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F I S C A L I M P A C T R E P O R T - DRAFT

ORIGINAL DATE 02/28/11
SPONSOR HAFC **LAST UPDATED** 03/15/11 **HB** CS/628/aSFC

SHORT TITLE Contribution Rate Changes in Retirement Plans **SB**

ANALYST Aubel

REVENUE (dollars in millions)*

Estimated Revenue-Impact of Delay 0.75% Increase Two Years					Recurring or Non-Rec	Fund Affected
Compared with:	**FY12**	**FY13**	**FY14**	**FY15**		
Current Statute	($20.1)**	($40.2)**			Nonrecurring	ERB
			$20.1**	$40.2**	Recurring	ERB

(Parenthesis ( ) Indicate Revenue Decreases)

**All funding sources based on ERB reported FY10 total salaries of $2.7 billion.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in millions)*

	FY12	**FY13**	**FY14**	**FY15***	**4 Year Total Cost**	**Recurring or Non-Rec**	**Fund Affected**
Extend 1.5% Contribution Shift Two Years-Compared w/ Current Statute	($42.6)	($42.6)			($85.2)	Recurring	General Fund
Sunset 1.5% Shift			$42.6			Recurring	General Fund
Temporary 1.75% Contribution Shift**	($49.7)	($49.7)**			~~($49.7)~~ $99.4	Nonrecurring	General Fund
Sunset 1.75% Shift**		~~$49.7**~~	$49.7**			Recurring	General Fund
Delay ERB Employer Increase	($18.0)-$19.3)	($36.0)-($38.6)			($54)-($57.9)	Nonrecurring	General Fund
Impose ERB Employer Increase			$18.0-$19.3	$36.0-$38.6	$54-$57.9	Recurring*	General Fund
RIO-PERA IT System	$25.0 thousand				$25.0 thousand	Nonrecurring	PERA

(Parenthesis ( ) Indicate Expenditure Decreases)

*See Fiscal Impact (Updated 3/15/2011)

**Additional year is conditional on revenues not meeting threshold. See SFC Amendment.

Relates to Appropriation in House Bill 3 and the General Appropriation Act
Conflicts with House Bill 133, Senate Bill 87, Senate Bill 88 and Senate Bill 265
Relates to House Bill 142 and House Bill 644/HAFCS

SOURCES OF INFORMATION
LFC Files

Responses Received From
Public Employees Retirement Association (PERA)
Educational Retirement Board (ERB)
Office of Attorney General (AG)
Department of Transportation (DOT)
New Mexico Corrections Department (NMCD)

No Response From
Department of Finance and Administration

SUMMARY

Synopsis of SFC Amendment

The Senate Finance Committee Amendment to House Bill 628 makes three primary changes to the bill:

1. A temporary provision is added in Section 16 that would essentially extend the 1.75 percent shift for an additional year into FY13 but allows the shift to sunset contingent upon two general fund thresholds as measured by the last consensus revenue forecast before the 2012 session, which would be presented in December 2011. This forecast would trigger continuing the shift only if actual general fund revenues forecasted for FY12 at that mid-year point are not $100 million more than originally forecasted for FY12 and state reserves are projected to be less than the targeted 5 percent by the end of the fiscal year.

   The current version of the General Appropriations Act (GAA) totals $5.4 billion and is based on a 4.4 percent growth in general fund revenues. This amendment would require an additional 2 percent growth, as well as maintaining the 5 percent reserve target contained in the GAA, before the 1.75 percent shift would sunset for FY13. The fiscal impact assumes the shift will continue for the second year and the table is adjusted accordingly. This will provide an extra year for the state's economy to rebound with proven revenue growth going into FY13.

   Assuming the shift is extended for an additional year, the final fiscal impact will provide another $49.7 million general fund savings for FY13, with a total non-recurring savings of about $100 million. However, both contribution shifts and the first installment of the 0.75 percent ERB employer increase will come due at the same time in FY14 rather than being staggered over a two-year period. Approximately $111 million general fund will be needed in FY14 to fund these changes in employer contributions. The table for "new money," as defined by the required increase in general fund appropriations for one fiscal year compared to the prior fiscal year, is adjusted as follows:

General Fund Operating Budget Requirements (in millions)

	FY13	FY14	FY15**
1.50%Sunset		$42.6 Recurring	
1.75% Sunset		$49.7 Recurring	
ERB 0.75%		$19.3 Recurring	$19.3 Recurring
Total GF "New Money*"	$0	$111.6 Recurring	$19.3 Recurring

2. Another temporary provision directs ERB and PERA to conduct an actuarial study to determine any negative actuarial impact to the funds accruing due to the employer-employee shifts and to request a supplemental appropriation to redress the effects in the 2014 session. This provision addresses PERA's concerns regarding legislation impacting pension solvency.

