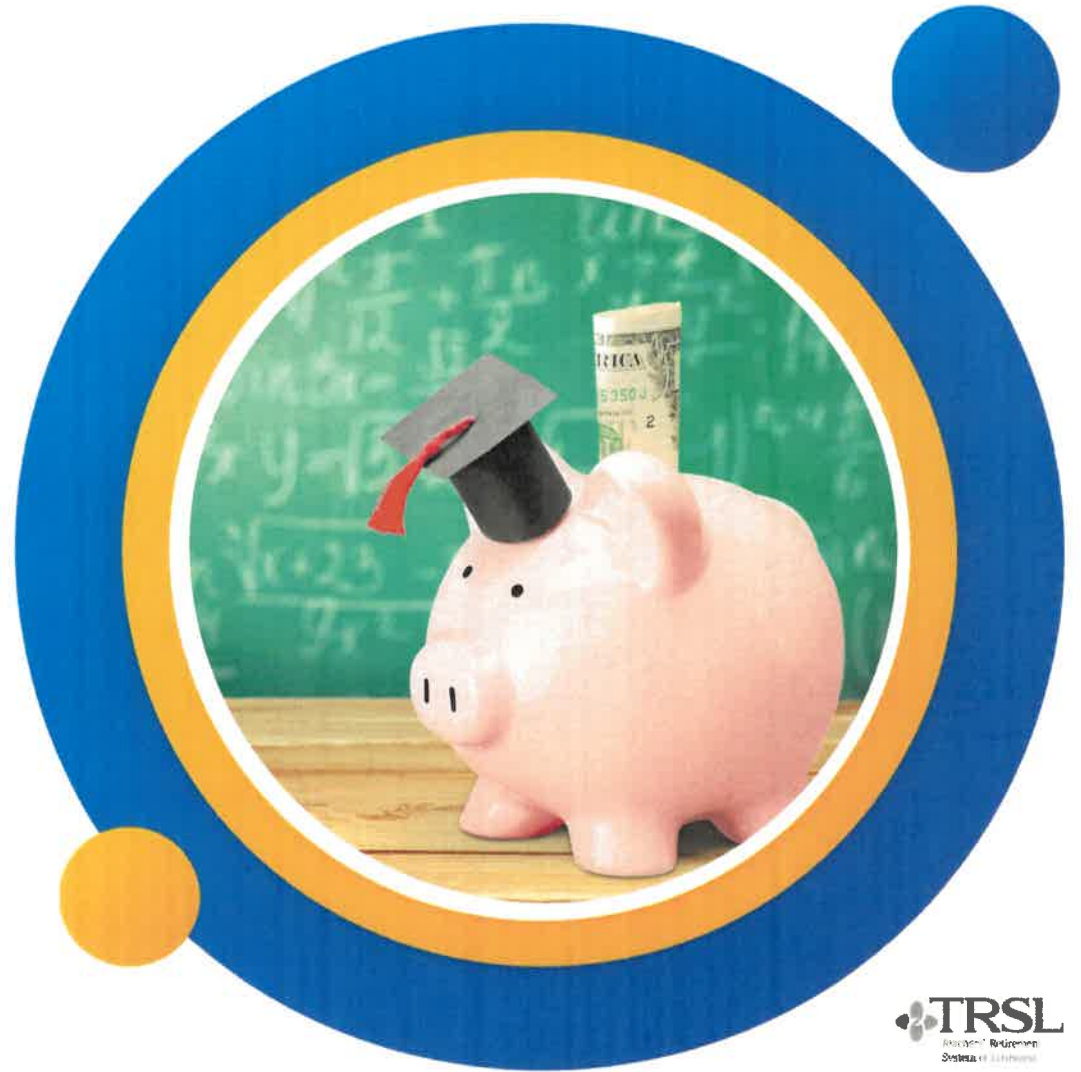


# Optional Retirement Plan

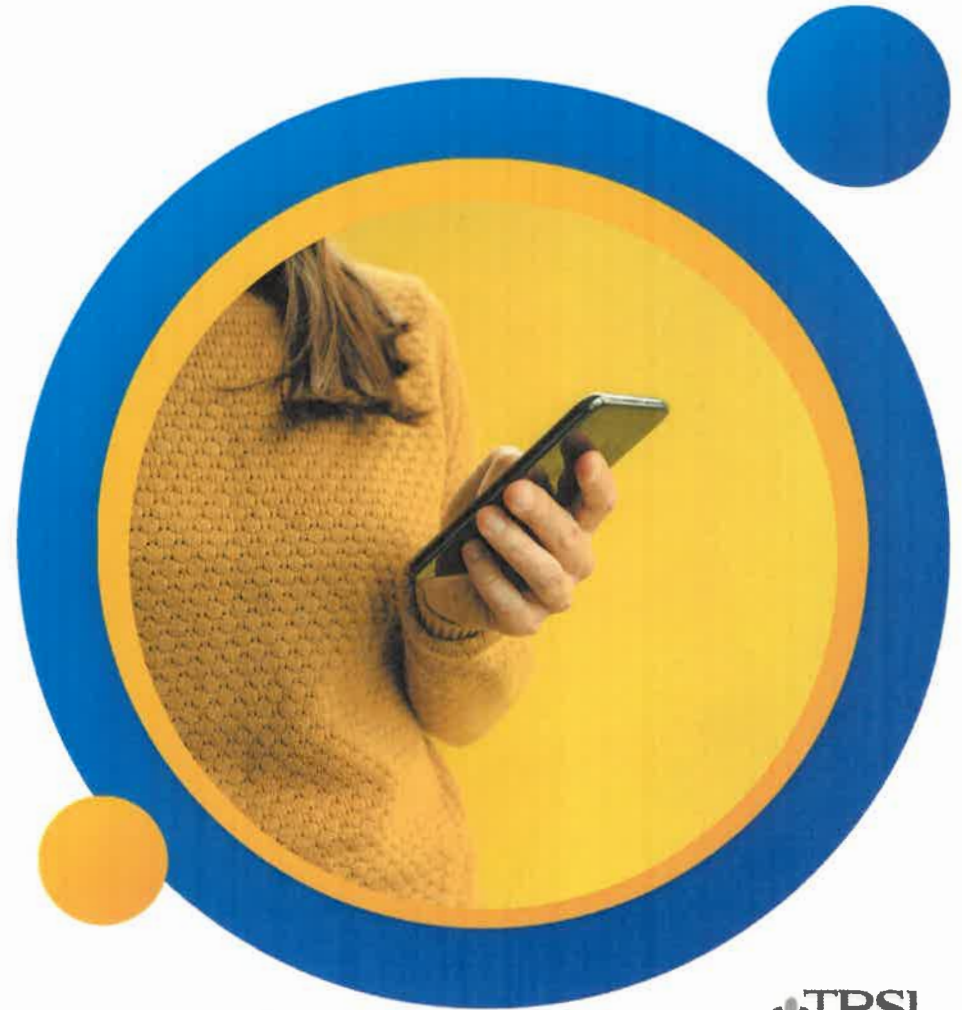
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2024



