

July 2025

Optional Retirement Plan

Is your chance to join TRSL's defined benefit plan about to expire?



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Teachers' Retirement
System of Louisiana

FRIENDLY REMINDERS

- This presentation contains general information meant to be used as a guide during the webinar.
- All participants are muted except the presenters.

Have a question?

- There will be question-and-answer periods during the webinar.
- Type your question in the **Questions** area during the webinar.

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What to expect

- What is ORP?
- Overview of recent changes
- Understanding the limited windows of opportunity
- TRSL versus ORP
- Frequently asked questions
- How to contact TRSL



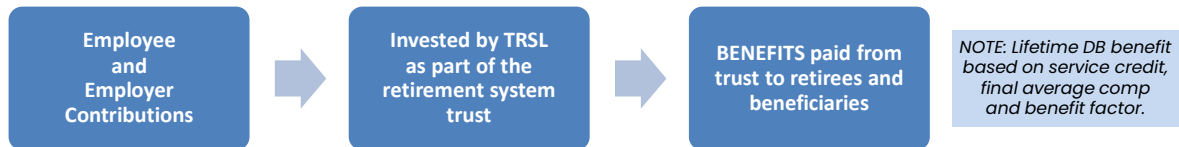
WHAT IS ORP?

- A 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 postsecondary institutions and their governing boards
- Designed to accommodate the postsecondary education community with retirement benefits that are fully portable to other U.S. colleges and universities.

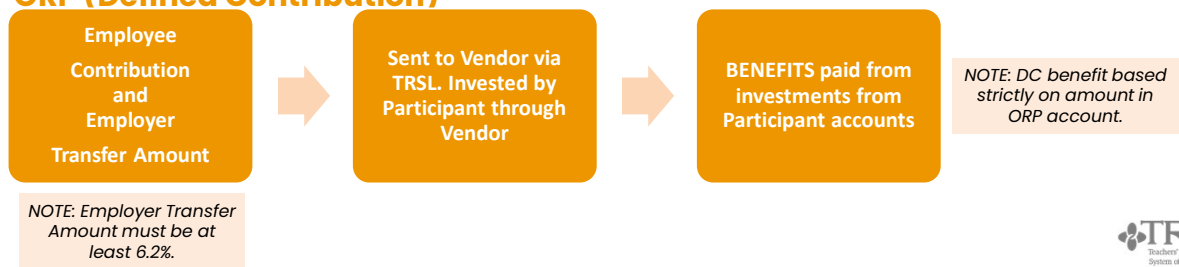


DEFINED BENEFIT VS. DEFINED CONTRIBUTION

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 MADE IN 2024

- Eligible ORP participants were given a limited window of opportunity to transfer to TRSL's defined benefit plan.
 - » **1-year window:** For ORP participants whose first ORP-eligible employment occurred before August 1, 2020 and were active and contributing as of June 2024.
 - » **5-year window:** For ORP participants whose first ORP-eligible employment began on/after August 1, 2020 and were active and contributing at the time of the election.
- The decision to leave the ORP and join the defined benefit plan **is irrevocable.**



OVERVIEW OF CHANGES MADE IN 2025 (ACT 47)

- Extends the 5-year election window to switch back to the TRSL defined benefit plan to **seven years.**
- Provides a **60-day window of opportunity** to leave the ORP and join the TRSL defined benefit plan to certain individuals who initially were not eligible to make the election.
- Creates a 9-member ORP advisory committee with representation from each of the state's four public postsecondary systems, as well as one ORP participant not employed in higher education.
- Adds the commissioner of higher education or designee as an ex officio member on the TRSL Board of Trustees.
- Allows individuals who are at least **age 60** at first TRSL-eligible employment or at least **age 55 with 40 quarters in Social Security** to opt out of membership in the TRSL defined benefit plan.



New changes!

ELIGIBILITY WINDOWS

	60-day window	Seven-year window (was 5 years)
Who's eligible	<ul style="list-style-type: none"> First ORP-eligible employment occurred before August 1, 2020; <i>but</i> <u>Not</u> active and contributing as of June 30, 2024 	<ul style="list-style-type: none"> First ORP-eligible employment began on or after August 1, 2020;
Deadline for receipt of form for election to join the defined benefit plan	<ul style="list-style-type: none"> Deadline based on first eligible employment occurring on/after July 1, 2024. <ul style="list-style-type: none"> Between July 1, 2024–July 3, 2025: Have until Sept. 2, 2025. On/after July 4, 2025: Have 60 calendar days from the date that eligible employment occurred. 	<ul style="list-style-type: none"> Can make a one-time, irrevocable election to join the TRSL defined benefit plan as a new member in the 2015 Plan at any time within seven years of your first ORP-eligible employment.



COMPARISON OF PLANS: TRSL vs. ORP

TRSL		ORP
Employee - 8% Employer - normal cost Benefit not based on contributions	Contributions	Employee - 8% (less 0.05% admin fee) Employer - 6.2% (minimum, though governing boards can set higher rate)
Lifetime benefit	Duration of benefit	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	Benefit payment	Annuity with or without a partial lump-sum payout possible at time of retirement
TRSL controls and bears risk of investments	Investment decisions	Participant controls and bears risk of own investments



COMPARISON OF PLANS: TRSL vs. ORP

TRSL		ORP
No	Pay Into Social Security?	No
State of Louisiana	Guaranteed by	Solvency of ORP carrier
Eligibility begins with 10 years of TRSL service credit	Disability benefits?	Benefit based on accumulated contributions, payable at participant's option, after termination of ORP participation
Eligibility may begin with 5 years of TRSL service credit	Survivor benefits?	Upon death, the balance of the ORP account is paid in lump sum or as an annuity
Transferable to other Louisiana public schools, colleges and many public agencies	Portability	Portable to most U.S. colleges and universities



FREQUENTLY ASKED QUESTIONS




Who is not eligible for TRSL?

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

Who is now eligible to switch to TRSL who previously wasn't?

- Those who were first employed in a position eligible for ORP before August 1, 2020, who were not active and contributing on June 30, 2024, but who became employed in a position eligible for TRSL on/after July 1, 2024.



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What will the new retirement eligibility be?

- ORP participants who join TRSL's defined benefit plan will be eligible to receive a retirement benefit:
 - » at age 62 with at least 5 years of service or
 - » at any age with at least 20 years of service (actuarially reduced)



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 TRSL service credit?

- No. State law does not permit this.



QUESTIONS?





WE'RE HERE FOR YOU



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