

Optional Retirement Plan

Includes a comparison of TRSL and the ORP

What's Inside

What is the ORP?	3
Am I eligible?	4
Who are the ORP carriers?	4
How do I join the ORP?	5
How does the ORP work?	5
How are contributions credited?	6
What are my retirement options under the ORP?	7
Electing to leave the ORP and join the TRSL defined benefit plan	8
When will my new election be effective?	9
Frequently asked questions	10
TRSL or the ORP: Which one?	11
Social Security information	11
Comparison of benefit features	12



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.

This alternative plan is available to academic and unclassified employees of Louisiana colleges, universities, community colleges and constitutionally established boards that manage institutions of higher education.




After joining the ORP, a participant can make a one-time choice to enroll in the TRSL defined benefit plan. The windows for making this decision are set by state law.

Am I eligible?

Academic and unclassified employees of Louisiana colleges, universities, and community colleges can participate in the ORP. The ORP is also available to employees of the following boards:

- Board of Regents
- Board of Supervisors for the University of Louisiana System
- Board of Supervisors for the Louisiana State University and Agricultural and Mechanical College
- Board of Supervisors of Southern University and Agricultural and Mechanical College
- Board of Supervisors for the Louisiana Community and Technical College System
- Any other constitutionally established board that manages institutions of higher education

Who are the current ORP carriers?

Current ORP carriers:	Carrier websites
 Voya Life Insurance & Annuity Company	https://trsl.beready2retire.com/
 Teachers Insurance and Annuity Association	www.tiaa.org/louisianaorp
 Corebridge Financial	https://corebridgefinancial.com/rs/trsl



ORP participants can change carriers at anytime by submitting the *Application for Optional Retirement Plan or Change of Carrier (Form 16)*.



How do I join the ORP?

If you decide to enroll in the ORP, you will need to complete TRSL's *Application for Optional Retirement Plan or Change of Carrier* (Form 16). Eligible employees can enroll in the ORP at any point before earning five years of TRSL service credit.

- If the election is made within 60 days of employment, both employee and employer contributions transfer to the ORP account.
- If the election is made after 60 days but before earning five years of TRSL service credit, only employee contributions transfer to the ORP account.

How does the ORP work?

An ORP account is owned by the participant, and there is no waiting period to join the plan. ORP participants are 100% vested from the date of enrollment.

The ORP participant selects which ORP carrier to invest with. Employer and employee contributions are invested by the designated ORP carrier in the investment options chosen by the participant.

The performance of the participant's investments determines the retirement benefit due. ORP carriers provide projections of possible (not guaranteed) benefits.



How are contributions credited?

The employee's contribution is 8.0% of salary, less a 0.05% administrative fee to TRSL. The employer contribution is determined by employer type.

Higher education employers:

The employer contribution rate is 6.2%. However, higher education boards created by Article VIII of the Louisiana Constitution can establish a rate above 6.2% by board resolution.

NOTE: Any rate established by board resolution is applicable to each board's employees and the employees of each institution and agency under its supervision and control, including laboratory schools.

Non-higher education employers:

The employer contribution rate is 6.2%.

What are my retirement options under the ORP?

An ORP participant can choose to retire and receive benefits at any time after termination of all employment in public education in Louisiana. At a participant's death, the ORP account is payable to the beneficiary(ies) in a lump sum or as an annuity. Benefits payable to ORP participants or their beneficiaries are the sole liability and responsibility of the ORP carrier.

Payment options for ORP balances*	
Lifetime Benefit	Receive a lifetime (or joint and survivor lifetime) benefit with annuity payments based on the entire balance in the ORP account at the time payments begin.
Lump-Sum (Initial) Benefit	The ORP cannot be distributed as a cash distribution payable to the participant or a single lump sum. However, a one-time, lump-sum payment of up to 36 months of the annuity is available from the ORP account at the time of retirement in addition to a lifetime annuity. If the up-front, lump sum is chosen, lifetime benefits would be reduced accordingly (La. R.S. 11:929B).
Rollover	Roll over all or a portion of the ORP account balance to an Individual Retirement Account (IRA) or qualified retirement plan.

**Annual disbursements must be an amount sufficient to satisfy federally required minimum distributions.*



All payment options/distributions must be approved by your ORP carrier.