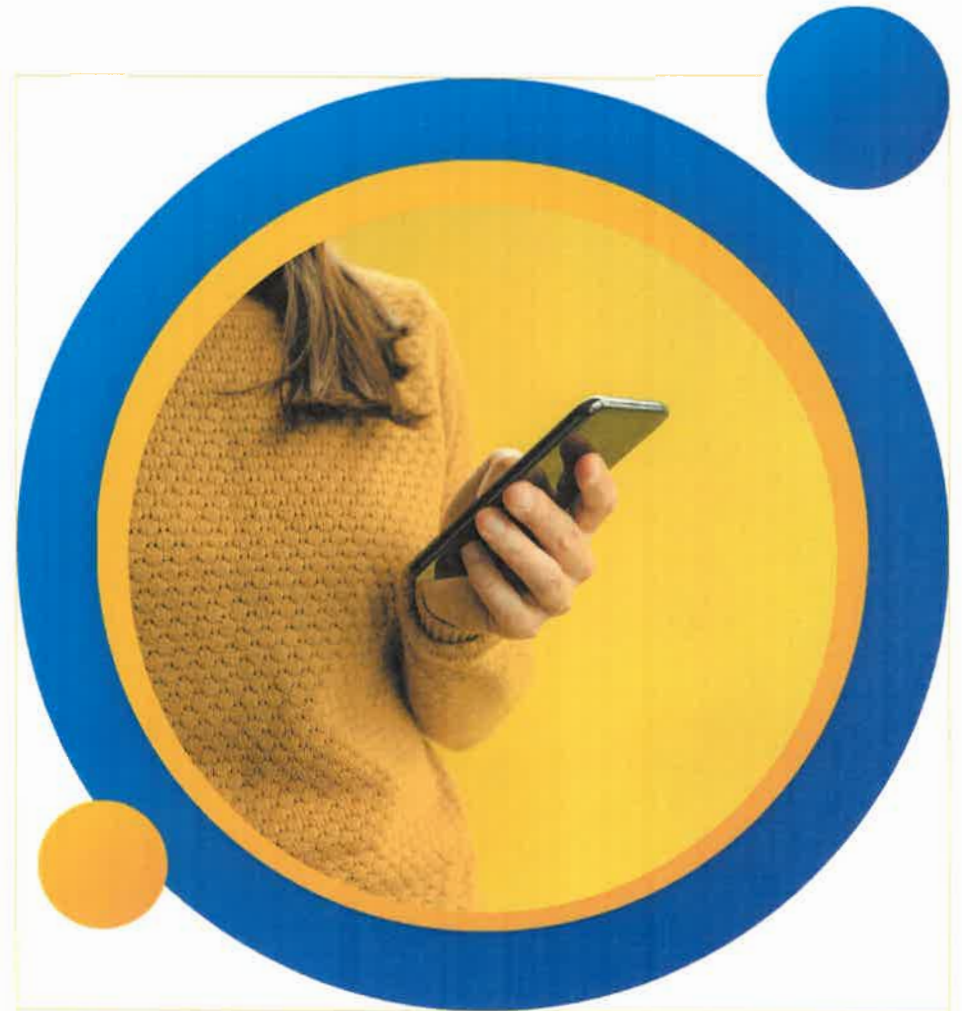
# Agenda

- What is ORP?
- Overview of changes
- Timeline of events
- TRSL retirement plans
- How your retirement is funded
- How to calculate your benefit



