

Faculty Senate Resolution 25-03

Increasing ORP employer contribution rate to 8%
Presented by the FS Benefits Advisory Committee

Whereas, the Optional Retirement Plan (ORP) has been available as a defined contributions plan to the employees of LSU since 1990 as an alternative to the defined benefits plan of the Teachers Retirement System of Louisiana (TRSL);

Whereas, the employer contribution rate has ranged between 5.1839% to 7.03% since 1990 with the average rate below 6%;

Whereas, the employees contribute to the ORP at 8% rate of their salary but the employer contribution is currently 6.2%;

Whereas, the employer contribution rate to ORP for higher education employees in Louisiana is lower than many southern states;

Whereas, Louisiana is the only southern state in which higher education employees in public universities do not contribute to social security;

Whereas, the absence of social security benefits, combined with a low employer contribution rate, diminishes LSU's ability to compete for faculty and leaves its participants economically vulnerable in retirement;

Whereas, ORP benefits play an important role in faculty recruitment and retention;

Whereas, the House Resolution No. 169 of the year 2024 Regular Legislative Session created the TRSL/ORP Task Force to study the impact of ORP plan on faculty and staff recruitment and retention, which recommended an increase in employer contribution to 8%; and

Whereas, the House Bill 24 in the 2025 Regular Session proposes to increase the employer contribution rate to 8% beginning July 1, 2025; therefore, be it

Resolved, That the LSU Faculty Senate supports the increase in employer contribution to 8% to the ORP.