

"I'm on LWOP/furlough..."

Your retirement options in LWOP/furlough situations



What is LWOP/furlough?

In general, leave without pay (LWOP) or furlough is the placing of an employee in temporary non-duty, non-pay status because of lack of work or funds, or for other non-disciplinary reasons.

How does LWOP/furlough affect my retirement?

During LWOP/furlough, you are still considered an active member of TRSL. However, during the actual period of time when you are on LWOP/furloughed, you are not working or contributing to TRSL; therefore, **you do not earn service credit during this time**. This can affect when you are eligible to retire and how much your retirement benefit will be.

You have options!

Once you begin contributing to TRSL again after LWOP/furlough, you can purchase service credit for the periods of time that you were on LWOP/furlough. Purchasing service credit can enable you to increase your retirement benefit and/or retire sooner.

Purchasing LWOP/furlough service credit

The cost of purchasing this type of leave is calculated by TRSL's actuary and requires a non-refundable calculation fee of \$150 payable to TRSL by check or money order. (*Fee is subject to change.*)

The actuarial cost is based on your age, current salary, years of TRSL service credit, and years of service to be purchased. This cost completely offsets the increase in TRSL's accrued liability resulting from the purchase of the credit.

To purchase LWOP/furlough service credit, you must pay the greater of either:

- the actuarial cost (as just described), or
- the amount of total contributions (both employee and employer) that would have been paid if you had contributed to TRSL during the period of service to be purchased plus interest at the TRSL Board-approved rate. (*Interest rate is subject to change.*)

Purchasing LWOP/furlough service credit:

- You must be an active, contributing member of TRSL.
- You can purchase one year of official leave for each five years of actual service credit in TRSL, (or 0.5 year of official leave for each 2.5 years of actual service credit).
- You can purchase up to two consecutive years of leave. However, if the leave periods are not consecutive, you can purchase more than two years.
- If the unpaid leave of absence occurred during a refunded period, all years of refunded service must first be restored.

Required Form: *Application for Purchase of In-State Service* (Form 9).

For more information: Read our brochure, *Purchases and Transfers of Service Credit*.

How can I pay for an LWOP/furlough service credit purchase?

Payments for purchases of service credit for LWOP/furlough must be made in one lump sum. Incremental payments and payroll deductions are not acceptable payment methods (except for payments by higher education employees under budget reduction furlough, see back for details). You can pay by check, money order, or eligible rollover accounts. Please make checks and money orders payable to TRSL.

NOTE: Personal checks returned due to insufficient funds will be charged an \$18 return fee in addition to payment for the service credit purchase.

Rollover funds:

Rollovers can only be used to purchase eligible service credit. Please submit *Rollover Acceptance Form* (Form 9R), to initiate a rollover. See back for a list of accounts that are eligible for rollover as methods of payment.

TRSL provides payment information on all invoices and cost notifications, including information on rollovers. If you intend to use rollover funds, you should contact the financial institution that currently holds your funds about their requirements and time frame to process a rollover to TRSL.

NOTE: IRS regulations limit LWOP/furlough purchases to a maximum of five years of LWOP/furlough time as these are considered air time.

ROLLOVERS: Eligible payment methods

- 401 (a) defined governmental benefit plan
- 401 (k) defined contribution plans
- 403 (a)
- 403 (b) tax-sheltered annuities
- 408 (a)
- 408 (b)
- 457 deferred compensation

NOTE: Rollover funds must be in your own name. You cannot use rollover funds from accounts in your spouse's name (or child's, parent's, etc.)

Service credit purchases must be made before retiring or entering the Deferred Retirement Option Plan (DROP). TRSL strongly recommends that you submit any application at least six months before you retire or enter DROP.

ADDITIONAL INFORMATION: For individuals employed in higher education

Most individuals employed at a public college or university (including the governing or management boards of public colleges/universities) participate in either TRSL's defined benefit plan or the Optional Retirement Plan (ORP).

In cases where these individuals are furloughed without pay as a result of budget reductions, they have the option to pay member contributions for a period of up to 30 days per fiscal year for the furlough period.

If the individual elects to pay member contributions, the employer must pay the employer portion. Member contributions are paid monthly through the employer.

Individuals indicate their choice to continue or not continue contributions by completing *Option to Continue Contributions During Time of Furlough Without Pay* (Form FBR).

For TRSL defined benefit plan members:

Service credit for furlough days accrues upon the payment of employee and employer contributions based on the salary that the member would have been paid if not for the furlough.

For ORP participants:

Only an ORP participant's contributions are affected by LWOP/furlough since they do not earn service credit.

NOTE: This option is not available if a public college or university declares financial exigency.

Involuntary furlough

Involuntary furlough is another furlough situation that can occur, but only happens when TRSL members are involuntarily furloughed without pay because of the **temporary closure** of their employer due to a gubernatorially declared disaster or emergency.

During involuntary furlough, you do not contribute to TRSL, and therefore do not earn service credit. The cost to purchase involuntary furlough would be calculated by TRSL's actuary.



Other TRSL resources

TRSL strongly encourages you to visit our website, www.TRSL.org.

- All TRSL forms and publications are available online.
- Use an **online calculator** to get a retirement benefit estimate.
- If you haven't done so already, register for **Member Access** so you can easily access your TRSL retirement account information.

Or just call, email, or visit us. We're available from 8 a.m. - 4:30 p.m., Monday through Friday (excluding holidays).

