Report on NEA NBI 81

Retirement Benefits For Part-time Higher Education Employees

May 2017

LANGUAGE

(1) Collect and compare the retirement benefits provided to higher education faculty and professional staff in part-time positions in public and private sector colleges and universities;
(2) Investigate best practices for appropriately pro-rated retirement benefits for these part-time higher education employees; and
(3) In conjunction with NEA's Center for Organizing (C4O) Organizational specialists and Higher Education Leaders, recommend strategies for achieving appropriately pro-rated retirement benefits in states and institutions where such benefits are not yet provided.

APPROACH

(1) Identify states where NEA has public and private higher education affiliates. Collect and analyze collective bargaining language relative to retirement benefits for part-time staff. To identify if the bargaining unit includes part-time staff, review the recognition clause of the contract. In cases where the institution provides its own retirement benefits, collect any summary plan description of member handbook that identifies how service credit towards normal retirement is earned and how proration occurs.
(2) Review proration methods by institution (if it provides its own retirement benefits) or by state (if the state provides such benefits). Note that proration of service credit will only apply to defined benefit program. Those institutions/states with defined contribution plans (401(a), 403(b) and 457(b)) can only prorate a payment if the employer is contributing to the account based upon service credit.

TASK 1 – DATA COLLECTION

NEA higher education locals were identified using the 2016 and 2017 *NEA Almanac of Higher Education* as well as by consulting NEA's Center for Organizing. Where the NEA Higher Education Contract Analysis System (HECAS) did not have the latest collective bargaining agreement (CBA), a search was made by institution or labor relations agency. States where NEA has higher education affiliates were searched (Appendix A). In bargaining states, where new CBAs were found they were uploaded to HECAS.

A search of 64 collective bargaining contracts of bargaining units that included full-time and part-time faculty or staff found that none had specific language to secure prorated retirement benefits. More common retirement language was limited to the availability of supplemental retirement plans (e.g., 403(b), 457(b)) or the percentage of pay that an employee would contribute to a defined contribution plan offered by the employer. A sample of these analyses follows:

Massachusetts

University of Massachusetts (Boston)

July 1, 2014 – June 30, 2017

“The Administration agrees to comply with all applicable provisions of the Massachusetts General Laws, including appropriate rules and regulations promulgated thereunder, with respect to retirement membership, rights and benefits for bargaining unit members” (Section 27.7, page 87).

Montana

Montana State University – Billings (FT/PT Faculty)

July 1, 2015 – June 30, 2017

“Faculty members are required to participate in either the Teachers Retirement System or an optional retirement plan, as provided for in the pertinent section(s) of the Montana Code Annotated. Faculty members may enter into post-retirement employment contracts in accordance with Board of Regents policy. The Administration may initiate and negotiate with individual faculty members and obtain mutually acceptable agreements that provide for early retirement subject to the approval of the Board of Regents. Any changes in state statutes brought about by legislative action that increase these benefits will be applied forthwith by the Administration” (Section 14.600, page 83).

Rhode Island

Roger Williams University (Support Staff)

July 1, 2016 – June 30, 2020

“Part-time staff who are considered eligible under the terms of the University-provided (defined contribution) plan may participate in accordance with the terms of the plan, including contributions to the plan” (Section 12.E. Retirement, page 49).

After analyzing the language within and across states, the only conclusion that could be made is that the right and responsibility to determine how part-time service credit was to be prorated was vested in the pension plan itself. This conclusion was supported as the analysis proceeded from individual collective bargaining agreements to the pension plans offered by state retirement systems in which NEA affiliates participate.

Each state provides retirement information to its members and other stakeholders in its own way. The language that determined how part-time faculty and staff would be prorated for service credit was found in the summary plan description, member handbook or active member information brochure offered by each state pension system. Many state retirement systems did not provide details on how proration methodologies were implemented. A common manner of providing information is found in the Commonwealth of Pennsylvania’s State Employee Retirement System’s Member Handbook:

Service Credit

"Your years of credited service determine when you qualify for a pension and are a factor in the formula that determines the amount of your annual benefit.

When you work for a SERS-participating employer (and select non-state employers such as the US military) and we receive employee and employer contributions toward your retirement benefit for the time worked, we credit your member record with the service.