Electing to leave the ORP and join the TRSL defined benefit plan

Eligible active, contributing ORP participants can make an irrevocable election to leave the ORP and join the TRSL defined benefit plan by submitting the *Election to Join TRSL after ORP Participation (Form 2TR)* to TRSL. With this election, the participant will join the pension system as a new member in the 2015 Plan. For more information about the 2015 Plan, visit www.TRSL.org.

There is a limited window of opportunity for leaving the ORP in order to join the TRSL defined benefit plan. Your window depends on when your ORP eligibility began. You also must meet other eligibility requirements.


What's my deadline for making the election?

First ORP-eligible employment was before August 1, 2020:

- Current ORP participant
- Active and contributing as of June 2024

Deadline for TRSL to receive election request:

June 30, 2025


A circular graphic with a red apple in the center. The apple is divided into four quadrants by a white cross. The text "ORP" is written in white on a black background across the center of the apple, and "1-year window" is written in red and black below it.

First ORP-eligible employment was on/after August 1, 2020:

- Current ORP participant
- Active and contributing at time of election

Deadline for TRSL to receive election request:

At any time within five years of first ORP-eligible employment. Your deadline could be as early as July 31, 2025.

A circular graphic with a green apple in the center. The apple is divided into four quadrants by a white cross. The text "ORP" is written in white on a black background across the center of the apple, and "5-year window" is written in green and black below it.



When will my new election be effective?

One-year window

- If TRSL receives the completed *Election to Join TRSL after ORP Participation (Form 2TR)* on or before December 31, 2024: ORP participation will end January 31, 2025, and enrollment in the TRSL defined benefit plan will begin prospectively on February 1, 2025.
- If TRSL receives the completed *Form 2TR* after December 31, 2024: ORP participation will end on the last day of the month following the month in which TRSL receives the completed election form. Enrollment in the TRSL defined benefit plan will begin prospectively on the first day of the month following the end of ORP participation.

Example: If TRSL receives a completed, signed Form 2TR on March 12, 2025, the ORP contributions will cease on April 30, 2025, and TRSL membership and contributions will begin on May 1, 2025.

Five-year window

- ORP participation will end on the last day of the month following the month in which TRSL receives the completed *Election to Join TRSL after ORP Participation (Form 2TR)*. Enrollment in the TRSL defined benefit plan will begin prospectively on the first day of the month following the end of ORP participation.

Example: If TRSL receives a completed, signed Form 2TR on November 10, 2024, the ORP contributions will cease on December 31, 2024, and TRSL membership and contributions will begin on January 1, 2025.

FREQUENTLY ASKED QUESTIONS about joining the defined benefit plan

How can I make this election?

Use Form 2TR, which is available from your employer. This form must be completed by you and your employer within the time limit set by state law. See table on page 8 for deadlines.

Who is not eligible for TRSL?

Anyone whose position is part-time, seasonal, or temporary

If I join TRSL, when will I be eligible to retire?

You can retire at age 62 with at least 5 years of service, or at any age with at least 20 years of service (actuarially reduced).

I was in the TRSL defined benefit plan before joining the ORP. What happens to my pre-ORP service credit balance that I left with TRSL?

If you left contributions with TRSL and did not roll them over to your ORP account, that service credit may be used to increase your monthly benefit but it cannot be used to attain eligibility for retirement. Pre-ORP service credit also will not count toward eligibility for disability or survivor benefits.

Can I transfer my ORP account into TRSL?

No, the ORP account will always remain separate from your TRSL pension. ORP funds cannot be transferred into TRSL and TRSL service credit cannot be given for your ORP participation time. You will continue to be able to manage the funds in your ORP account, but no new contributions can be made to your ORP account. You can receive distributions from your ORP account once you retire from the defined benefit plan or terminate all TRSL-eligible employment.

Can I refund my ORP contributions and use them to purchase service credit in the TRSL defined benefit plan?

No. State law does not permit this.



TRSL or the ORP: Which one?

The decision to join the ORP is irrevocable once your election window provided by La.R.S.11:932 expires. You should look at your career expectations carefully and realistically before deciding whether to enroll in TRSL or the ORP.

For more information on the differences between the two plans, refer to the comparison charts on page 12.

Questions to ask the SSA:

"At what age can I receive my full SS benefit, and how much will it be?"

"What is the earliest I can receive SS benefits and how much will that amount be?"

"Are there any earnings limits I should be aware of while I am still working and paying into TRSL?"