## Agenda continued

- Retirement eligibility
- Leave credit
- Types of retirement offered
- Other benefits
- Retirement considerations
- TRSL versus ORP
- Frequently asked questions



## These frequently asked questions will be addressed

- Sick leave and annual leave
- Health insurance
- What happens to your ORP contributions if you join TRSL's defined benefit plan
- How to identify your ORP election window





## WHAT IS ORP?

- Defined contribution plan in which account holders direct their own investments through private carriers
- Created in 1989 and has been available since July 1, 1990
- Available to **unclassified** employees of public institutions of higher education and their governing boards
- Designed to accommodate the higher education community with retirement benefits that are fully portable to other U.S. colleges and universities.

# DEFINED BENEFIT VS. DEFINED CONTRIBUTION

## TRSL Regular Plan (Defined Benefit)



## ORP (Defined Contribution)





## ORP VENDORS

**Voya Life Insurance  
& Annuity Company**



**Teachers Insurance  
and Annuity Association**



**Corebridge Financial**  
*formerly AIG  
Retirement Services*





## OVERVIEW OF CHANGES (ACT 109)

- Eligible ORP participants now have a limited window to leave the ORP and join TRSL's defined benefit plan.
- Depending on the date of their first ORP-eligible employment, participants have either a 1-year window **or** up to a 5-year window.
- The decision to leave the ORP and join the defined benefit plan **is irrevocable**.



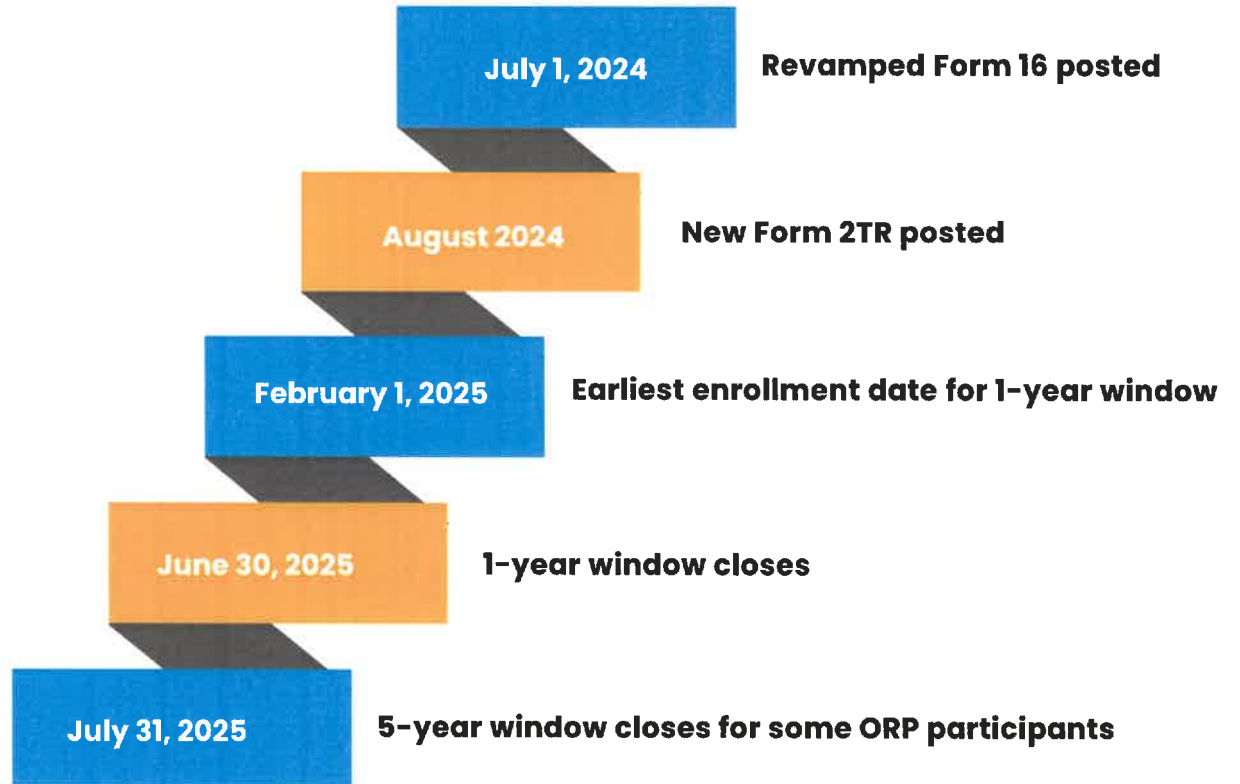
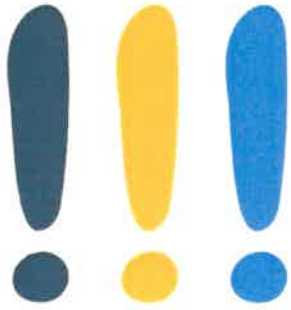
## ELECTION WINDOWS

