



Faculty Senate Resolution 23-01

Resolution to Expand Retirement Choices for LSU employees

Sponsored by the Benefits Advisory Committee

To request formal endorsement from LSU of legislation enabling an optional retirement plan participant to transfer to the defined benefit plan on an actuarial basis.

Whereas new employees to LSU are asked to decide between two retirement options, a defined contribution plan called the Optional Retirement Plan (ORP) and a defined benefit plan through Teachers' Retirement System of Louisiana (TRSL), and

Whereas employees who select the ORP make an irrevocable decision based on current policy, and

Whereas an irrevocable decision to elect into ORP is made with little information about one's long-term status at LSU, and

Whereas LSU employees are not included in federal Social Security, and

Whereas LSU contributions to ORP have been at times less than federally mandated Social Security contribution levels for employers on a percentage basis, and

Whereas LSU employees who select ORP are excluded from participating in an employer-supported defined benefits plan, and

Whereas LSU has directed employer contributions on behalf of ORP members to pay for unfunded accrued liability that serves employees in the defined benefit plan and not the ORP, and

Whereas many employees who elected into ORP have remained at LSU for a period of time that makes the defined benefit plan a good option, and

Whereas SB10 of the 2022 Louisiana Legislative Session by Senator Jay Morris (<https://www.legis.la.gov/Legis/ViewDocument.aspx?d=1244668>) proposes legislation to offer an ORP participant an opportunity to transfer to the defined benefit plan on an actuarial basis, and

Whereas this legislation did not get out of the Senate Finance Committee,

Therefore, be it resolved that the Faculty Senate, in conjunction with the LSU Staff Senate, call on LSU leadership to pursue legislation in the 2023 Legislative Session that addresses the inequities created by the ORP and its implementation as a retirement plan classified as a pension plan and to offer the many employees who desire to revoke their election into ORP and participate in the Teachers' Retirement System of Louisiana the ability to do so in a fair, affordable way.