

HOUSE RESOLUTION 143 TASK FORCE MEETING

December 16, 2025

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Louisiana Board of Regents

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I. Call to Order



II. Roll Call



III. Approval of Minutes

IV. Approval of HR143 Task Force Recommendations



Task Force Responsibilities

Examine aspects of phased retirement, including:

- 1) Challenges and benefits of a phased retirement program
- 2) Structure of phased retirement programs in other states
- 3) Potential cost of implementing a phased retirement plan in Louisiana
- 4) Potential eligibility requirements of a phased retirement program
- 5) Time-period for implementation of potential phased retirement program
- 6) Salary and retirement benefits to be received during phased retirement
- 7) Potential of providing additional lifetime income
- 8) Impact of increasing employer rate from 6.2% to 8% for ORP contributions
- 9) Shifting payment of TRSL admin fee from ORP members to employer
- 10) Potential cost of providing greater pay out by using accrued leave to enhance a participant's benefit



Potential eligibility requirements of a phased retirement program

Recommendation

Each policy shall include the following:

- Definition of potential enrollee
- The enrollee must be retirement eligible to participate under their respective retirement system
- Length of enrollment, no less than 12 months and no more than 36 months
- Persons enrolled must have a minimum of ten years of collective (not consecutive) service in a Louisiana public postsecondary institution , without refund of retirement contributions
 - Age of the enrollee shall be no less than 59 $\frac{1}{2}$ years
- Enrollees may be rehired at full- or part-time, but only following a defined period (as noted within the system/institution phased retirement policy) after the end of the phased retirement enrollment



Potential eligibility requirements of a phased retirement program

Recommendation

Each policy shall include the following:

- A Memorandum of Understanding (MOU) shall be executed between the institution/system and the enrollee, inclusive of the enrolled employee's workload and schedule expectations
 - The MOU shall be approved by an institution's Human Resources officer, a chief academic officer, and a chief fiscal officer
 - The workload shall be no less than 50% effort
 - Dual employment in another Louisiana State Retirement System-eligible position is prohibited during phased retirement enrollment.
 - Formal acknowledgment is to be required
- Each system may choose to provide additional policy guidance and implementation actions



Time-period for implementation of potential phased retirement program

Recommendation

The Phased Retirement Program policy shall be approved by each system's management board no earlier than June 30, 2027, to allow the phased retirement program to go into effect no earlier than July 1, 2027. Enrollment in the program shall be entirely voluntary.



Salary and retirement benefits to be received during phased retirement. Potential of providing additional lifetime income.

Recommendation

Phased Retirement Program enrollees shall continue to be considered full-time active employees, retaining full-time benefits status, and receive appropriate salary reflective of their work schedules

- Enrolled participants shall retain full-time benefit status in order to maintain group insurance benefits.
- Enrolled participants' salaries shall be adjusted based on percent of effort during their time in the phased retirement program.
- Enrolled participants shall continue to accrue leave based on their agreed-upon work effort per the MOU.
- Enrolled participants may continue to contribute to their supplemental retirement plans.



Salary and retirement benefits to be received during phased retirement. Potential of providing additional lifetime income.

Recommendation (cont'd)

DB Plan Members

- Enrolled DB plan participants shall receive a pro rata portion of their retirement benefits based on each system's defined percent of effort (effort defined as not less than 50%).
- No employee or employer contributions shall be made to the DB plan on behalf of an enrollee.

ORP Plan Participants

- Contributions made by the participant to their respective ORP plan shall continue based on their adjusted salary.
- Employer contributions to the enrollee's ORP plan shall continue based on their adjusted salary.



Impact of increasing employer rate from 6.2% to 8%

To ensure equitable and competitive retirement benefits for Louisiana's public postsecondary education employees, it is strongly recommended that employers increase their minimum employer contribution rate to equal the employee's required contribution of 8%. This adjustment would aid in aligning Louisiana with best practices in retirement funding while also enhancing the state's ability to attract and retain top talent in a highly competitive international job market. An equalized employer contribution rate reflects a commitment to investing in employees' futures and provides a more sustainable path toward financial security in retirement.

- The Constitutional amendment passed as Act 222 of the 2025 Regular Legislative Session, to be voted on in May 2026 by the state populus, seeks to liquidate various trust funds and use the proceeds to make payments to TRSL's unfunded accrued liability (UAL), thus creating savings for employers.
- Contingent upon the passage of the amendment, it is recommended that any savings recognized (\$71M estimated presently) remain in the higher education budget and a portion of these savings may be used by institutions to increase employer contributions to ORP accounts, making Louisiana more competitive among Southern states.



Shifting payment of TRSL admin fee from ORP members to employer

Beginning July 1, 2026, the 0.05% administrative fee charged to ORP participants will be split evenly between the employee and their employer. From this date, employees will not be debited any fee greater than 0.025%.

However, should that fee be increased by the TRSL Board of Trustees, then the difference will be made up by the employer.

Recommendation

The administrative fee should be paid by the employer in its entirety contingent upon an appropriation of recurring state funding for higher education institutions to support this enhancement, thereby not causing an additional mandated cost.



Potential cost of providing greater payout by using accrued leave to enhance a participant's benefit

Recommendation

The Task Force recommends that those persons participating in an ORP plan be paid for an additional 100 hours of unused leave.

The Task Force also strongly recommends an appropriation of recurring state funding for higher education institutions to support this enhancement, thereby not causing an additional mandated cost.



V. Report Submission Date

Monday, December 29, 2025





VI. Other Business



VII. Adjournment

THANK YOU!

Special thanks to the Human Capital Management staff at the Louisiana Board of Regents

- **Karlita Anderson, Assistant Commissioner**
- **Kelly Cormier, Human Resources Business Partner**
- **Kim Small, Employee Relations Specialist**
- **Ashlyn Prejean, Student Intern**

