



Human Resource Management  
103 J.N. Efferson Hall - LSU  
Baton Rouge, LA 70803  
(225) 578-2258 Phone  
(225) 578-8284 Fax

## FOLDER #2 - INSTRUCTIONS FOR COMPLETING RETIREMENT ENROLLMENT FORMS

The information and instructions in this folder relate to retirement enrollment for an eligible Academic, Appointed, or Unclassified employee whose **length of appointment is two years or less or whose appointment is 50% effort or less**. A provision established under the federal OBRA '90 law requires social security coverage for employees who do not have meaningful retirement system coverage, as defined by the law. Affected employees are generally those who are not eligible to participate in a retirement system, who are part-time (50% or less) or who are temporary (an employee whose total appointment commitment is two years or less). However, employees who are vested in a Louisiana state retirement system, who are on a J-1 or F-1 visa \*(except as noted below), or who are retired from a Louisiana state retirement system are exempt from social security coverage.

*In accordance with this law we are required to enroll you under social security. You do, however, have two alternatives. You may choose to participate in the Optional Retirement Plan or the Louisiana Deferred Compensation Plan in lieu of participating in social security. **NOTE:** If you have 10 or more years of creditable service in (or are retired from) a Louisiana state retirement system or on a J-1 or F-1 visa, please contact the AgCenter Human Resource Management Office before proceeding with these enrollment forms.*

**INSTRUCTIONS FOR SELECTING AN OPTION:** Brochures for the ORP and the LDCP are included in this folder.

1. **Social Security:** The employee contribution is 6.2% of salary. In order to qualify for social security retirement benefits, an individual must generally have forty quarters of coverage. "Forty quarters" is usually equivalent to 10 years of contributing to social security. Full retirement benefits begin at age 65, however, early retirement with reduced benefits is permitted at age 62.
  - a) If electing Social Security, complete the Election Form only and return it with your employment forms to your unit office or to the AgCenter Human Resource Management Office.
2. **Optional Retirement Plan (ORP) - Authorized carriers are ING (AETNA), TIAA-CREF, and VALIC** - The employee contribution is 8% and the employer contribution is determined by a formula each fiscal year. The ORP is a "defined contribution" plan to which you and your employer make contributions through the Teachers' Retirement System of Louisiana (TRSL) to the carrier of your choice to be invested in a retirement annuity contract in your name. The amount of your monthly annuity income at retirement is based exclusively on the contributions and their investment earnings, the age at which you begin receiving benefits, and the type of annuity you choose. You may change your carrier at any time.
  - a) Complete the Election Form.
  - b) Complete Sections I, II and III of the Application for Optional Retirement Plan (Form 16).
  - c) Found below is the link that includes contact information for each carrier. The carrier of your choice will provide you with the ORP carrier's contract.

## FOLDER #2 - INSTRUCTIONS FOR COMPLETING RETIREMENT ENROLLMENT FORMS (continued)

### [Supplemental Retirement Accounts List of Approved Companies and Contact Information](http://www.lsuagcenter.com/en/administration/about_us/Human_Resources/Benefits/Retirement/Supplemental-Retirement-Account--Approved-Companies.htm)

([http://www.lsuagcenter.com/en/administration/about\\_us/Human\\_Resources/Benefits/Retirement/Supplemental-Retirement-Account--Approved-Companies.htm](http://www.lsuagcenter.com/en/administration/about_us/Human_Resources/Benefits/Retirement/Supplemental-Retirement-Account--Approved-Companies.htm))

- d) The carrier's contract must be completed and submitted directly to the carrier. A **copy** of the carrier's contract must be submitted with the Election Form and the ORP enrollment application (Form 16) to your unit office or to the AgCenter Human Resource Management Office.
3. **La. Deferred Compensation Plan (LDCP)** - The employee contribution must be at least 7.5% and the employer contribution is 6.2%. The LDCP is a tax deferred compensation plan to which you and your employer make contributions directly to the LDCP to be invested in a retirement annuity contract in your name. The amount of your monthly annuity income at retirement is based exclusively on the contributions and their investment earnings, the age at which you begin receiving benefits, and the type of annuity you choose. Your funds may be withdrawn in a lump sum upon separation from service.
- a) Complete the Election Form  
b) Complete the Enrollment Form  
c) Complete the Salary Deferral Form  
d) Return all forms to your unit office or to the AgCenter Human Resource Management Office.  
e) For further information regarding the LDCP, contact that office directly at 225-926-8082 or 1-800-443-7331.

**NOTE:** If your status changes such that your appointment is no longer considered temporary or part-time and you previously elected SS or LDCP, you will be **required** to enroll in either the Teachers' Retirement System of Louisiana or the Optional Retirement Plan and cease participation in SS or the LDCP (except that your participation in the LDCP may continue as a supplemental retirement plan in addition to participation in the TRSL or ORP). If, however, you elected the ORP, you will be required to remain in that system; participation in the TRSL will not be an option.

***\*Employees on J-1 or F-1 visas who are considered resident aliens for tax purposes or whose status changes to resident alien for tax purposes are required to participate in a retirement system.***

**STATEMENT CONCERNING YOUR EMPLOYMENT IN A JOB NOT COVERED BY SOCIAL SECURITY** – This form explains the potential effects of two provisions in the Social Security law for workers who also receive a pension based on their work in a job not covered by Social Security. The Windfall Elimination Provision (WEP) can affect the amount of a worker's Social Security retirement or disability benefit. The Government Pension Offset (GPO) can affect any possible Social Security benefit entitlement as a spouse or an ex-spouse. Complete this form and return to the AgCenter HRM Office.

*Any questions regarding the completion of these documents should be directed to Kathy Loyd in the AgCenter Human Resource Management Office at 225/578-8229.*

## 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), 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 AgCenter 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.