

LASERS

Louisiana State Employees'
Retirement System

Optional Retirement Plan (ORP)

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LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM OPTIONAL RETIREMENT PLAN (ORP)

Purpose

The Optional Retirement Plan (ORP) was established July 1, 2000, to provide retirement and death benefits to eligible participants while affording the maximum portability of these benefits to the participants. The ORP is a defined contribution plan and an alternative retirement plan for eligible employees with a hire date between July 1, 2004, and December 7, 2007, who made an election to participate in the ORP rather than the Louisiana State Employees' Retirement System (LASERS) Defined Benefit Plan.

Action to be Taken by Employing Agency

Determine Eligibility

- a. The following employees were eligible to make an irrevocable election to participate in ORP:
 - (1) Any unclassified state employee who is appointed by a statewide elected official and whose appointment is subject to confirmation by the Louisiana Senate.
 - (2) Any unclassified state employee who is a member of the immediate staff of any such employee described in Item a (1) of this section.
 - (3) The chief executive officer of the State Group Benefits Program.
 - (4) Members of the Executive Career Service (to be established and defined by Civil Service Commission).

- b. An ORP member who becomes employed by a LASERS reporting agency in a position not listed in Part (a) of this section must continue participation in ORP unless the employee elects to rejoin the defined benefit plan.

Summary Plan Description

The ORP administered by LASERS was enacted by the Louisiana Legislature by Act 1320 of the 1999 Regular Legislative Session (R.S. 11:502 through 502.6). The ORP was revised by Act 454 of 2001, Act 136 of the 2002 First Extraordinary Session, and Act 923 of 2004. The major features of the revised plan are as follows:

Effective Date: July 1, 2004
Sunset Date: December 7, 2007
Plan Year: July 1 through June 30

Employee Contributions: Each participant in the ORP shall contribute at the regular member's rate of salary monthly, less one percent (1%) for the LASERS administrative costs.

Employer Contributions: Each employer agency shall contribute to LASERS on behalf of each participant in the ORP the same amount that would have been contributed to the Defined Benefit Plan. LASERS shall forward to the ORP provider an amount equal to the employer's portion of the normal cost contributions as set forth in the actuarial valuation of the retirement system. LASERS shall retain that portion of the employer's contribution, which applies to the unfunded accrued liability, in excess of the employer's portion of the normal cost contribution.

LASERS may also retain an additional portion of the employer contributions for any adverse actuarial impact as a result of employees participating in the ORP in accordance with R.S. 11:502.3 B (3).

Vesting: Immediate vesting for all contributed funds submitted to the ORP by LASERS on behalf of the participant.

Disability Benefit: None, other than payout of balance of account.

Death Benefit: Account balance in ORP, to be paid out in accordance with applicable Internal Revenue Code provisions.

Forfeitures: None

Distribution: Only after termination of employment with the State of Louisiana, and in accordance with applicable Internal Revenue Code provisions.

Loans: None

Hardship Withdrawals: None

Investment Options: The ORP provider shall establish the investment fund options available to the participant. The participant may elect to invest in any or all of these investment fund options.

Benefit Obligations: All benefits payable to ORP participants shall be the sole obligation of the ORP provider to which contributions are made, and shall not be the obligation of LASERS. Payments to participants or their beneficiaries shall be made by the ORP provider, not by LASERS, in accordance with the contracts approved for use in the ORP.

Participants in the ORP shall not be entitled to any benefits under the Defined Benefit Plan.

Waivers: By participating in the ORP the participant waives any rights that accrue to members in the Defined Benefit Plan, and shall waive any right or cause of action against LASERS relative to the member's participation in the ORP.

Internal Revenue Code: The provider shall be responsible for complying with all applicable provisions of the Internal Revenue Code, including but not limited to annual contribution limits. If any violation of this code occurs as a result of an employee's participation in the ORP, it shall be the responsibility and liability of the participant and the provider and not LASERS.

Sunset: The authority to enroll eligible employees in the ORP terminated on December 7, 2007. Members of the ORP prior to that date who accept another LASERS eligible position may continue participation in the ORP.

Movement from the ORP back to the LASERS Defined Benefit Plan:

Members who enrolled in the ORP may regain membership in the LASERS Defined Benefit Plan.

All service credit and funds the member has in the ORP will be transferred to the Defined Benefit Plan.

The transfer must be made before retiring or entering DROP. If a deficit exists to restore credit once the funds are transferred from the ORP to the LASERS Defined Benefit Plan, the member must pay the deficit.

A member considering re-joining the LASERS Defined Benefit Plan must complete [*Form 15-01A, Application for Transfer to Defined Benefit Plan from the Optional Retirement Plan \(La. R.S. 11:502\)*](#).

A nonrefundable fee of \$200 must be paid to obtain actuarial calculations for the transfer. Upon receipt of the invoice, the member may decide whether to complete the transfer. A transfer is irrevocable.

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