The Cash Balance Plan is a defined benefit plan established for new hires eligible for membership on or after July 1, 2013. The plan provides a benefit based upon the balance in the member’s account and is funded by member contributions, trust fund credits, and interest earnings. TRSL manages Cash Balance Plan investments.

**Membership:**
- Membership for new hires on/after July 1, 2013:
  - Mandatory for higher education employees who do not choose the Optional Retirement Plan (ORP)
  - Optional for K-12 employees and other employees not covered under the mandatory requirements

**Cash Balance Accounts:**
- Individual employee accounts credited with 12% of salary (8% employee contribution, 4% funded by System), and earn interest credits based upon the actuarial rate of return of the System, less 1%. (Actuarial rate is determined annually after the actuarial valuation is completed and approved by the Public Retirement Systems’ Actuarial Committee.)
- Investments managed by system
- Employee accounts not debited for investment losses
- Employees vested in 4% System credit and interest credit after 5 years of plan participation

**Survivor/Disability Benefits:**
- Employees with the required number of service years qualify for survivor benefits and disability benefits under the defined benefit plan provisions of the TRSL Regular Plan.

**Retirement Eligibility:**
- Employees are eligible for retirement upon reaching at least 5 years in Cash Balance Plan and at least 60 years of age.
- Benefit is based upon balance in employee’s account at retirement (12% of salary credit and interest credit).

**IMPORTANT INFORMATION:**
- TRSL is seeking IRS determination regarding plan qualification.
- Jindal administration is seeking IRS private letter ruling regarding Social Security equivalency
  - Private letter ruling will address whether the Cash Balance Plan meets the Social Security equivalency test. If Social Security equivalency is not met, the IRS may provide direction as to the appropriate course of action. Subsequent action may include changes to the Cash Balance Plan in order to meet Social Security equivalency or requiring members and their employers to contribute and participate in Social Security.
  - IRS ruling may not be made until after the implementation of the plan.