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MINUTES

OPTIONAL RETIREMENT PLAN (ORP) TASK FORCE

Established by House Resolution No. 352 of the 2026 Regular Legislative Session

September 8, 2026
2:00 PM
Thomas Jefferson Room – 136C
1201 North 3rd Street, Baton Rouge, LA 70802

Members Present	Appointing Authority
Gena Doucet	Louisiana Community and Technical College System
Jeff Fleming	Louisiana Community and Technical College System
Roger Husser	Division of Administration
Carrie Robinson	Board of Regents
Mark McLean	Board of Regents
Sheantel L. Baker	Louisiana State University Board of Supervisors
Daniel Tirone	Louisiana State University Board of Supervisors
Dr. Parampreet Singh	Louisiana State University Board of Supervisors
Paul Favaloro	Louisiana House of Representatives
Eddie Mesh	University of Louisiana System
Trey Roche	Teachers' Retirement System of Louisiana
Dr. Jeannine O'Rourke	University of Louisiana System
Jason Fountain	Teachers' Retirement System of Louisiana
Dr. Robyn Merrick	Southern University Board of Supervisors

Also present: Division of Administration staff: Connor Boldt, Nancy Keaton, and Angela McCulloch

I. Call to Order

In the absence of Chair Randy Davis, Vice Chair Gena Doucet presided and called the fourth meeting of the Optional Retirement Plan (ORP) Task Force to order at 2:03 PM.

II. Roll Call

The roll was called by Connor Boldt and a quorum was announced present.

III. Approval of the Minutes from the August 25, 2026 Meeting

The Vice Chair noted that the minutes of the August 25, 2026 meeting should be corrected under Item VI to reflect that Mr. Trey Roche explained the ORP employer transfer rate, rather than the individual identified in the original minutes. A motion was made by Ms. Robinson and seconded by Dr. O'Rourke to amend the minutes accordingly. The motion carried without objection.

IV. Public Comment

The Vice Chair called for public comment. None was offered.

V. Updated TRSL and ORP Employer Contribution Rate Report

The Vice Chair introduced an updated employer contribution rate report distributed at members' seats. Compared with the report presented on August 25, 2026, additional columns separate the TRSL cost components so that the shared unfunded accrued liability amounts can be distinguished from the other elements of the total employer rate, which had been combined previously.

A motion was made by Mr. McLean and seconded by Dr. Merrick to receive the updated report as edited. The motion carried without objection.

VI. Study Item Matrix, Setting out the Information Required, the Responsible Source, Expected Collection Time, and the Discussion of the Order of Study Items

Mr. Paul Favaloro and Mr. Roger Husser presented a working matrix prepared between meetings. The matrix takes each of the ten study items assigned by House Resolution No. 352 and sets out the tasks to be performed, the data required, the party responsible for producing the required data and the analysis, and, in five-year service bands, fields for the Task Force to enter data as to the projected ORP assets available to the affected members, the cost of a potential remedy, and the resulting net projected cost to the state.

Mr. Favaloro explained that the document responds to the task force's decision at the previous meeting to bring greater specificity to the questions and outcomes the actuarial analysis is to address. He described it as a starting point offered for review, critique, and input rather than as a set of recommendations.

Item Nos. 1 and 8 — Recognition of prior ORP service and long-term participants

Mr. Roche reported that the Board of Regents will not be able to produce counts of members with 35 or more, 30 to 35, and comparable earlier service bands from its own records. The Board of Regents indicated that its data can be reported by year for approximately the last twenty years, reaching back to about 2006, but not earlier.

TRSL will instead attempt to develop the estimate from reported salary information, which is available for all participants. That information shows the number of fiscal years in which a person participated but does not distinguish a full year from a partial year, so TRSL will apply a six-month convention, counting less than six months of contributions as a half year and more than six months as a full year. Mr. Roche stated that the resulting counts will be a general estimate rather than an exact service-credit determination, but should be reasonably close. TRSL I.T. staff are writing the scripts required to pull the data.

Mr. Roche also stated that for every person pulled, TRSL will produce both ORP participation and any regular TRSL defined benefit service, whether earned before the ORP election or by members who transferred into the defined benefit plan under Act 109.

Mr. Husser stated that Item No. 8 addresses the same population and the same years-of-service question as Item No. 1 and that he could not distinguish the two. Members agreed that Item No. 8 is satisfied through the analysis of Item No. 1.

Item No. 2 — Prorated or partial benefits

Members noted that the underlying population data for this item is the same data being developed for Item No. 1, and that the analytical question is the cost of each potential remedy for that population.

Item No. 3 — Vesting

Members discussed whether prior ORP service should count toward the five-year vesting requirement applicable to members who transferred into the defined benefit plan under Act 109, whether that vesting requirement should be waived, and what either approach would cost.

Mr. Roche reported that completed transfers now total approximately 1,300. Members with 20 or more years of service had a fixed window in which to elect the transfer, so the counts within those bands are essentially final, subject to a small number of members who were not actively employed during the window and who may return to Louisiana employment. Members with fewer than seven years of ORP participation remain eligible to transfer, and employees hired in the future will have seven years in which to make the election. Members observed that those individuals would not fall within the long-term participant population addressed by the resolution.

TRSL will provide the number of affected members by service band. The cost calculation would fall to the actuary for the Louisiana Legislative Auditor; if that office is unable to perform it, the calculation would have to be performed by the TRSL actuary, which would require identifying a funding source for the TRSL Actuary.

