



**HOUSE RESOLUTION 143 TASK FORCE MEETING**  
**Wednesday, October 15, 2025**  
**Claiborne Building, Thomas Jefferson Room C, 1-136**  
**10:00 a.m. – 12:00 p.m.**

<b>Task Force Members Present</b>	<b>Affiliation</b>
Eddie Meche	University of Louisiana System (ULS)
Ashley Jackson	University of Louisiana System (ULS)
Dr. Bryan Fuller	University of Louisiana System (ULS)
Dr. Jeannine O'Rourke	University of Louisiana System (ULS)
Tommy Smith	Louisiana State University System (LSU)
Haley "Niki" Norton	Louisiana State University System (LSU)
Desiree Honore Thomas	Southern University System (SUS)
Dawn M. Harris	Southern University System (SUS)
Dr. Ghirmay S. Ghebreyesus	Southern University System (SUS)
Dr. Cynthia Bryant	Southern University System (SUS)
Gena Doucet	Louisiana Community and Technical Colleges System (LCTCS)
Dr. Mark McLean	Louisiana Community and Technical Colleges System (LCTCS)
Beth Alford	Louisiana Community and Technical Colleges System (LCTCS)
Kenneth "Kenny" Herbold	Louisiana Legislative Auditor
Dr. Samuel Gladden	Board of Regents
Kenneth "Trey" Roche	Teacher's Retirement System of Louisiana
<b>Task Force Members Absent</b>	<b>Affiliation</b>
Dr. Wendi Palermo	Louisiana Community and Technical Colleges System (LCTCS)
Dr. Daniel "Dan" Tirone	Louisiana State University System (LSU)
Dr. Jane Cassidy	Louisiana State University System (LSU)
Heath Williams	Office of Group Benefits
<b>Staff Members Present</b>	<b>Affiliation</b>
Elizabeth Bentley-Smith	Board of Regents

## **CALL TO ORDER**

Dr. Mark McLean called the meeting to order at 10:05 a.m.

## **ROLL CALL**

Elizabeth Bentley-Smith called roll and a quorum was established.

## **APPROVAL OF AUGUST MINUTES**

On motion of Tommy Smith, seconded by Gena Doucet, the minutes were approved.

## **DISCUSSION OF PHASED RETIREMENT PLAN OPTION RECOMMENDATIONS**

Ms. Bentley-Smith reviewed the components of the task force responsibilities.

### **1. Challenges and Benefits of Phased Retirement**

#### **a. Challenges**

- i. No statewide or system-wide standardization of plans
- ii. Scope of phased retirement plan and degree to which each system can develop its own plan must be outlined
- iii. Potential legal and policy issues
- iv. If rehires are allowed, this negates the purpose of phased retirement.

***No additional comments from the task force regarding challenges.***

#### **b. Benefits**

- i. Succession planning
- ii. Employees can phase out of the workforce while continuing to support the mission, providing for transfer of knowledge
- iii. Promotes renewal of the professoriate to ensure institutional vitality and provide flexibility and support to employees nearing retirement

***Task force members agreed that the primary benefit would be succession planning, rather than cost savings.***

### **2. Structure of phased retirement programs in other states**

- a. Broad range of phased retirement programs exist and each program is unique
- b. Most programs only allow full-time, tenure-track faculty who are eligible for retirement to participate

- c. Faculty members submit proposals for work tasks over a phased period, which is typically three years and must be approved through a department, college or central office
- d. The approval process is not automatic as phased retirement must be beneficial to the university
- e. Minimum 50% effort in the program

#### Discussion

- Discussion of whether the system or institution should decide to offer the program
- Dr. Gladden raised concerns about consistency
- Dr. McLean stated system policies could have institutional nuances
- Ms. Bentley-Smith noted that it goes back to the agreement and who would be responsible for making the decisions as to who can participate
- Transfers between institutions/systems were discussed in relation to IRS definitions and control. Mrs. Thomas noted that a system is considered one employer by the IRS

***The task force recommends the contract duration should be a predetermined time period (maximum of three years) with the specific contract length determined by each system.***

### 3. **Potential cost** of implementing a phased retirement plan in Louisiana

- a. Not likely to be additional costs to implement a phased retirement plan; however, it is also unlikely to generate any cost savings for the state
- b. Little to no cost reduction and may lead to increased costs for universities
- c. Plan changes that incentivize employees to retire earlier can result in an actuarial cost to the retirement system

#### Discussion:

- Dr. McLean emphasized framing the recommendation as ‘cost factors’ to consider when implementing a phased retirement plan
- Ms. Bentley-Smith noted actuarial costs and potential impact on retirement systems
- Trey Roche stated that the cost will depend on the program design
- Kenny Herbold stated that it seems like the plan would be restrictive and not impact a many people’s behavior, so any cost may not be large
- Ms. Doucet noted that LCTCS does not offer tenure, so its faculty would not be able to participate
- Niki Norton noted the costs will come in when double-encumbering people in those positions.