- **Physical address:**
8401 United Plaza Blvd, Ste 300
Baton Rouge LA 70809-7017
- **Mailing address:**
PO Box 94123
Baton Rouge LA 70804-9123
- **Telephone:** 225-925-6446
- **Toll free (outside Baton Rouge area):**
1-877-ASK-TRSL (1-877-275-8775)
- **Email:** web.master@trsl.org
- **Web:** www.TRSL.org
- **Facebook:** [facebook.com/TRSLonline](https://www.facebook.com/TRSLonline)
- **Twitter:** [@TRSLonline](https://twitter.com/TRSLonline)



"I've been laid off..."

Understanding your retirement options in layoff situations

You have options!

If you are a TRSL member facing a layoff or an earlier-than-planned retirement, here are some basic facts about the retirement options available to you. These options are based on your years of TRSL service credit:

LESS THAN five years of TRSL service credit:

- You can leave your contributions with TRSL in the event you later return to a job that makes you eligible for TRSL membership.
- Or, you can refund your employee contributions. Refunded contributions can be rolled over into another tax-qualified plan or be paid directly to you. To request a refund, complete an *Application for Refund* (Form 7).

AT LEAST five years of TRSL service credit:

- You have the same options as described above. To request a refund, you will need to complete a *Request for Refund Rather than Retirement Benefit* (Form 7E), which is provided by TRSL, in addition to Form 7.
- Or, you can draw a lifetime, monthly retirement benefit upon reaching:
 - » **age 60** if you joined a state public retirement system before June 30, 2015, or
 - » **age 62** if you joined a state public retirement system on or after July 1, 2015.

Important information about refunds

- Employers cannot certify a refund application until 90 days after termination of employment.
- Refunds do not include interest or employer contributions.

- By refunding your contributions, you cancel all of your TRSL service credit.
- There may be significant tax consequences associated with refunding your member contributions. Consult a financial planner about your possible tax liability before deciding to refund your member contributions. Also, read our publication, *Special Tax Notice Regarding TRSL Payments*.

What if I get rehired by my employer or hired by another state agency?

If you **DID NOT** refund your contributions:

- You begin contributing to TRSL again and earn service credit that is added to your prior service credit.

If you **DID** refund your contributions:

- You begin contributing to TRSL again, and start over earning service credit. You can also restore your refunded service credit by repaying the contributions that were withdrawn plus interest. See our handbook, *Purchases and Transfers of Service Credit*, for more information about restoring service credit.

NOTE: If you become employed by an agency covered under another state public retirement system, you may be able to retain your TRSL membership.



About employer retirement packages and incentives

Employers are responsible for any retirement packages or incentives offered to employees that are beyond the scope of TRSL retirement provisions outlined in state law.

What are eligibility requirements for retirement?

Eligibility criteria for retirement depend on when you became a member of a state public retirement system and which TRSL plan you belong to: Regular Plan, Plan A, or Plan B.

REGULAR PLAN: Membership prior to July 1, 1999

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| 2.0% benefit factor | <ul style="list-style-type: none"> • At least age 60 with at least 5 years of service credit*, or • Any age with at least 20 years of service credit* |
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| 2.5% benefit factor | <ul style="list-style-type: none"> • At least age 65 with at least 20 years of service credit**, or • At least age 55 with at least 25 years of service credit, or • Any age with at least 30 years of service credit |
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REGULAR PLAN: Membership between July 1, 1999 - December 31, 2010

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| 2.5% benefit factor | <ul style="list-style-type: none"> • At least age 60 with at least 5 years of service credit*, or • At least age 55 with at least 25 years of service credit, or • Any age with at least 20 years of service credit* (actuarially reduced), or • Any age with at least 30 years of service credit |
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REGULAR PLAN: Membership between January 1, 2011 - June 30, 2015

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| 2.5% benefit factor | <ul style="list-style-type: none"> • At least age 60 with at least 5 years of service credit*, or • Any age with at least 20 years of service credit* (actuarially reduced) |
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REGULAR PLAN: Membership on or after July 1, 2015

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| 2.5% benefit factor | <ul style="list-style-type: none"> • At least age 62 with at least 5 years of service credit*, or • Any age with at least 20 years of service credit* (actuarially reduced) |
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PLAN A: All members

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| 3.0% benefit factor | <ul style="list-style-type: none"> At least age 60 with at least 5 years of service credit*, or At least age 55 with at least 25 years of service credit, or Any age with at least 30 years of service credit |
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PLAN B: Membership prior to July 1, 2015

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| 2.0% benefit factor | <ul style="list-style-type: none"> • At least age 60 with at least 5 years of service credit*, or • At least age 55 with at least 30 years of service credit |
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PLAN B: Membership on or after July 1, 2015

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| 2.0% benefit factor | <ul style="list-style-type: none"> • At least age 62 with at least 5 years of service credit*, or • Any age with at least 20 years of service credit*, (actuarially reduced) |
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*Excludes military service purchased after September 10, 1982

**Excludes any military service

What about my unused leave?

Eligible unused sick and annual leave can be converted to retirement credit for benefit computation purposes. It cannot be used to attain eligibility for retirement.

Also, certain unused leave not eligible for conversion can be purchased for service credit.

For more information, see our brochures, *Sick Leave & Conversion to Service Credit* and *Purchases and Transfers of Service Credit*.

Other TRSL resources

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- Use an [online calculator](#) to get a retirement benefit estimate
- If you haven't done so already, register for **Member Access** so you can easily access your TRSL retirement account information.

Or just call, email, or visit us. We're available from 8 a.m. - 4:30 p.m., Monday through Friday (excluding holidays).

- **Phone:** 225-925-6446
- **Toll free** (outside the Baton Rouge calling area): 1-877-275-8775
- **Email:** web.master@trsl.org
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