	One-year window	Five-year window
<p><b>Who's eligible</b></p> <p><i>NOTE: Must be eligible for TRSL participation at the time of the election.</i></p>	<ul style="list-style-type: none"> <li>Current ORP participant whose first ORP-eligible employment occurred <b>before August 1, 2020</b>; and</li> <li>Is active and contributing as of June 2024</li> </ul>	<ul style="list-style-type: none"> <li>ORP participant whose first ORP-eligible employment began <b>on or after August 1, 2020</b>; and</li> <li>Is active and contributing at the time of the election</li> </ul>
<p><b>Option deadline</b></p>	<ul style="list-style-type: none"> <li>Have until <b>June 30, 2025</b> to make a one-time, irrevocable election to join the TRSL defined benefit plan as a new member in the 2015 plan.</li> </ul>	<ul style="list-style-type: none"> <li>Can make a one-time, irrevocable election to join the TRSL defined benefit plan as a new member in the 2015 plan at <b>any time within five years of their first ORP-eligible employment</b>. <i>This window can close as early as July 31, 2025.</i></li> </ul>

## EFFECTIVE DATES

	One-year window	Five-year window
<b>When will a new election be effective?</b>	<ul style="list-style-type: none"><li>▪ <b>If TRSL receives the completed Form 2TR on or before Dec. 31, 2024:</b> ORP participation will end on January 31, 2025 and enrollment in the TRSL defined benefit plan will begin prospectively on February 1, 2025.</li><li>▪ <b>If TRSL receives the completed Form 2TR after Dec. 31, 2024:</b> 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.</li></ul>	<ul style="list-style-type: none"><li>▪ ORP participation will end on the last day of the month following the month in which TRSL receives the completed 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.</li></ul>

# Timeline of events



# TRSL Retirement Plan

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## TRSL retirement plans

Regular Plan	Plan B
Most TRSL members, including teachers, administrators, support staff, and university personnel, etc.	School Food Service employees in 20 parishes.

## How your retirement is funded

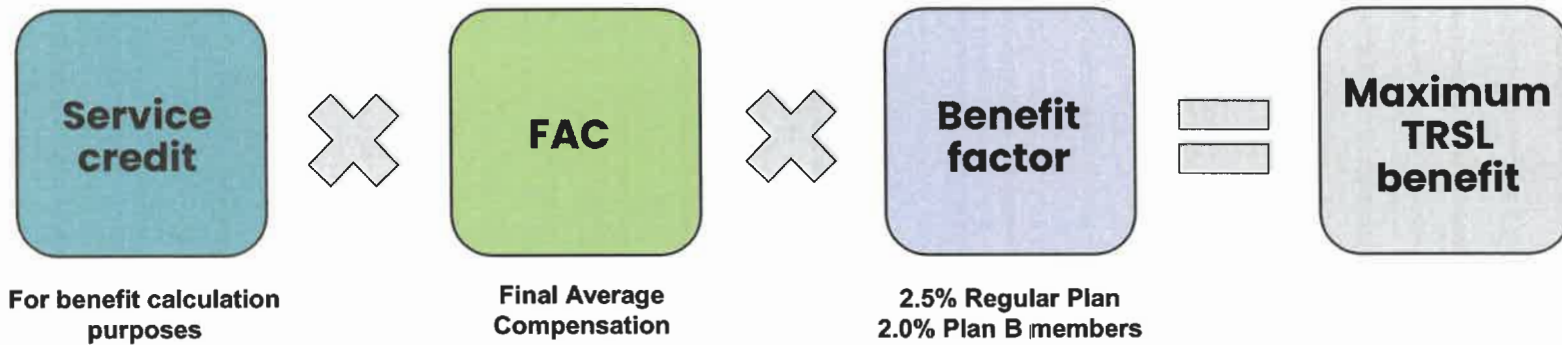
- Members pay a percentage of salary toward retirement:

<b>Regular Plan</b>	<b>8.0%</b>
<b>Plan B</b> ( <i>also contributes to SSA</i> )	<b>5.0%</b>

- Employers also pay contributions toward your retirement. The amount is based upon plan type.
- TRSL pools and invests employee and employer contributions.
- Investment earnings fund your lifetime retirement benefits.