In general, most SERS members are credited with one year of service for every 1,650 hours worked in a calendar year. If you work more than 1,650 hours in a calendar year, you earn just one year of service. If you work less than 1,650 hours in a calendar year, you are credited with a fraction of a year's credit based on the hours you worked."

TASK 2 – BEST PRACTICES

Best practices for appropriately prorating retirement benefits for part-time higher education faculty and staff include:

- **Transparency –** Few state retirement systems spell out how service credit is prorated, and fewer still provide examples that employees can review. Ohio's State Teachers' Retirement System provides a separate 11-page brochure regarding service that articulates how service credit is calculated, provides examples, and provides a service credit decision tree to help members understand the calculation of service credit. This is the level of detail that members need in order to understand how proration of service credit works in general and how it applies to them in particular. See: https://www.strsoh.org/_pdfs/brochureseries/servicecredit/20-551.pdf.

- **Comparability** – Many state retirement systems do not offer members a summary plan description of their pension plan. It is difficult for a member's representative to compare benefits in a standardized manner if the communication vehicle changes within and across states. A summary plan description written in the format of 29 CFR 2520.102-3 provides retirement systems with a standardized framework to describe plan benefits such as eligibility, vesting, contributions, minimum retirement ages, to members. Many retirement systems offer members handbooks, brochures or booklets that summarize benefits so broadly that the specific plan details are difficult to discover. This is critical information in regards to service credit proration. The summary plan description for the Florida Retirement System's Investment Plan is a good example of this type of reporting. See: https://www.myfrs.com/imageserver/pdf/forms/frs_ip_spd.pdf.

- **Sufficiency** – Any cursory review of service credit language brings home the low level of compensation afforded to part-time faculty and staff. In order to have a sufficient retirement, part-time faculty and staff will need to cobble retirement savings from more than one employer. This could be addressed by adding a consumer price index (CPI) multiplier to the wage rates paid to part-time faculty and staff during bargaining.

TASK 3 – RECOMMENDATIONS

Any recommendation to a specific state must take into account the context of the retirement options available in that specific state. Some state systems replace Social Security, for example, while others supplement those retirement benefits. In some states public pension funding is strained, while in others the employers have contributed their fair share to the system. Moreover, some state retirement systems don't allow part-time faculty or staff of participating employers to become members of the system. These employees only have access to the supplemental retirement savings vehicles offered by their employer which may not have any employer match.

Private employers tend to limit their retirement vehicles to defined contribution plans, while some public retirement systems limit pension plans by the date of hire for each employee. Each of the best practices identified above arise out of understanding the context of retirement benefits. The examples identified above and summarized in the appendices provide options which higher education locals and their state affiliates can use to advance their solutions for members.

Here are steps that NEA higher education locals and their state affiliates can take to move this agenda:

- Analyze your state pension plan against the three best practices described in Task 2.
- Determine whether you need a legislative or regulatory fix for any deficiencies.
- Work with your state affiliate Government Relations team to develop language and integrate into your state Association's lobbying agenda. Consult with NEA's Department of Collective Bargaining and Member Advocacy for assistance.
- Develop educational materials for members about their pension benefits as well as lobbying or other advocacy pieces.
- Continue to advocate for legislation and to bargain for higher compensation for part-time employees—faculty and staff. Higher wages translate into higher retirement benefits.
- Use these opportunities for organizing campaigns in our affiliates—reaching out to members, new hires, and potential members.
- Support NEA's efforts to repeal the unfair Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP). In the current Congress, NEA is supporting the Social Security Fairness Act of 2017 (S. 915/H.R. 1205).
  - The GPO reduces, by two-thirds, the Social Security spousal or survivor benefits of people not covered by Social Security themselves. For example, an educator with a pension of $900 per month and a spouse covered by Social Security loses $600 per month, her/his entire Social Security benefit.

- The WEP reduces, by up to 50 percent, the Social Security retirement, disability, spousal, or survivor benefits of people who work in jobs covered by Social Security and jobs NOT covered by Social Security over the course of their careers – for example, educators compelled to take part-time or summer jobs to make ends meet.