"Do I qualify for any exceptions to the GPO?"

"If GPO or WEP does apply, how much will my SS be reduced?"

Get a benefit estimate

When you receive an estimate of your Social Security benefit, it probably will not reflect GPO reductions. You should speak with the SSA to calculate Social Security to calculate reductions for you.

To help, it's a good idea to bring a benefit estimate with you when you meet with the SSA. Here's how to:

- Generate your own online benefit estimate using your Member Access account.
- Or submit Form 10 to the SSA.



Social Security

If you are also eligible for Social Security benefits from other employment, your Social Security benefit may be reduced according to federal regulations regardless of whether you participate in TRSL or the ORP.

For more information, see our brochure *Social Security & TRSL Benefits* at www.TRSL.org.

Am I eligible for Social Security benefits?

TRSL members (except those in Plan B) do not pay into Social Security, so they are not eligible for Social Security benefits through their TRSL-covered employment.

Some members may be eligible for Social Security benefits through their spouse or from another job in which they paid into Social Security.

Social Security may be a major source of retirement income for you. However, under federal law, Social Security benefits may be reduced upon receiving TRSL benefits.

This brochure explains the types of Social Security benefits and their possible reductions.

Comparison of benefit features

Plan type

TRSL	Defined benefit plan: Monthly pension determined by years of service, highest five-year average annual salary, and a benefit factor of 2.5%.
ORP	Defined contribution plan: Retirement benefit determined by contributions and investment performance.

Contributions

TRSL	Contributions do not determine benefits. Employee's contribution is 8% of salary. The employer makes a normal cost contribution.
ORP	Contributions determine benefits. Employee's contribution is 8% of salary (less a 0.05% administrative fee). <ul style="list-style-type: none">• Higher education employer contribution: The employer contribution rate is 6.2%.• Non-higher education employer contribution: The employer rate is 6.2%.

Duration of benefit

TRSL	Lifetime benefit. No matter how long you live, the retirement benefit will continue.
ORP	Duration of benefit is based on the amount accumulated in participant's ORP account.

When benefit is payable

TRSL	Lifetime benefit payable at: <ul style="list-style-type: none">• Age 62 with five years of service credit• Any age with 20 years of service credit (actuarially reduced) (<i>Excludes military service purchased after September 10, 1982</i>)
ORP	Annuity with or without a partial lump-sum payout possible at time of retirement. Rollover of up to 100% of ORP funds to an IRA or qualified plan may be done after termination of all covered ORP participation.

Guaranteed by

TRSL	State of Louisiana
ORP	Solvency of the ORP carrier

Plan election

TRSL	Unless an election is made to participate in the ORP, employees will be enrolled in TRSL.
ORP	From the date of employment, eligible employees can enroll in the ORP at any point before earning five years of TRSL service credit. The decision to join ORP is irrevocable once the election window provided by La.R.S.11.932 expires.

Survivor benefits

TRSL	Upon your death, if you have five years of service credit, your spouse and minor child(ren) may be eligible for survivor benefits.
ORP	Upon your death, the balance of the ORP account is paid out in a lump sum or as an annuity.

Disability benefits

TRSL	If you have 10 years of service credit (excluding service credit earned while on workers' compensation) and become disabled, you may be eligible for TRSL disability benefits for life. <i>NOTE: For individuals who first became members of a state public retirement system on or after January 1, 2011.</i>
ORP	Benefit based on accumulated contributions, payable at your option, after termination of ORP participation. No other disability benefits are included.

Portability of benefit

TRSL	Transferrable to other Louisiana public schools, colleges and universities, technical colleges, and many public agencies.
ORP	Portable to most U.S. colleges and universities.

Investment decisions

TRSL	TRSL controls the plan investments, which include your contributions, and bears the risk. The benefits a retiree receives from the TRSL plan are not dependent upon the investment decisions of TRSL or changes in the investment markets.
ORP	Participant controls own investments and bears the risk. <i>See ORP carrier's brochure.</i>

Social Security Participation

TRSL	TRSL members do not participate in Social Security, but are subject to Social Security reductions through the Windfall Elimination Provision and Government Pension Offset (WEP/GPO).
ORP	ORP participants do not participate in Social Security, but are subject to Social Security reductions through the Windfall Elimination Provision and Government Pension Offset (WEP/GPO).



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