3. A final temporary provision addresses how the contribution rate shifts shall be applied for the $20,000 threshold. For ERB, the employer shall determine the employee's annual salary based on the number of hours for a full-time-equivalent in the employee's position—which addresses the issue of how to calculate the annual salary for ERB employees who do not work a standard 2088- or 2080-hour year as applied for PERA employees. DFA shall apply the shift for all PERA employees.

Synopsis of Original Bill

The House Appropriations and Finance Committee Substitute for House Bill 628 makes three primary changes for pension contributions for state employee plans administered by the Public Employees Retirement Association (PERA) and the Educational Retirement Board (ERB):

1. Extends the two-year 1.5 percent contribution shift implemented for FY10 and FY11 from the employer to the employee for those employees making more than $20,000 another two years (FY12 and FY13);
2. Makes a one-year contribution shift of 1.75 percent from the employer rate to the employee rate for those making more than $20,000 for FY12; and
3. Delays the two remaining 0.75 percent increases for ERB, currently scheduled for FY12 and FY13, to FY14 and FY15.

FISCAL IMPLICATIONS

1.5% Contribution Shift

Laws 2009, Chapter 127 (House Bill 854) made a temporary contribution shift of 1.5 percent from the employer rate to the employee rate for those state employees making more than $20,000 in FY10 and FY11. Based on 2009 compensation information, this action was projected to save about $42.6 million general fund each fiscal year as part of a solvency package to address revenue shortfalls. This bill would extend the 1.5 percent shift for both ERB and PERA members for two more years and then sunset for FY15. At that point the employee rate would revert to the statutory rate of 7.42 percent currently set for those PERA employees in General Plan 3 making less than 20,000 and 7.9 percent for ERB employees making less than $20,000.

The current General Appropriations Act (GAA) for FY12 does not fund the extra 1.5 percent employer currently set in statute, which is based upon the contribution shift sunset date of June 30, 2011. Thus, if this or similar legislation to amend current statute is not passed and signed by the governor, there will be a mismatch between the funding of the employer pension contribution and the rate required by statute totaling about $42.6 million. Additional general fund appropriations would need to be made to cover the added cost to employers for paying the extra 1.5 percent pension contributions, increasing the budget deficit for FY12. Alternatively, if the Legislature chose not to fund the statutory rates set for July 1, 2011, the agencies and educational entities would need to reduce operating budgets elsewhere to absorb the added costs.

This general fund amount would need to be replaced in FY14 on a recurring basis.

1.75% Temporary Contribution Shift

The bill also makes a one-year 1.75 percent contribution shift from the employer to the employee for FY12 for employees making more than $20,000. As currently structured, the FY12 general appropriations bill assumes a 1.75 percent contribution shift from the employer to the employee for FY12 valued at $49.7 million as part of the package to balance the state budget. This shift is based on applying 1.75 percent to all employees over $20,000, and valued using the 2009 estimates developed for Laws 2009, Chapter 127, that initiated the original 1.5 percent shift valued at $42.6 million.

Based on the FY12 1% Compensation Table (January 2011 LFC Volume III), 1.75% of the total general fund projection for salaries totals $52.5 million. Using actual data provided by ERB and the State Personnel Office to adjust for exempting employees making $20,000 or less, produces a general fund impact of $49.2 million, which is within an acceptable 1 percent range. Actual savings will depend on the number of employees and salaries as well as the number of those exempted. Employers will need to absorb any difference between the $49.7 million specified in the current General Appropriations Act and actual general fund savings in their operating budgets. This impact is assumed to be minimal.

The general fund reduction for FY12 would need to be replaced on a recurring basis starting in FY13.