Appendix A
Census of State Labor Relations Agencies Searched

California
California Public Employment Relations Board
1031 18th Street
Sacramento, California 95814-4174
(916) 322-3198
(916) 327-6377
www.perb.ca.gov

District of Columbia
District of Columbia Public Relations Board
1100 4th Street SW, Suite 630 East
Washington, DC 20024
https://perb.dc.gov/

Florida
Florida Public Employees Relations Commission
4708 Capital Circle Northwest, Suite 300
Tallahassee, Florida 32303
(850) 488-8641
(850) 488-9704
http://perc.myflorida.com/

Illinois
Illinois Educational Labor Relations Board
160 North LaSalle Street, Suite N400
Chicago, Illinois 60601
(312) 793-3170
(312) 793-3369
www2.illinois.gov/elrb/Pages/general.aspx

Iowa
Iowa Public Employment Relations Board
510 East 12th Street, Suite 1B
Des Moines, Iowa 50319
(515) 281-4414
(515) 242-6511
iaperb@iowa.gov

Kansas
Kansas Department of Labor -
Office of Labor Relations and PERB
401 Topeka Boulevard
Topeka KS 66603
(785) 296-5000 ext. 1068
(785) 368-6462
www.dol.ks.gov

Maine
Maine Labor Relations Board
90 State House Station
Augusta, Maine 04333-0090
(207) 287-2015
(207) 287-4416
www.maine.gov/mlrb

Massachusetts
Executive Office of Labor and Workforce Development
(EOLWD) and Joint Labor Management Committee (JLMC)
Department of Labor Relations
Charles F. Hurley Building
19 Staniford Street, 1st Floor
Boston, MA 02114
www.mass.gov/lwd/labor-relations

Michigan
Michigan Employment Relations Commission
3026 West Grand Blvd., Suite 2-750
PO Box 02988
Detroit, Michigan 48202-2988
(313) 456-3510
(313) 456-3511
www.michigan.gov/lara

Minnesota
Minnesota Bureau of Mediation Services
1380 Energy Lane, Suite 2
St. Paul, Minnesota 55108-5253
(651) 649-5421
(651) 643-3013
www.bms.state.mn.us

Missouri
Missouri State Board of Mediation
PO Box 2071
Jefferson City, MO 65102
(573) 751-3614
sbm@labor.mo.gov
www.labor.mo.gov/SBM

Montana
Montana Board of Personnel Appeals
MT Department of Labor & Industry
Labor Standards Bureau
PO Box 201503
Helena MT 59620-1503
(406)444-0032 (office)
(406)444-7071
http://erd.dli.mt.gov/labor-standards/collective-bargaining/board-of-personnel-appeals

Nebraska
Nebraska Commission of Industrial Relations
301 Centennial Mall South
P.O. Box 94864
Lincoln, Nebraska 68509-4864
(402) 471-2934
(402) 471-6597
www.ncir.ne.gov

New Hampshire
New Hampshire Public Employee Labor Relations Board
2 ½ Beacon Street, Suite 200
Concord, New Hampshire 03301
(603) 271-2587
pelrb@nh.gov
www.nh.gov/pelrb

New Jersey
New Jersey Public Employment Relations Commission
PO Box 429
Trenton, New Jersey 08625-0429
(609) 292-9830
(609) 777-0089
www.state.nj.us/perc

New Mexico
New Mexico Public Employee Labor Relations Board
2929 Coors Blvd. NW, Suite #303
Albuquerque, New Mexico 87120
(505) 831-5422
(505) 831-8820
www.state.nm.us/pelrb

New York
New York State Public Employment Relations Board
PO Box 2074
Empire State Plaza Agency Bldg 2, Floors 18 & 20
Albany, New York 12220-0074
(518) 457-2578
(518) 457-2664
www.perb.state.ny.gov

Ohio
Ohio State Employment Relations Board
65 East State Street, 12th Floor
Columbus, Ohio 43215-4213
(614) 644-8573
(614) 466-3074
www.serb.state.oh.us

Oregon
Oregon Employment Relations Board
Old Garfield School Building
528 Cottage Street, N.E., Suite 400
Salem, Oregon 97301-3807
(503) 378-3807
(503) 373-0021
EmpRel.Board@state.or.us
www.oregon.gov/ERB