### 4. **Potential eligibility requirements** of a phased retirement program

- a. Limited to full-time tenured faculty members who have met regular retirement eligibility under TRSL and are in “good standing”
- b. Individuals who have already taken regular retirement are not eligible
- c. The employee’s workload and schedule during phased retirement shall be determined by agreement between the employee and the institution

Discussion:

- The first determining factor is what population to include: only faculty or faculty and staff
- Dr. Gladden requested clarification of the definition of ‘faculty’, Ms. Bentley-Smith gave explanation of which employees are deemed faculty based on what is reported on the EMPSAL (Employee Salary Data System) report
- Ms. Norton stated there is not an appetite for extending phased retirement to staff
- Dr. McLean stated that the task force should not exclude staff but define eligibility clearly
- Ms. Doucet raised concerns about costs if extended to staff, since that will increase the number of eligible participants
- Dr. Bryant stated that it would be beneficial to extend the program to staff if the goal is to pass on knowledge to younger employees
- Mr. Meche stated that some areas may benefit from including staff
- Ms. Bentley-Smith noted that if the program was opened to staff, the task force would have to define which positions would be eligible and which ineligible. The systems would need to determine the level of oversight based on the needs of the institution. Participation eligibility would need to be approved by the system and then equitably applied at member institutions
- Dr. Gladden recommended using the term full-time faculty and removing tenure or tenure-track
- Ms. Bentley-Smith noted that age requirements, years of service and vesting would put guardrails around faculty and staff participation. She also stated that specific exclusions may apply (e.g., campus safety roles)

***Recommendation regarding years of service: Proposed minimum ten years of collective service (not necessarily consecutive), without refund of retirement contributions, which applies to TRSL and LASERS members.***

5. **Time-period for implementation** of potential phased retirement program
  - a. As soon as possible
  - b. Individually by institution
  - c. Two-year time period from approval date

***Task force recommends earliest start: July 2, 2027***

6. **Salary and retirement benefits** to be received during phased retirement
  - a) Faculty members awarded professorships should continue receiving funding as incentive to enter phased retirement

- b) Members of defined contribution plans should be allowed to withdraw funds
- c) Participants should retain full-time benefits
- d) Extend earning years by continuing part-time work
- e) Participants shall not be eligible for promotions or salary increases
- f) Contributions to retirement plans shall be based on reduced salary
- g) Participants remain eligible for retirement contributions
- h) Service credit toward retirement may be reduced proportionally
- i) Sick leave for an employee in phased retirement shall be reduced proportionally to the reduction in effort
- j) Faculty participants ineligible for sabbatical leave
- k) TRSL and Actuary would need to analyze cost impact of any proposed plan that allows for the payment of retirement benefits during phased retirement
- l) Continued employment will reduce or delay entering retirement health plans or enrollment in Medicare

#### Discussion

- Following discussion of the definition of professorships, it was decided that any references to professorships be removed from recommendations due to institutional variability
- Dr. Fuller noted that endowed positions may carry donor restrictions
- Optional Retirement Plan (ORP) members can withdraw their money at any time, so that is something to keep in mind
- Ms. Bentley-Smith noted that the phased retirement participants should continue to receive their health benefits
- Defined benefit plan members discussion regarding phased retirement participants continuing to contribute to retirement plan and receive retirement payments ended in agreement that participants stop earning service credit and have the option of contributing to a supplemental retirement plan (e.g., 403(b))
- Mr. Herbold noted a possible employer incentive due to lower personnel cost.
- System-wide decision needed for consistent approach

***Recommendation: Employee and employer will stop contributions, and the participant can receive a portion of retirement benefits based on percent of effort, but not less than 50%. Participants can contribute to supplemental retirement plans and will retain full-time status (75%) for health insurance.***

#### 7. Potential of providing **additional lifetime income**

- a) Employees should receive percentage of contribution to annuity consistent with reduction of workload percentage
- b) Mandatory contributions proportionate to reduced salary
- c) Allow or encourage deferring pension or 403(b) withdrawals until after phased period
- d) Additional contributions to retirement plan during phased period can increase the retirement funds for employees
- e) Encouraging phased retirees to contribute to supplemental plans during reduced service years may strengthen retirement readiness

- f) ORP participants currently have the ability to annuitize their ORP accounts

*No additional comments from the task force members regarding lifetime income.*

### **RECOMMENDATIONS: PHASED RETIREMENT PROGRAM**

1. Each system should be able to decide if it will participate in phased retirement
2. Duration – Three year maximum
3. Explicit categories of employees excluded from participation should be developed and promulgated
4. The plan must provide for full healthcare and leave benefits
5. Employer and employee retirement contributions prorated based on workload adjustments
6. Employee must be vested in TRSL or ORP, minimum of ten years of service in Louisiana public higher education and are at least age 59 ½, aligning with IRS in-service withdrawal rules
7. If faculty can be rehired at full or part time, include language that does not allow a rehire for a period of time after the end of the phased period

