

ORP / TRSL CAPSULE

WHAT KIND OF PLAN IS THE ORP? The ORP is a "defined contribution" plan to which you and your institution make contributions through TRSL to an approved carrier to be invested in a retirement annuity contract in your name. The amount of your monthly annuity income at retirement is based exclusively on these contributions (less a TRSL administrative fee), their investment earnings, the age at which you begin receiving benefits, and the type of annuity you choose.

HOW DOES ORP DIFFER FROM THE REGULAR TRSL PLAN? The TRSL is a "defined benefit" plan wherein the employer and employee make contributions into a "pool" of funds from which you

receive a retirement income based on a benefit formula. The amount of benefit is based on your years of service and the average salary for your thirty-six highest successive months.

The TRSL plan also has provisions for disability and survivor benefits whereas the ORP has no such specific provisions except for the distribution of the funds that were accumulated in your account prior to your death or disability.

Leave Credit: Upon retirement, the employee is paid for up to 200 hours of sick leave and up to 300 hours of annual leave regardless of which system the employee is a member of. *(NOTE: An ORP member must meet the minimum retirement eligibility criteria of the TRSL in order to be considered "retired" by the University.)* In addition to the leave payment, a TRSL member is allowed to convert into additional service credit, one year of sick leave at no cost. All unused, unpaid sick leave earned after 06/30/90 in excess of an amount which would convert to one year of service credit and all unused, unpaid annual leave earned after 06/30/90 may only be added to a member's service account if purchased. Under the ORP, except for payment of sick and annual leave upon "retirement", leave cannot be used to enhance the retirement benefit.

IF I ELECT ORP, WHAT HAPPENS TO THE CONTRIBUTIONS I HAVE MADE TO TRSL? If you have less than 5 years of prior service in TRSL, you may join ORP and have accumulated employee contributions transferred or if you have 5 years or more in TRSL, you may allow the contributions to remain with TRSL for the purpose of receiving a retirement benefit when you are eligible.

HOW DOES VESTING COMPARE UNDER THE TRSL AND ORP? With TRSL, benefits are fully vested after you have completed five years of service. If you terminate employment prior to the expiration of the 5 year vesting period, you are entitled to a refund of your employee contributions only. A lump sum refund is available ninety days after separation.

Under the ORP, your employee contributions, less an administrative fee, as well as the normal cost contribution of your employer, are fully and immediately vested in your retirement annuity contract. This allows for portability to or from other institutions of higher education for the purchase of additional annuity contracts.

WHICH CARRIERS ARE AUTHORIZED UNDER THE LOUISIANA ORP? The ORP currently provides for three carriers; ING (AETNA), AIG (VALIC) and TIAA-CREF.

IF I AM ELECTING ORP, HOW DO I CHOOSE A CARRIER? Each carrier can supply you with an ORP enrollment form and the carrier's application. ORP participants may select only one carrier at a time and this selection must be made on the enrollment form. The completed election form must be returned to the LSU Agricultural Center Human Resource Management Office in order for the enrollment to be effective.

CAN I EVER CHANGE CARRIERS? Once a year, every November and December, you may elect a change of carrier. This election will be effective January 1 of the following year. Otherwise, no change in your ORP carrier is allowed.

A LAST THOUGHT - This introduction is provided to inform you of some basic rules with reference to the ORP. Again, **your decision to participate in the ORP is irrevocable** and therefore most important to your retirement planning, so you are encouraged to utilize any available information and make all necessary inquiries prior to making your election.