Pennsylvania
Pennsylvania Labor Relations Board
651 Boas Street, Room 418
Harrisburg, Pennsylvania 17121
(717) 787-1091
(717) 783-2974
www.dli.state.pa.us

Rhode Island
Rhode Island State Labor Relations Board
Center General Complex
Building 73, 2nd Floor
1511 Pontiac Avenue
Cranston, Rhode Island 02920-4407
(401) 462-8830
(401) 462-8776
www.dlt.ri.gov/lrb

Washington
Washington Public Employment Relations Commission
112 Henry Street NE, Suite 300
P.O. Box 40919
Olympia, Washington 98504-0919
(360) 570-7300
(360) 570-7334
www.perc.wa.gov

Wisconsin
Wisconsin Employment Relations Commission
4868 High Crossing Blvd
Madison, Wisconsin 53704-7403
(608) 243-2424
(608) 243-2433
http://werc.wi.gov

Appendix B
Sample of State Retirement Systems Searched

ALABAMA

Teachers' Retirement System of Alabama

Eligibility/Membership

The TRS is a defined benefit plan qualified under Section 401(a) of the Internal Revenue Code. Since its inception in 1941, the plan has provided disability and service retirement benefits to members and survivor benefits to qualified beneficiaries. A defined benefit plan provides the employee with a specific benefit at retirement by calculating the retirement benefit based on a formula. Benefits are payable monthly for the lifetime of the member, possibly continuing for the lifetime of his or her beneficiary. The Code of Alabama 1975, Section 16-25 contains the actual language governing the plan.

Participation in the TRS is mandatory if a person is employed in a position eligible for coverage in a non-temporary capacity on at least a one-half time basis earning at least the federal minimum wage. Once enrolled, the member must continue participation until employment is terminated. Active members of the Employees' Retirement System (ERS) and student employees are not eligible for TRS participation.

Tier 1: Any member of the TRS who had service credit with the ERS or TRS prior to January 1, 2013.

Vesting

Members have a vested status in the TRS after accumulating 10 years of creditable service. Members cannot convert unused sick leave to retirement credit in order to meet the minimum 10 years of service required for vesting.

Creditable Service

Creditable service is the total service credit accrued to your account and is one part of the formula used to calculate your retirement benefit. It includes membership service, prior service, purchased service, and transferred service. Periods of part-time or less than full-time service should be prorated based on the percentage of time worked in relation to full time. Membership service is service credit earned as an employee while a member of the TRS and making contributions to the TRS. Members can only earn a year's worth of service credit in a year's time. Service credit is calculated by your employer and reported to the TRS. Service credit is subject to review, audit and correction by the TRS prior to retirement.

Contributions

Member contributions are based on percentages of earnable compensation, but earnable compensation cannot exceed 120% of base pay. Member compensation rates are determined by statute and subject to change by the Alabama Legislature. Regular employees contribute 7.5

percent. The employer's contribution rate is established after each annual actuarial valuation of participating agencies.

Normal Retirement

Service retirement benefits are available to members who cease TRS-covered employment and meet minimum service and age requirements. The monthly retirement benefit is made for life without interruption unless there is a return to full-time employment with a TRS or ERS agency, or to temporary employment in excess of the limits detailed in the 'Postretirement Employment' section of this summary. A member is eligible to receive retirement benefits under either of the following conditions:

- He or she has at least 10 years of service credit and has attained the age of 60

  Or

- After accumulating 25 years of service credit at any age.

A member is eligible to retire the first day of the month following attainment of age 60 with 10 years of creditable service or the first day of the month following attainment of 25 years of service credit. Members may only retire on the first day of any month they are eligible. Eligible members may convert unused sick leave days to service credit to meet the minimum requirement for service retirement.

Any member convicted of a felony offense related to their public position must forfeit their right to lifetime retirement benefits. The member will receive a refund of his or her retirement contributions. Any member convicted of a felony offense related to their public position must forfeit their right to lifetime retirement benefits. The member will receive a refund of his or her retirement contributions.

