

FACULTY SENATE RESOLUTION 14-01

REGARDING THE REDUCTION IN EMPLOYER CONTRIBUTION TO THE OPTIONAL RETIREMENT PLAN (ORP) FOR HIGHER EDUCATION FACULTY FROM 5.18% TO 3.66%

WHEREAS, Louisiana's employer match for higher education faculty participating in the ORP is already the lowest in the country; and

WHEREAS, public employees in the State of Louisiana, including higher education faculty, do not participate in the Social Security Program; and

WHEREAS, Louisiana's ORP is CURRENTLY not competitive with defined contribution plans offered by other southern states; and

WHEREAS, the slated reduction in employer contribution to the ORP for higher education faculty from 5.18% to 3.66% represents a 30% relative reduction over one year and 47% relative reduction since 2008; and

WHEREAS, 43 percent of higher education faculty in Louisiana participate in the ORP; and

WHEREAS, the majority of higher education faculty in Louisiana who participate in the ORP were recruited into the program during periods when the employer contribution rates were comparable to levels required of employers participating in the Social Security Program; and

WHEREAS, the existence of a competitive defined contribution plan is essential to recruitment and retention of well qualified higher education faculty; and

WHEREAS, the planned reduction in employer contribution to the ORP for higher education faculty will have detrimental effects on the recruitment and retention of higher education faculty in the State of Louisiana, including LSUHSC-NO; and

WHEREAS, the planned reduction in employer contribution to the ORP for higher education faculty will have an additional negative impact on higher education faculty morale;

THEREFORE BE IT RESOLVED, that the LSUHSC-NO Faculty Senate supports efforts to reverse the decision by the Board of the Teachers' Retirement System of Louisiana, which plans to reduce normal cost employer contributions to higher education faculty participating in the ORP from 5.18% to 3.66% effective July 1, 2014; and

BE IT FURTHER RESOLVED, that the LSUHSC-NO Faculty Senate supports efforts to stabilize employer contributions to the ORP at levels equal to or greater than those required of employers participating in the Social Security Program.