3.
  - » Employer completes Section 4 and submits original Form 16 to TRSL for processing.

# Current ORP carriers



<https://trsl.beready2retire.com>

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<https://www.tiaa.org/public/tcm/louisianaorp>

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<https://trsl.aigrs.com/home>

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# Non-Higher Ed ORP contribution rates

- **Employee contributions:** ORP members contribute 8.0% of salary.
    - » 7.95% is transferred to the carrier.
    - » 0.05% is retained by TRSL as an administrative fee.
  - **Employer contributions:** The total contribution rate for all employers includes the following:
    - » Transfer amount:
      - The percentage amount actually transferred to each ORP participant's account; set by law.
      - Beginning 7/1/2019, the transfer rate is 6.2%.
    - » Shared UAL:
      - The percentage all employers pay toward the unfunded accrued liability (UAL) and retained by TRSL
      - Shared UAL percentage for FY 2020-21 is 21.8%.
-

# Higher Ed ORP contribution rates

- Employee contributions: ORP members contribute 8.0% of salary.
    - » 7.95% is transferred to the carrier.
    - » 0.05% is retained by TRSL as an administrative fee.
  - Employer contributions: The total contribution rate for all employers includes the following:
    - » Transfer amount:
      - The percentage amount actually transferred to each ORP participant's account; set by law.
      - Beginning 7/1/2019, the minimum transfer rate is 6.2%.
    - » Shared UAL:
      - The percentage all employers pay toward the unfunded accrued liability (UAL) and retained by TRSL.
      - Shared UAL percentage for FY 2020-21 is 21.8%
-

# Employer contribution rates for ORP

NON-HIGHER EDUCATION			
Fiscal year	Employer rate (ER)		
	Transfer amount	Shared UAL	Total ER
2020-21	6.2%	21.8%	28.0%

# Contribution rates (FY 2020-21)

HIGHER EDUCATION			
Management Board	Employer Rate (ER)		
	Transfer Amount	Shared UAL	Total ER
Board of Regents	6.2%	21.8%	28.0%
LSU Board of Supervisors	6.2%	21.8%	28.0%
Southern Board of Supervisors	6.2%	21.8%	28.0%
UL Board of Supervisors	6.2%	21.8%	28.0%
Community/Technical Colleges Board of Supervisors	6.2%	21.8%	28.0%

# ORP salary and contribution reports

- Reports are due by the 10th of each month
- Employer must submit a separate report/file for ORP (System 6).
  - » Upload unencrypted file to EMIS\*
  - » Submit encrypted file via FTP
  - » ORP Salary Entry (only if fewer than 25 ORP employees)\*
  - » Must use correct carrier code for the ORP provider

*\*Must have access designated on Authorized Contacts (Form 1)*

- Contributions reported/transferred to the ORP carriers are limited to \$57,000 for calendar year 2020. The limit includes both the employee and employer contribution amounts.
-



# ORP contribution payments

- Contribution reports, along with payment, are due by the 10th day of each month.
  - You can make payment one of two ways:
    - » Wire transfer (indicate ORP) or
    - » Check (make payable to TRSL-ORP)
  - Submit your Payment Distribution Voucher (Form 4D) accordingly:
    - » Email at time of wire transfer or
    - » Include it with the check
-

# Overpayments

- If an employee terminates employment, you can recover an overpayment.
  - » Notify the carrier in writing using your agency letterhead.
    - The carrier will return the member contributions and employer transfer amount, which had been transferred to them by TRSL.
  - » Submit a copy of the letter to TRSL.
    - The unfunded accrued liability portion will be returned to you.
  - » It is the employer's responsibility to refund the employee their 7.95%.
  - » The 0.05% administrative fee is retained by TRSL.

***If you receive money that you did not request from a carrier, please contact TRSL.***

# Changing carriers

- ORP participants can change their carrier at any time.
  - » The effective date of the change depends on when TRSL receives the Form 16 (original).
- The employee must complete both of the following:
  - » An application with the new carrier and
  - » A new Form 16 (sections 1 -3)
- The employer will:
  - » Complete Section 4 on the new Form 16 and send the original completed form to TRSL.
  - » Change the ORP carrier code on the monthly ORP contributions file.

**TRSL** Teachers' Retirement System of Louisiana  
8401 United Plaza Blvd., Ste. 300 • Baton Rouge, LA 70809 7017  
P.O. Box 94123 • Baton Rouge, LA 70804-9123  
Telephone: (225) 925-6446 • Fax: (225) 925-4779  
Toll free (outside the Baton Rouge area): 1-877-ASK-TRSL (877-275-8775)  
www.TRSL.org • web.master@trsl.org

Form 16 (08/15) 00-16

Submit original form ONLY. No copies, faxes, or scans are accepted.