Delaying the ERB Employer Contribution Increase

Laws 2005, Chapter 273 implemented a schedule of employee and employer contribution increases to improve the funded status of the ERB fund, including a seven-year annual incremental increase of 0.75 percent for ERB employers ending at a final rate of 13.9 percent in FY12. It should be noted that Senate Bill 181, as originally drafted, implemented a four-year schedule of 0.75 percent increases ending at in FY09 at 11.65 percent. The additional 3 percent employer contribution, going from 8.65 percent to 11.65 percent, met ERB's actuarial recommendation designed to address solvency concerns at that time. A House Floor Amendment increased the schedule an additional three years to a final 13.9 percent, presumably to add a "cushion" for the educational plan to improve funded status.

Table A – Laws 2005, Chapter 273 (Senate Bill 181)

Fiscal year	Employee Contribution Rate	Employer Contribution Rate	Incremental Change in Employer Rate
FY05	7.6%	8.65%	
FY06	7.675%	9.4%	0.75%
FY07	7.75%	10.15%	0.75%
FY08	7.825%	10.9%	0.75%

FY09	7.9%	11.65%	0.75%
FY10	7.9%	12.4%	0.75%
FY11	7.9%	13.15%	0.75%
FY12	7.9%	13.9%	0.75%

In the 2006 session, the Legislature attempted to prefund one of the 0.75 percent increments for FY07, but the extra $19.3 million general fund appropriation was vetoed as noted in the LFC 2006 Post Session Report:

> "GAA included an extra $19.3 million ($13.6 million for public schools and $5.7 million for higher education) to double the employer contribution increase planned for FY07. Doubling the contribution increase in FY07 would have eliminated the need for a contribution increase in a future year when the state could have less funding available than this year… However, the governor vetoed this extra funding."

The funding shortfall foreseen in 2006 came to pass in 2010 when Laws 2010, Chapter 67, (Senate Bill 91) delayed the 0.75 percent employer increase scheduled for FY11 to FY12 due to budget concerns.

The current FY12 General Appropriations Act (GAA) for FY12 for K-12 and higher education does not include this 0.75 percent increase and does not fund it. Thus, if this or a similar bill is not enacted, between $18 million (89% GF estimated per the 1% Table applied to the ERB $2.7 billion reported salary for FY10) and the $19.3 million general fund (appropriated per HB2 in 2006) would need to be appropriated to education entities to cover the added cost - or they would need to absorb the cost by making reductions elsewhere in their budgets for FY12. The next scheduled 0.75 percent increment, valued at another $18-$19.3 million for FY13, would make the cumulative impact around $55 million for the two-year period.

These general fund amounts would be recurring as long as the employer statutory rate is set higher than the FY10 levels by the 0.75 percent in FY12 and another 0.75 percent in FY13. If this bill is enacted, the savings for FY12 and FY13 would be non-recurring as the schedule resumes in FY14. The bill will provide recurring $40 million revenue to ERB in FY15 going forward, which means a recurring cost to the general fund of about $36.0-$38.6 million for FY15 forward.

Combined Fiscal Impact

The current General Appropriations Act (GAA) does not fund either the 1.5 percent contribution shift or the 0.75 percent ERB employer increase in the operating budgets for state agencies or education entities. In addition, the bill includes a 1.75 percent shift, contingent on the passage of Senate Bill 248 or similar legislation that would adjust the statutory contribution rates to include the shift. This bill will satisfy that contingency and bring all contribution rates for FY12 in alignment with those assumed and funded in the GAA. If this bill or similar legislation does not pass, the employer contribution rates will not be funded at the statutory rates. Other options to reduce costs or increase revenues will be needed to offset about $42 million for the sunset of the 1.5% swap in FY12, about $19 million to fund the 0.75% ERB contribution increase currently scheduled for FY12, and almost $50 million in new general fund savings due to not using the added 1.75% shift as part of the state solvency package for FY12. This totals about $111 million.

Because the bill sunsets both the 1.5 percent and the 1.75 percent contribution shifts, the combined increase in future general fund appropriations to fund the associated employer contribution rate increases would be as follows:

General Fund Operating Budget Requirements (in millions)

	FY13	FY14	FY15**
1.50%Sunset		$42.7 Recurring	
1.75% Sunset	$49.7 Recurring		
ERB 0.75%		$19.3 Recurring	$19.3 Recurring
Total GF "New Money*"	$49.7 Recurring	$62.0 Recurring	$19.3 Recurring

*New Money: additional general fund required when compared to the operating budget of the prior year. Each of these incremental increases would then become recurring as part of all future operating budgets.
**Includes two 0.75% increments of $19.3 million each (total $39.6 million) that are recurring.

