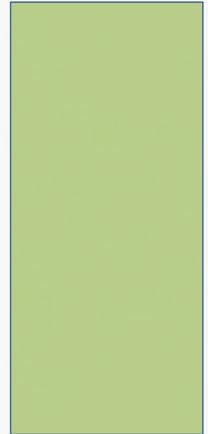


Investments and Pensions Oversight Committee

Senator George Munoz, Chair

December 17, 2012

Wayne Propst, Executive Director, PERA



Updated Funded Status by Plan

June 30, 2012

Plan	Funded Ratio
PERA Total	65.3%
State General	60.4%
State Police/Corrections	95.3%
Municipal General	69.5%
Municipal Police	65.8%
Municipal Fire	55.2%
Judicial	51.0%
Magistrate	53.2%
Legislative	91.8%
Volunteer Fire	167.9%

PERA Reform Proposal

- **Non-Public Safety Employees Hired After 6/30/10**
 - 0.5% Reduction in Annual Pension Factor
 - Retirement Eligibility: Age and Service Rule of 85 or Age 65 with 8 Years of Service
 - 5-year Final Average Salary
 - 8-year Vesting
 - 90% Pension Maximum
 - 2% Compounding COLA
 - Seven full-calendar -year eligibility period to receive COLA
- **Public Safety Employees Hired After 6/30/10**
 - 0.5% Reduction in Annual Pension Factor
 - Retirement Eligibility: Age and Service Rule of 75 or Age 60 with 6 Years of Service
 - 5-year Final Average Salary
 - 6-year Vesting
 - 90% Pension Maximum
 - 2% Compounding COLA
 - Seven full-calendar-year eligibility period to receive COLA

PERA Reform Proposal

- **Current Retirees:**
 - Reduce annual compounding COLA rate from 3% to 2%.
 - Suspend COLA for return-to-work retirees during period of reemployment.
- **Current Active Members Hired Prior to July 1, 2010:**
 - Reduce annual compounding COLA from 3% to 2%.
 - Graduated seven full-calendar-year eligibility to receive COLA. No change in COLA one-year eligibility for employees who retire age 65 or older or retire due to a disability.
 - 90% Pension Benefit Maximum.

PERA Reform Proposal

- **Employer/Employee Contributions Effective 7/1/2013:**
 - Increase employee contribution rate by 1.50%.
 - Accomplished for state employees by removing sunset of contribution shift.
 - Beginning 7/1/2014 and for the following two fiscal years, increase all statutory employer contribution rates by 0.50% each fiscal year (total of 1.50%).