**Application for Optional Retirement Plan or Change of Carrier**

Print in ink or type all entries except signatures. Incomplete forms will be returned. This is a multi-purpose form to be used by individuals joining the Optional Retirement Plan (ORP) or by ORP members changing carriers. The reverse side of this form contains important information about the ORP.

**Section 1 — Applicant information**

Name (Last, First, Middle Initial, etc.) \_\_\_\_\_

Search ID: \_\_\_\_\_

ORP status: \_\_\_\_\_

Previous carrier: \_\_\_\_\_

Social Security number: \_\_\_\_\_

Date of birth: \_\_\_\_\_

Sex: ☐ Male ☐ Female

U.S. citizen: ☐ Yes ☐ No

Type of visa: \_\_\_\_\_

To be completed only by current members of the Teachers' Retirement System (TRSL):

Please ☐ transfer my accumulated contributions with TRSL to the ORP carrier I have designated below.  
☐ do not transfer

**Section 2 — Carrier designation**

☐ New enrollment ☐ Change of ORP carrier ☐ Existing ORP participant

ORP carrier: \_\_\_\_\_ ORP carrier code: ☐ 1 VOYA ☐ 2 TIAA ☐ 3 A-G-V

**Section 3 — Applicant's signature**

I hereby make irrevocable application for the Optional Retirement Plan (ORP) in accordance with LSA-R.S. 11:921-931. I understand that future employee contributions, less a small administrative fee, and the normal cost portion of future employer contributions will be forwarded to the ORP carrier designated above. I have read the back of this form. I understand that I can never again become a contributing member of TRSL and that no lump-sum payout of the entire account can be made from the ORP carrier directly to me during my lifetime.

Applicant's signature (print name) \_\_\_\_\_ Date signed (month/day/year) \_\_\_\_\_

**Section 4 — Agency certification**

Name of agency: \_\_\_\_\_ Agency number: \_\_\_\_\_

Effective date of ORP election (date of employment for new employees) \_\_\_\_\_ or when this form is received by TRSL, whichever is later. Contributions withheld for this period and thereafter will be transferred to the carrier in Section 2 above.

I certify that this employee is eligible to participate in the ORP according to LSA-R.S. 11:925 and that he or she has signed a contract with the carrier designated above.

Signature, printed name, title, representative of agency (to be made a copy) \_\_\_\_\_ Date signed (month/day/year) \_\_\_\_\_

See reverse side for important information

# Termination of ORP participants

- You do not process an online termination in EMIS for an ORP participant.
    - » You must go into your software and terminate the participant to ensure salary information is no longer reported to TRSL.
    - » When the former employee requests a rollover of his ORP funds, TRSL will contact you for a termination date.
      - TRSL will provide the confirmed termination date to the former employee's carrier.
-

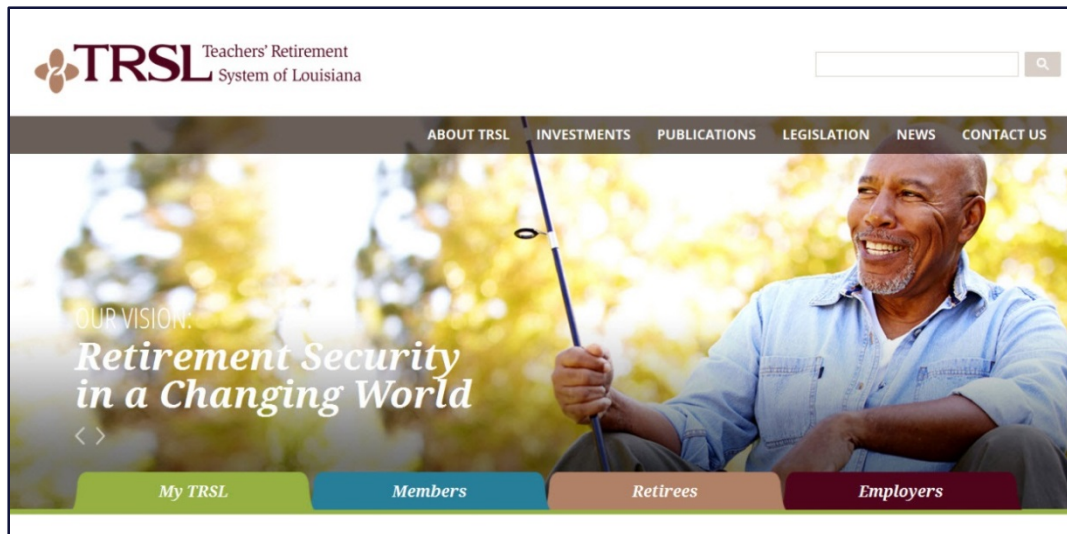
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## **Published four times a year:**

- February
  - May
  - August
  - November.
-



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- Newsletters
- Procedures Manual

# Questions?





# We are here for you!



**Local phone:** (225) 925-6446

**Toll free (outside Baton Rouge):**  
1-877-ASK-TRSL (1-877-275-8775)

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