Impact to Employees
The fiscal impact to employees of an additional 1.75 percent contribution shift will be offset by the 2011 reduction in the federal social security tax of -2 percent. Assuming normal pretax deductions, the 18-month impact is minimal when compared with the baseline salary as of December 2010. (See Attachment A for the detail of an average PERA salary employee.)

	Change in Net Wages Compared to Baseline				Cumulative Change as Pct of Salary
Salary	**Jan - Jun 2011**	**Jul - Dec 2011**	**Jan - Jun 2012**	**Cumulative**	
30,000	208.26	-2.00	-210.26	-4.00	-0.01%
41,505	300.42	9.52	-290.90	19.04	0.05%
60,000	392.56	24.53	-368.02	49.07	0.08%
100,000	672.96	59.58	-613.38	119.16	0.12%

The bill would sunset both the 1.5 percent and the 1.75 percent for PERA and ERB employees, reverting them to the rates set for employees making $20,000 or less, by FY14.

Employee and employer contribution rates under the bill are included as Attachment B.

SIGNIFICANT ISSUES

State Solvency
The current estimated state revenue shortfall for FY12 ranges from the LFC projection of about $215 million to the executive's projection, based on differing assumptions, of $410.2 million. This shortfall will require additional solvency measures for FY12 to balance the state's budget as required by the New Mexico Constitution. This bill would prevent an increase in this budget shortfall by extending the 1.5 percent contribution shift, saving about $42 million general fund, and by delaying the ERB 0.75 employer contribution increase for two years, saving about $19 million in FY12 and $40 million in FY13. This bill will help shrink the deficit by the estimated $49.2 million from the 1.75 percent employer-employee contribution shift for FY12. Savings to the general fund when compared with statute total $111 million.

Pension Solvency
The actuarial impact of the contribution changes, and from delaying the ERB contribution

increase for two years, is noted by ERB and PERA for a similar bill (SB 248), as follows:

ERB:

> The ERB believes that SB 248 will have a negative actuarial impact on the Educational Retirement Fund (the "Fund") by decreasing combined employee and employer contributions in FY12-13. In addition, there could be a smaller negative actuarial impact as a result of shifting contributions from employers to employees. Employer contributions are not refundable; however, employee contributions are refundable. This could affect the Fund by increasing the payment made to ERB retirees who die before the pension benefits they receive equal contributions they made to the Fund and to members who die before they begin receive pension benefits.
>
> There also will be some cost for the ERB to reprogram its retirement software program, and for employers to do the same. The cost to the ERB is expected to be incremental and largely, if not entirely, borne within ERB's maintenance system for its software.

PERA:

> As PERA contribution rates are considered in the budget discussions, it is important to point out that increases to employee contributions **have an associated increase in the Plan's liability due to the corresponding increase in expected future refunds of contributions**. As a rule of thumb, roughly 5% of the increase in employee contributions is needed to satisfy this increase in the Plan's liabilities. Therefore, a 1.00% of payroll employee contribution impacts funding the same as approximately a 0.95% payroll employer contribution. The current shift of 1.5% of payroll from the employer statutory contribution rate to the employee required contribution rate results in approximately 0.08% of payroll increase to the actuarially required funding. This again may not seem like a significant impact to the Plan for the short-term, however using the State General Division Plan to illustrate; the approximate 0.08% shortfall in funding resulting from the shift adds approximately $725,000 to the unfunded actuarial accrued liability each year it is in effect. The current two-year shift of 1.5% of payroll will require in total approximately $5 million in additional contributions over the next 30 years and represents nearly 20% of the total amount of the contributions shifted. An increase to the amount of contributions shifted from employers to employees or extending the period the shift is in effect further exacerbates the decline in the funded status of PERA.
>
> **Any further reduction in employer contributions will negatively impact the PERA, MRA and JRA Funds.** Employee and employer contribution rates are statutory by member coverage plan. Rates of separation from active membership are used to measure the probabilities of active members terminating that status and requesting a refund of their employee contributions. Rates of withdrawals of active members differ among the demographics of the employee groups. Conversely, employer contributions are nonrefundable and remain with the respective retirement funds. If the total contributions are kept the same, but some of the contributions are shifted from employer to employee, the amortization period for that plan will increase. For the most part, the increase should be small. However, the more poorly funded a group is, the bigger the impact will be (such as in the Judicial Fund). In addition, the closer the normal cost is to the total contributions coming in, the greater the impact will be (such as in the Magistrate Fund).