Item No. 4 — Unused leave

Members noted that this item draws on the same population of participants with at least 20 years of combined service, and that the additional data required is leave information.

Mr. Roche explained that TRSL holds no leave information for a member who has not retired. Leave is certified by the employer at the time of retirement, and the certification reports the number of days of leave used in each year rather than a leave balance, because the conversion to service credit is based on a formula that assigns a number of days per year according to whether the employee is on a nine, ten, eleven, or twelve month appointment, less the days actually used. The data required for the analysis is therefore days of leave used, certified for each individual, and it would have to come from the employing institutions rather than from TRSL.

Members asked whether the Board of Regents would be willing to transmit a request to the institutions across the four higher education systems. Ms. Robinson agreed to verify whether the Board could do so.

Members discussed the equity implications of a leave remedy. Ms. Baker cautioned that granting credit beyond what defined benefit members receive would create a new inequity for participants who did not elect to transfer and for existing defined benefit members, who receive no more than one year of service credit for unused leave regardless of the balance accumulated, and observed that participants might have made different elections had additional benefits been available at the time. Members noted that House

Resolution No. 352 directs the task force toward equity and expressed general agreement that any leave remedy should be limited to one year of service credit. Members further noted that sick leave accumulated before a member joins the defined benefit plan produces no service credit under either plan, and that sick leave payout practices differ among employers.

Item No. 5 — Tax treatment

Mr. Roche explained that retirement income paid by TRSL under the defined benefit plan, and retirement income paid through the ORP by one of the three ORP providers, is exempt from Louisiana income tax. If ORP funds are rolled to a carrier that is not an ORP provider, the state exemption is lost. The same result applies to a defined benefit member who moves a Deferred Retirement Option Plan account or an initial lump sum benefit out of the system, although the monthly benefit paid by TRSL remains exempt.

A member read the study item, which addresses the feasibility of allowing ORP participants who transfer to alternative providers to receive the same state tax exemption as TRSL defined benefit retirees, and observed that the treatment of the two plans is already the same so long as the funds remain with an ORP provider. On that reading, the issue is the limitation on a participant's choice of carrier rather than a difference in tax treatment between the plans.

Members discussed that extending the exemption to outside carriers would require the state to forgo the corresponding tax revenue, and suggested illustrating the potential revenue effect if ORP balances were moved outside the plan. Members also noted the administrative difficulty of identifying the exempt portion of distributions once ORP funds are commingled in an outside account.

Item No. 6 — Employer contributions

Mr. Husser stated that this item was addressed in detail at the August 25, 2026 meeting and that the remaining question is the difference in value between the 8 percent employer contribution rate the Legislature has identified as appropriate and the employer rates actually in effect over time.

Item No. 7 — Social Security and retirement income gap

Mr. Roche explained that the state has opted out of Social Security coverage for the majority of its employees under its Section 218 agreement, and that the agreement is administered through the state treasurer's office, which would be the source for further information on the item.

The Vice Chair suggested that the item may warrant tabling because any change would apply to all state employees rather than to ORP participants alone, and would require substantial effort for limited return. A member observed that the item compares Louisiana with other states rather than comparing the ORP with the defined benefit plan, making it a recruitment and competitiveness question rather than an inequity between the two systems, and supported tabling on that basis. Another member noted that the only way to close such a gap would be additional contributions, and that supplementing ORP participants alone raises the same equity concern.

Item No. 9 — Prior ORP task force recommendations

Members discussed the recommendation of the prior ORP task force that the employer contribution rate be set at 8 percent rather than 6.2 percent. Mr. Roche reported that the resulting legislation was introduced in full in the first year, and in the following year was made subject to appropriation, and that no funds were appropriated. Members agreed the recommendation should be brought forward again because it has not been implemented.

Mr. Roche stated that the only other item the prior task force considered without making a recommendation was recognition of prior service, which is Item No. 1 of this task force's charge. The prior group received a presentation on the question and set it aside out of concern that the actuarial cost attached to any such recommendation would prevent a bill from advancing out of committee. Members recalled that the remainder of the prior task force’s recommendations, including allowing participants to transfer, were enacted.

Item No. 10 — Intermittent or broken service

Members discussed employees who elected the ORP during a short initial period of covered employment, left state employment, and returned years later, who are then ineligible to join the defined benefit plan and accumulate limited service. Members noted that employees hired on one-year contracts frequently elected the ORP because the defined benefit plan was not available to them at hire, that the defined benefit plan was no longer an option once they became eligible, and that this population is substantial.

Discussion followed on whether the irrevocability of the ORP election is the underlying problem. Several members supported allowing participants to change the election at any point in a career, while acknowledging that a prospective change of that kind would not assist current long-term participants and that the seven-year window was set to align with faculty tenure decisions.

Purpose and disposition of the matrix

Mr. Favaloro described the matrix as an effort to identify the critical data required to address the items posed by the resolution, and noted the substantial overlap among several study items. Mr. Husser stated that the value of quantifying Item No. 1 lies in exposing the magnitude of the disparity even if full funding of that disparity is not achievable. Members agreed the document was helpful in clarifying the overlap among items and in framing the recommendations to come, and noted that additional data would be available at the next meeting.

A motion was made by Mr. McLean and seconded by Dr. Merrick to accept the matrix into the record. The motion carried without objection.

VII. New Business

The Vice Chair called for new business. None was offered.

VIII. Adjournment

There being no further business, a motion was made by Dr. Singh and seconded by Mr. Fountain to adjourn. That motion carried without objection and the meeting was adjourned at 3:06 PM.