## How your benefit is calculated

State law defines the benefit formula used to calculate the maximum TRSL benefit for which you are eligible:



## Retirement eligibility

Eligibility requirements	Benefit factor
<b>Regular Plan (on or after 7/1/15):</b> <ul style="list-style-type: none"><li>• At least age 62 with at least 5 years of service credit, <b>OR</b></li><li>• Any age with at least 20 years of service credit (actuarially reduced)</li></ul>	<b>2.5%</b>





## Types of retirement offered

- **SERVICE:** You stop working and begin receiving your lifetime monthly retirement benefit.
- **Deferred Retirement Option Plan (DROP):** You “freeze” your retirement benefit and continue to work for up to 36 months, building a retirement nest egg. You terminate employment (retire) some time after the completion of DROP participation. Upon termination of employment, you are eligible to withdraw from your DROP account plus receive your regular lifetime monthly retirement benefit.
- **Initial Lump-Sum Benefit (ILSB):** You retire, receive a lump-sum payment of up to 36 times your monthly maximum benefit, and receive an actuarially reduced lifetime monthly retirement benefit.

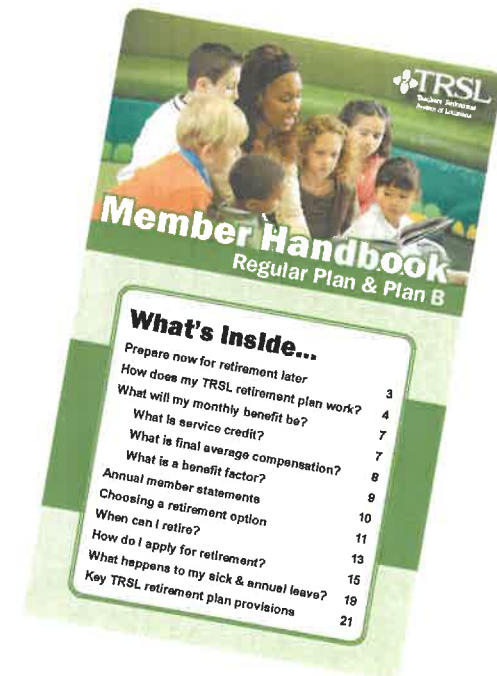
## Types of retirement offered

### With at least 5 years of service credit

- **DEFERRED:** Members can terminate their positions and leave their contributions with TRSL. Once eligible, inactive members can apply for a TRSL retirement benefit based on their years of service credit.

### With at least 10 years of service credit

- **DISABILITY:** If you are no longer able to perform your current job due to a disabling condition, you can apply for a TRSL disability retirement. It must be approved by the State Medical Disability Board.





## Leave Credit: Sick leave

1. At their discretion, your employer may pay you up to 25 days of unused sick leave at your daily rate of pay upon retiring or entering DROP.
2. At the time of retirement, **only** unused sick leave earned while in the TRSL defined benefit plan may be converted to service credit:
  - This can increase your monthly retirement benefit.
  - TRSL makes this conversion 4-6 months **after you have retired**, when your final benefit has been calculated.

***Unused sick leave cannot be used to attain eligibility for retirement.***



## More on sick leave credit

- Your sick leave balance for conversion to TRSL service credit is not based on the actual sick leave you earn as a state employee.
- Your sick leave for purposes of conversion to service credit is based on a formula and takes into account the number of days of sick leave you use while a member of the defined benefit plan.
- Only up to 1-Year of sick leave can be converted to service credit; the remaining sick leave balance earned after switching to the DB Plan may be purchased for additional service credit

## Example of sick leave conversion

Joe is a 9-month contract member who retires with 23 years of service credit in the TRSL defined benefit plan. He earns 10 sick leave days per year. He used 82 sick days during this period of time.

Here's how his sick leave will convert using Table 2 in the Sick Leave brochure:



23 years × 10 sick days earned per year =  
230 sick leave days

230 days - 82 sick days used - 25 days paid =  
123 unused sick leave days

**TOTAL:** Under *Table 2*, the 9-month employee's 123 unused sick leave days convert to **0.7 year of service credit**

**Table 2: Unused Sick Leave Conversion (Sick leave earned on or after July 1, 1988)**

Sick day balance		Service credit earned
9-month employees	10-month employees	
10 - 18 days	11 - 20 days	0.1 year
19 - 36 days	21 - 40 days	0.2 year
37 - 54 days	41 - 60 days	0.3 year
55 - 72 days	61 - 80 days	0.4 year
73 - 90 days	81 - 100 days	0.5 year
91 - 108 days	101 - 120 days	0.6 year
109 - 126 days	121 - 140 days	0.7 year
127 - 144 days	141 - 160 days	0.8 year
145 - 162 days	161 - 180 days	0.9 year
163 - 180 days	181 - 200 days	1.0 year

Sick day balance		Service credit earned
11-month employees	12-month employees	
12 - 22 days	13 - 24 days	0.1 year
23 - 44 days	25 - 48 days	0.2 year
45 - 68 days	49 - 72 days	0.3 year
67 - 88 days	73 - 96 days	0.4 year
89 - 110 days	97 - 120 days	0.5 year
111 - 132 days	121 - 144 days	0.6 year
133 - 154 days	145 - 168 days	0.7 year
155 - 176 days	169 - 192 days	0.8 year
177 - 198 days	193 - 216 days	0.9 year
199 - 220 days	217 - 240 days	1.0 year



## Leave credit: Annual leave

- Employees of Louisiana state agencies, colleges, universities, community colleges, and technical colleges may earn annual leave (12-month employees).
- Members who earn annual leave are usually paid up to 300 hours or 37.5 days of annual leave by their employers upon termination of employment.
- **Unused annual leave cannot be converted to service credit.** Please speak to your employer to discuss your options if you anticipate having more than 300 hours of annual leave upon retirement.