Some states have reduced or delayed employer contributions in the face of reduced revenues during the recession, which has a strong negative actuarial impact to pension plans. Rather than taking a "rate holiday," the Committee Substitute for HB 628 strives to balance state solvency and pension solvency by keeping contributions constant by using contribution shifts from the employer to the employee. In addition, the bill resumes progress toward the additional 1.5 percent ERB employer contribution after a two-year period, allowing for the economic recovery to strengthen revenues.

Finally, the bill's impact to pension solvency is deminimus in comparison to the solvency issues raised by two years of negative investment earnings during FY08 and FY09. Coupled with the optimistic expectation for investment returns of 8 percent, PERA could be pursuing aggressive action to restore adequate funding for PERA, including engaging stakeholders in looking at ways to reduce the cost of the benefits to make the plans sustainable.

ADMINISTRATIVE IMPLICATIONS

Both ERB and PERA have pension information technology systems that would need to be updated to reflect the contribution changes. Prior fiscal analyses from PERA have indicated a $25,000 fiscal impact from making system changes. ERB assumes the cost would be covered under the current maintenance contract. It is reasonable to assume a similar cost to ERB.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Conflicts with House Bill 133, Senate Bill 87, Senate Bill 88 and Senate Bill 265. All these bills provide alternative contribution schedules.

Relates to House Bill 142, which would have ERB return-to-work employees pick up the employee portion of the contribution.

Relates to HB 644/HAFCS, which would impose a minimum age of 55 on ERB and some PERA non-vested members, as well as reduce the COLA for all non-vested PERA members.

OTHER SUBSTANTIVE ISSUES

The existing 1.5 percent contribution swap is the subject of pending litigation in the Second Judicial District Court in the matter of <u>AFSCME Council 18 et. al. vs. State of New Mexico, et. al,</u> Case No. CV-2009-7148. The AOAG provides the following analysis regarding the potential impact pursuant to this case:

> There is a pending lawsuit stemming from the passage in 2009 of HB 854, which introduced the first 1.5% contribution shift. The State district court presiding over the case has dismissed nearly all of the claims raised by the plaintiffs, but the plaintiffs' takings claim has survived. Importantly, if the plaintiffs are successful on that claim, they would be entitled to the payment of damages as compensation for the taking. What this means for the State is that it might have to pay to all people employed by the State between 2009 and 2011 (or any portion thereof) the difference between what those employees actually paid into their retirement accounts pursuant to HB 854 and what they would have paid if HB 854 had not passed. In other words, a damage award would erase any savings the State realized from the passage of HB 854. Such an award would also establish sufficient precedent to entitle State employees to the same type of award from

the increased contribution shift that SB 248 mandates

PERA notes that its board opposes bills that contain contribution shifts: "The PERA Board Resolution No. 11-02 specifically establishes the PERA Board's opposition to any legislation proposing statutory contribution rate swaps between employers and employees that do not comply with the Board's Benefit Policy and Contribution Policy adopted in 2008. Such bills are a budget measure to save General Fund monies; conversely, it will have a negative impact on the solvency of the PERA, JRA and MRA Funds."

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The current statutory contribution rates for state PERA and ERB plans require a combined $61 million general fund appropriations for FY12 to pay for the sunset of the 1.5 percent employer-employee contribution shift and the ERB 0.75 percent employer incremental increase currently scheduled. These expenditures are not funded in the current General Appropriations Act (GAA). In addition, the $50 million included in the GAA as part of the state solvency package to produce a balanced budget by temporarily shifting an additional 1.75 percent from the employer to the employee would not have the legislative authorization to implement, and other options to reduce the budget shortfall by almost $50 million for FY12 would need to be explored. Thus, if this or a similar bill is not enacted, affected plan sponsors would need to make cuts elsewhere in their budgets to absorb the cost, which could lead to furloughs, salary reductions, or layoffs. In addition, other alternatives to meet the budget crisis if this bill is not enacted could mean reduced critical services, a reduction in reserves, other allocated cost reductions, or increased taxes.