#### Discussion

- Ms. Bentley-Smith noted there should be no more than a three-year maximum duration and reviewed the recommendations decided upon by the task force.
- Ms. Norton suggested following the standard rehire retiree rules.
- Mr. Roche stated there is currently a one-year requirement stipulating that if a retiree is rehired within that timeframe, the TRSL benefit will be suspended. There is no prohibition on being rehired, but it limits benefits from TRSL
- Mr. Roche noted that the task force needed to discuss dual employment
- Ms. Norton stated she does not think dual employment should be allowed.
- Ms. Bentley-Smith noted that there needs to be language in the MOU, which states that during phased retirement the participant would be prohibited from being employed by another TRSL agency. She also noted that phased retirement is voluntary

***Recommendation: Dual employment is not allowed during phased retirement. Formal acknowledgment required in participation forms.***

### **ORP CONTRIBUTION RATE AND ACCRUED LEAVE ENHANCEMENTS** **RECOMMENDATIONS**

#### Discussion

1. Impact of increasing ORP employer contribution rate from 6.2% to 8%
  - Ms. Bentley-Smith reviewed the recommendations from HR 169 and noted that the same language can be used from the previous task force if the systems are interested
  - Mr. Smith indicated that he would hate to establish a minimum without funding; at minimum we should have a cost of \$12 million
  - Mr. Roche made note regarding the recommendation being pulled from the bill last year

- Dr. McLean asked what recommendation would have needed to be included for the increase to go forward
- Ms. Bentley-Smith noted Representative Bacala's concerns
- Dr. McLean asked for Mr. Smith's input
- Mr. Smith stated that institutions would need to find the money and that adoption of the program should be contingent upon the money coming to institutions
- Ms. Doucet agreed with Mr. Smith's recommendation
- Ms. Smith stated that there would be support from higher education

***Recommendation: To ensure equitable and competitive retirement benefits for Louisiana's public employees, it is strongly recommended to amend Louisiana Revised statute 11:927 to establish a minimum employer contribution rate equate to the employee's required contribution of 8%. This adjustment would not only align Louisiana with best practices in retirement funding but also enhance the state's ability to attract and retain top talent in a highly competitive job market. An equal employer contribution rate reflects a commitment to investing in employees' future and provides a more sustainable path toward financial security in retirement. It is also recommended that any savings that are recognized from TRSL's UAL payments remain in the higher education budget and a portion of those savings be used by institutions to increase employer contributions to ORP accounts, making Louisiana more competitive among Southern states. Institutions can increase employer contribution rates, but requiring an increase is contingent on receiving legislative funding to cover the increase, presently estimated at at least \$12 million.***

2. Shifting payment of TRSL administrative fee from ORP members to employer
  - Mr. Roche reviewed the current administrative fees for ORP and the defined benefit (DB) plan. (ORP administrative fee = .025 and DB administrative fee = .35) He also stated that the full administrative rate charged by ORP is .025%, which is being paid by the employee. For FY27, that amount will be split between the employee and employer
  - Dr. McLean asked if there is a commitment for the following year
  - Mr. Roche stated that right now there is no commitment for any time beyond FY27. He also noted that is the only source of funds in law that can be used for service to ORP as well as administrative fees for TRSL personnel who work on ORP
  - There was more discussion regarding funding, fairness and system burden
  - Mr. Roche explained the UAL, about which Dr. McLean noted that ORP participants are paying for something from which TRSL employees benefit
  - Mr. Smith stated the reduced payment from ORP members would be contingent upon receiving money from the legislature
  - Mr. McLean proposed getting wording on draft report for the next meeting

***Recommendation: Shift ORP administrative fee cost to employers, contingent on legislative funding.***

#### **POTENTIAL COST OF PROVIDING GREATER PAYOUT BY USING ACCRUED LEAVE TO ENHANCE A PARTICIPANT'S BENEFIT**

- Offer the option to the employee in phased retirement to receive accrued leave pay
- Should bring ORP members up to equivalent of TRSL
- ORP members do not have the option to convert their leave time, therefore:
  - Allow employers to pay out one year of annual leave to ORP participants upon retirement
  - Allow employers to pay out one year of sick leave to ORP participants upon retirement
- Must consider the budgetary impact of increasing the number of accrued leave hours paid out upon retirement

***Recommendation: Allow ORP participants to be paid for up to 600 hours of accrued leave (vs. current 500 hours).***

### **FUTURE MEETING DATES**

- Wednesday, November 12, 2025
- Ms. Bentley- Smith stated there will likely be a December meeting scheduled prior to the final report submission deadline
- Dr. McLean suggested getting a December date on the calendar immediately

### **OTHER BUSINESS**

Dr. McLean asked for any other business. There was no other business.

### **ADJOURNMENT**

On motion of Mr. Roche, seconded by Ms. Doucet, the meeting was adjourned at 12:17 p.m.