# Tax Liabilities



	Subject to LA STATE income tax?	Subject to FEDERAL income tax?
<b>Regular monthly retirement benefits</b>	NO*	YES
<b>DROP withdrawals paid directly by TRSL</b>	NO*	YES

*\*LA state tax exemption is not automatic.  
You must claim the exemption when you file your  
LA taxes:*

Louisiana State Teachers' Retirement Benefits		
Taxpayer date retired:	01/01/2017	Spouse date retired: 01/01/2017
		03E

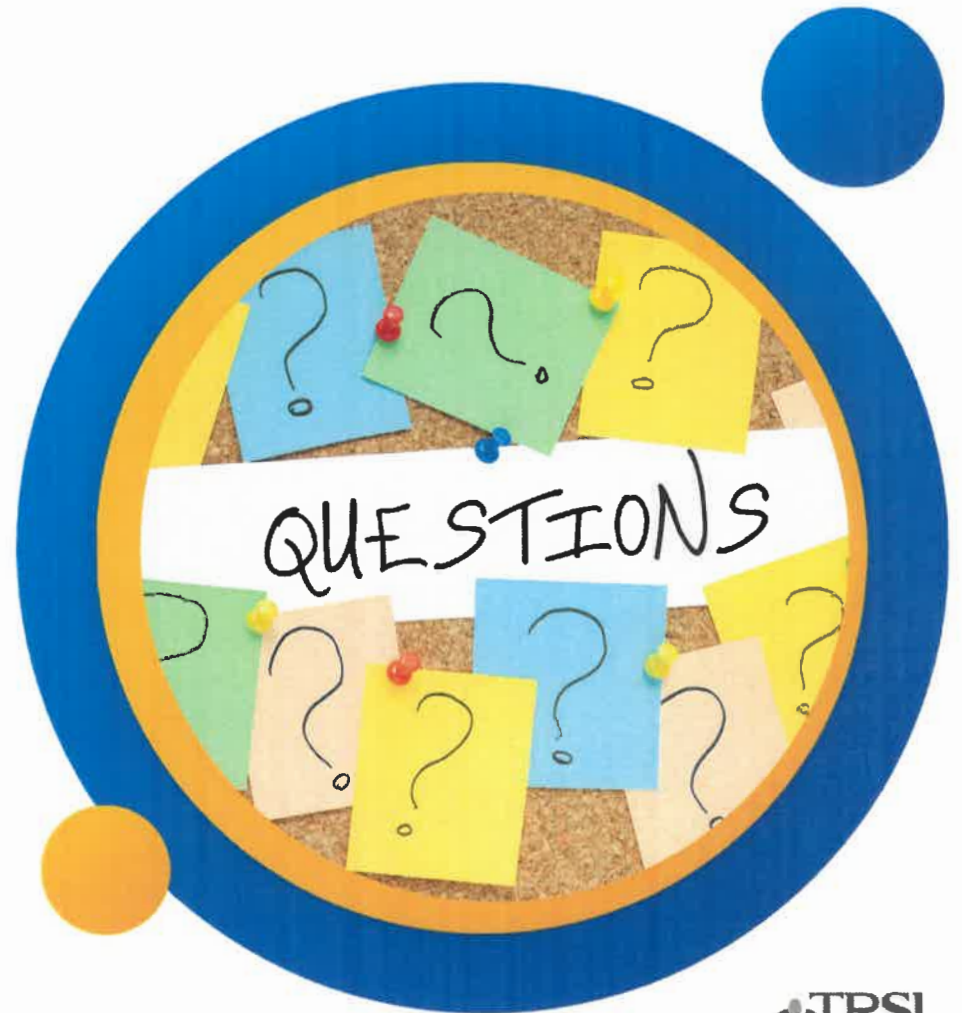
# COMPARISON OF PLANS

## TRSL VERSUS ORP

Lifetime benefit that member will never outlive	<b>Duration of benefit</b>	Duration of benefit is based on the amount accumulated in participant's ORP account
Lifetime benefit, payable after at least 5 years of service at age 62	<b>Benefit payment</b>	Annuity with or without a partial lumpsum payout possible at time of retirement
State of Louisiana	<b>Guaranteed by</b>	Solvency of ORP carrier
Eligibility begins with 10 years of TRSL service credit	<b>Disability benefits?</b>	Benefit based on accumulated contributions, payable at your option
Eligibility may begin with 5 years of TRSL service credit	<b>Survivor benefits?</b>	Upon your death, the balance of your ORP account is paid in lump sum or as annuity
Transferrable to other Louisiana public schools, colleges and many public agencies	<b>Portability</b>	Portable to most colleges and universities in the U.S.