MA/bym:mew:svb

Attachment A

Analysis Isolating Impact of Pension Swap vs. Federal Social Security 2% Tax Reduction

2%	Reduction in Social Security Payroll Tax, effective Jan 2011 - Dec 2011
1.75%	Proposed PERA swap, effective Jul 2011 - Jun 2012
41,505	Average NM State Employee Salary
106,800	Wage Cap on SS Deductions

Federal social security reduction for CY2011.
LFC recommendation proposes 1.75% PERA swap.
Income effect for unmarried individuals

	FY2011		FY2012	
	Baseline Jul - Dec 2010	Jan - Jun 2011	Jul - Dec 2011	Jan - Jun 2012
Gross	**20,753**	**20,753**	**20,753**	**20,753**
PERA Rate	8.92%	8.92%	10.67%	10.67%
PERA Deduction	1,851.12	1,851.12	2,214.29	2,214.29
Pre-Tax Medical Ins	2,000	2,000	2,000	2,000
FICA Gross	**18,752.50**	**18,752.50**	**18,752.50**	**18,752.50**
SS Rate	6.2%	4.2%	4.2%	6.2%
Medicare Rate	1.45%	1.45%	1.45%	1.45%
SS Deduction	1162.66	787.61	787.61	1,162.66
Medicare Deduction	271.91	271.91	271.91	271.91
Taxable Wages	**15466.81**	**15841.86**	**15478.69**	**15,103.64**
Federal Tax Rate of Excess	15%	15%	15%	15%
Federal Taxes	2,107.52	2,163.78	2,109.30	2,053.05
NM Tax Rate of Excess	4.9%	4.9%	4.9%	4.9%
NM Taxes	618.12	636.50	618.71	600.33
Net	**12,741.17**	**13,041.58**	**12,750.68**	**12,450.27**
Compared to Baseline		**300.42**	**9.52**	**-290.90**
Cumulative Impact				**19.03**

Attachment B - Employee and Employer Contribution Rates – By Plan

Extend 1.5% Two Years (FY12 and FY13) and Add 1.75% One Year (FY12)

State General Plan 3 – PERA*

Annual Salary	Employee Rate	Employer Rate	Total
Current: July 1, 2009- June 30, 2011			
$20,000 or less	7.42%	16.59%	24.01%
Over $20,000	8.92% (+1.5%)	15.09% (-1.5%)	
July 1, 2011-June 30, ~~2012~~ 2013 (~~FY12~~ FY13)			
$20,000 or less	7.42%	16.59%	24.01%
Over $20,000	10.67% (+1.75%)	13.34% (-1.75%)	
~~July 1, 2012-June 30, 2013 (FY13)~~			
~~$20,000 or less~~	~~7.42%~~	~~16.59%~~	~~24.01%~~
~~Over $20,000~~	~~8.92% (-1.75%)~~	~~15.09% (+1.75%)~~	
July 1, 2013 (FY14 Forward)			
$20,000 or less	7.42%	16.59%	24.01%
Over $20,000	7.42% (-1.50%)	16.59% (+1.50%)	

ERB

Annual Salary	Employee Rate	Employer Rate	Total
July 1, 2009- June 30, 2011 - Current			
$20,000 or less	7.90%	12.40%	20.30%
Over $20,000	9.40% (+1.5%)	10.9% (-1.5%)	
July 1, 2011-June 30, ~~2012~~ 2013 (~~FY12~~ FY13)			
$20,000 or less	7.90%	12.40%	20.30%
Over $20,000	11.15% (+1.75%)	9.15% (-1.75%)	
~~July 1, 2012-June 30, 2013 (FY13)~~			
~~$20,000 or less~~	~~7.90%~~	~~12.40%~~	~~20.30%~~
~~Over $20,000~~	~~9.40% (-1.75%)~~	~~10.90% (+1.75%)~~	
July 1, 2013-June 30, 2014 (FY14)			
$20,000 or less	7.90%	13.15%	21.05%
Over $20,000	7.90% (-1.50%)	13.15% (+1.50%)	
		(+0.75%)	(+0.75%)
July 1, 2014 (FY15 Forward)			
$20,000 or less	7.90%	13.90%	21.80%
Over $20,000	7.90%	13.90% (+0.75%)	(+0.75%)

*The bill makes similar changes in contribution rates for the following PERA plans: State Police and Adult Correctional Officer Plan, State Hazardous Duty Member Plan, Judicial Retirement Plan, and Magistrate Judge Plan.