# FREQUENTLY ASKED QUESTIONS



# How can an ORP participant make the election?

- Form 2TR is available online.
- This form must be completed by the ORP participant and the employer within the time limit set by state law.
- Since TRSL cannot accept any portion of this form as a scanned copy, we recommend:
  - that you hand deliver this form to your employer once you've completed your portion **OR**
  - that you fill out the form in your employer's presence.
- Your employer will mail the completed form to TRSL.

**TRSL Election to Join TRSL after ORP Participation (Form 2TR)**

**APPLICANT** I, the undersigned, am the ORP participant who hereby makes a one-time irrevocable election to re-join the TRSL System of Retirement Plans as a new member of the 2015 regular plan of the Teachers' Retirement System of Louisiana, as defined in La. R.S. 11:932. I understand that I will not receive any portion of my ORP account until all employment has ended.

**EMPLOYER** I, the undersigned, am the employer of the ORP participant who hereby makes a one-time irrevocable election to re-join the TRSL System of Retirement Plans as a new member of the 2015 regular plan of the Teachers' Retirement System of Louisiana, as defined in La. R.S. 11:932. I understand that I will not receive any portion of my ORP account until all employment has ended.

**STATEMENTS TO BE SIGNED AND DATED BY BOTH PARTIES:**

- I, the undersigned, hereby make the election provided for by La. R.S. 11:932 to re-join the TRSL 2015 Retirement Plan, which is a defined benefit pension plan. I further understand that under this plan I will be eligible for retirement benefits at a minimum age 62 with five years of service credit earned after the effective date of my election, or for an actuarially reduced retirement benefit at any age with five years of service credit earned after the effective date of my election. I further understand that I will be eligible for disability and survivors' benefits and/or I have named a beneficiary which will take effect after the effective date of my election to be eligible for those benefits.
- I understand that my election to leave the ORP and enroll in the TRSL defined benefit plan will be effective when the amount of air required is determined by TRSL and subject to the timing set forth in La. R.S. 11:932.
- I understand that, if all required documents are received to my account under La. R.S. 11:932 as required by TRSL prior to the expiration of the time period set forth in La. R.S. 11:932 for me to make this election, then my election will be placed and I will no longer be eligible to leave the ORP and join the TRSL defined benefit plan. I do not understand that I will remain a participant in the ORP.
- I understand that, as a result of the decision to make the election provided for by La. R.S. 11:932, any service credit remaining in the TRSL System of Retirement Plans (as defined in La. R.S. 11:932) will be allocated to my account and I will be eligible for benefits computed pursuant to the TRSL System of Retirement Plans as defined in La. R.S. 11:932.

**EMPLOYER AND APPLICANT SIGNATURES AND DATES:**

**Section 1 - Member information and acknowledgments, as confirmed by my initials placed beside each statement in the presence of the undersigned and witnessed:**

**EMPLOYER SIGNATURE AND DATE:** \_\_\_\_\_

**APPLICANT SIGNATURE AND DATE:** \_\_\_\_\_

**Employer must complete reverse side.**



## Who is not eligible for TRSL?

- Anyone whose position is part-time, seasonal or temporary employment.
- Anyone who is no longer employed by a TRSL-participating employer.



## Can ORP balances be transferred into TRSL?

- No, the ORP account will always remain separate from the TRSL pension account.
- ORP funds cannot be transferred into TRSL and no TRSL credit can be given for the time in which someone participated in the ORP.
- Employee will continue to be able to manage funds in their ORP account, but no new contributions can be made to their ORP account.
- Employee can receive distributions from their ORP account once they retire from the defined benefit plan or terminate all TRSL service.



## Can ORP contributions be refunded to buy service credit?

- No. State law does not permit this.



## Who can answer questions about health insurance?

- Health insurance, including any retiree health insurance through the Office of Group Benefits (OGB), is an employment benefit provided to you by your employer.
- For health insurance questions we suggest contacting your employer and OGB directly.

### OGB Customer Service

OGB customer service is available Monday through Friday from 8:00 AM to 4:30 PM to answer questions about your OGB health coverage, life insurance and flexible benefits. You can reach OGB Customer Service by email at [OGB.CustomerService@la.gov](mailto:OGB.CustomerService@la.gov) or by phone at 1-800-272-8451.



## What happens to my annual/sick leave if I move from the ORP to the defined benefit plan?

- Leave earned while a participant in the ORP does not convert to a retirement benefit, either in the ORP or in the TRSL defined benefit plan.

### **How annual/sick leave works in the TRSL defined benefit plan:**

- Annual leave cannot be converted to service credit in TRSL.
  - Annual leave earned after joining the DB plan may be purchased for additional service credit.
- Unused sick leave does not directly convert into extra service credit.
  - Once you have attained eligibility for retirement, state law directs TRSL to assume a certain number of sick days allotted based on your years of service and to subtract your actual sick leave used in those years, and any sick leave paid out, from that number. Up to 1 year of this sick days' allotment may be converted to service credit.

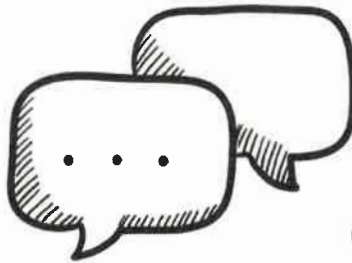
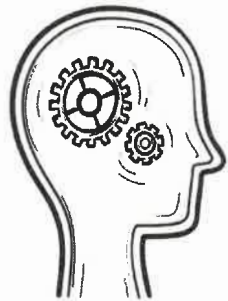


## Is there a comparison calculator?

- TRSL has a comparison calculator at [www.trsl.org/orp](http://www.trsl.org/orp) that you can use to estimate your TRSL benefit by the inputted data that you provide.
- When using the [comparison calculator](#), please be aware that your ORP account is not linked to the calculator and the ORP comparison will project your ORP benefit as a new contributing member to the ORP. It will not take into account any previously accumulated ORP contributions.
- If you use the calculator as a resource to decide whether to switch to the TRSL defined benefit plan or remain in the ORP, you will need to compare the projected TRSL benefit with the ORP retirement projections provided by your financial advisor.



## Questions?



If you have any specific questions about the TRSL defined benefit plan or about the ORP, please contact us at [AskTRSL.org](http://AskTRSL.org) so we can look up your account and assist you directly.

If you want to know whether the TRSL defined benefit plan or the ORP is best for you, please consult a financial advisor.

## Resources

- Fact sheets, FAQs, ORP comparison calculator and more at [Trsl.org/ORP](https://Trsl.org/ORP)





Visit [www.trsl.org](http://www.trsl.org) for even more resources

- A virtual library of TRSL brochures, including:
  - **TRSL's sick leave brochure**
  - **Member Handbook** with details on the defined benefit plan
  - **Purchases & Transfers of Service Credit**
  - **TRSL/SSA Benefits** with questions you can ask SSA
- Forms (including the Form 2TR)
- Webinars, workshops and on demand videos

# www.TRSL.org has ORP-specific resources

## ORP Comparison Calculator



This calculator compares retirement benefits offered by TRSL's Regular Plan with those available through the Optional Retirement Plan (ORP). Carefully and realistically consider your career expectations before deciding whether to participate in TRSL or ORP. The decision to join the ORP is **irrevocable** once your transfer window provided by La. R.S. 11:832 expires. Detailed information about the ORP, including a comparison of benefits, is available in our [ORP Brochure](#).

If you have less than five years of TRSL service credit, you can use your most recent TRSL Member Statement (available online through [Member Access](#)) to help you enter your personal information, or you can use your HRIS estimate.

**NOTE:** Enter your current salary if you've received a salary increase since the date of the Member Statement you're using.

Those K-12 teachers with more than five years of service credit who are transferring to an ORP-eligible position, should contact TRSL for further guidance.

### Personal Information

Date of birth

TRSL Regular Plan employee contribution balance \$

**\*\*Effective Date:**

Your ORP account is not listed in this calculator and the ORP comparison will project your ORP benefit as a **new** contribution member to the ORP. It will not take into account any previously accumulated ORP contributions.

- If you want to move from the TRSL defined benefit plan to the ORP, insert your date of hire for a comparison between the TRSL and ORP.
- If you want to move from the ORP to the TRSL defined benefit plan, insert the date you anticipate moving to the defined benefit plan for a comparison between TRSL and ORP.

**NOTE:** If you are using this calculator to decide whether to move to the TRSL defined benefit plan, you will need to compare the projected TRSL benefit with the retirement projection provided by your ORP provider.

Effective Date \*\*

Annual salary \$



# TRSL.org has ORP-specific resources

## Fact sheets

### ORP changes are here! *Here's what you need to know.*

Act 109 created a limited window of opportunity for eligible ORP (Optional Retirement Plan) participants to join the TRSL defined benefit plan as a new member!

Interested in making the election?

Find your eligibility window to determine your deadline:

**IMPORTANT: The decision to leave the ORP is irrevocable.**



If you were eligible for ORP before Aug. 1, 2020

Current, active ORP participants who first became eligible for the ORP prior to Aug. 1, 2020, will have a one-year window to make this election. *The deadline for submitting your election paperwork to TRSL is June 30, 2025.*



If you were eligible for ORP on or after Aug. 1, 2020

ORP participants who first became eligible for the ORP on or after Aug. 1, 2020, will have up to a five-year window to make this election by submitting the required paperwork to TRSL. *The window begins on your first ORP eligibility date and closes after five years. Your window may close as early as July 31, 2025.*

Scan the QR code for  
more details and FAQs.



## Brochure



### Optional Retirement Plan

Includes a comparison of TRSL and the ORP

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## WE'RE HERE FOR YOU

- **Local phone:** (225) 925-6446
- **Toll free (outside Baton Rouge):**  
1-877-ASK-TRSL (1-877-275-8775)
  
- **Website:** *www.TRSL.org*
- **Questions:** *AskTRSL.org*



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