Benefit Calculations

A member's retirement benefit is calculated based on a retirement formula. The factors used in calculating this benefit include:

1. Average Final Salary (Compensation): The average of the highest three years (July - June) out of the last 10 years the member made contributions. Partial years are included when calculating the average final salary if they benefit the member.

2. Years and Months of Creditable Service: The total amount of creditable service to include membership service, prior service, purchased service, and transfer service.

3. Retirement Benefit Factor: The current benefit factor, as established by the Alabama Legislature, is 2.0125%.

Retirement Formula for Maximum Monthly Benefit: Average Final Salary x Years and Months of Service x Benefit Factor ÷ 12 = Maximum Monthly Benefit

Tier 2: Any member of the TRS who had no service credit with the ERS or TRS prior to January 1, 2013.

Vesting

Members have a vested status in the TRS after accumulating 10 years of creditable service.

Creditable Service

Creditable service is the total service credit accrued to your account and is one part of the formula used to calculate your retirement benefit. It includes membership service, prior service, purchased service, and transferred service. Periods of part-time or less than full-time service should be prorated based on the percentage of time worked in relation to full time. Membership service is service credit earned as an employee while a member of the TRS and making contributions to the TRS. Members can only earn a year's worth of service credit in a year's time. Service credit is calculated by your employer and reported to the TRS. Service credit is subject to review, audit and correction by the TRS prior to retirement.

Contributions

Member contributions are based on percentages of earnable compensation, but earnable compensation cannot exceed 120% of base pay. Member compensation rates are determined by statute and subject to change by the Alabama Legislature. Regular employees contribute 6 percent. The employer's contribution rate is established after each annual actuarial valuation of participating agencies.

Normal Retirement

Service retirement benefits are available to members who cease TRS-covered employment and meet minimum service and age requirements. The monthly retirement benefit is made for life without interruption unless there is a return to full-time employment with a TRS or ERS agency, or to temporary employment in excess of the limits to be described in Postretirement Employment on page 20. A member is eligible to receive retirement benefits when:

- He or she has at least 10 years of service credit and has attained the age of 62.

A member is eligible to retire the first day of the month following attainment of age 62 with 10 years of creditable service. Members may only retire on the first day of any month they are eligible. Any member convicted of a felony offense related to their public position must forfeit their right to lifetime retirement benefits. The employee will receive a refund of his or her retirement contributions.

Benefit Calculations

A member's retirement benefit is calculated based on a retirement formula. The member must be age 62 or older to receive a retirement benefit. The retirement benefit cannot exceed 80% of the Average Final Salary. The factors used in calculating this benefit include:

1. Average Final Salary (Compensation): The average of the highest five years (July - June) out of the last 10 years the member made contributions. Partial years are included when calculating

the average final salary if they benefit the member. The retirement benefit is capped at 80% of average final salary.

2. Years and Months of Creditable Service: The total amount of creditable service to include membership service, prior service, purchased service, and transfer service.

3. Retirement Benefit Factor: The current benefit factor, as established by the Alabama Legislature, is 1.65%.

Retirement Formula for Maximum Monthly Benefit: Average Final Salary x Years and Months of Service x Benefit Factor ÷ 12 = Maximum Monthly Benefit

CALIFORNIA

California State Teachers Retirement System

Eligibility/Membership

CalSTRS administers a hybrid retirement system consisting of traditional defined benefit, cash balance and voluntary defined contribution plans:

- Traditional defined benefit plan: Your CalSTRS retirement benefit is a defined benefit pension. It's based on the following formula, not on how much you contribute or how well CalSTRS investments perform: Service credit x age factor x final compensation = your retirement benefit. This plan is mandatory for full-time California public school preK–12 teachers, community college instructors and public school administrators; part-time educators can choose to become members.

- Cash balance plans: CalSTRS Defined Benefit Supplement Program is a cash balance plan. Your member contributions and your employer's contributions are credited to your Defined Benefit Supplement account. Your account earns guaranteed interest and, when the Teachers' Retirement Board declares, additional earnings credits. At retirement, you receive a benefit that is equal to your total account balance. The CalSTRS Cash Balance Benefit Program, an alternative to membership in the Defined Benefit Program for part-time educators, is also a cash balance plan. CalSTRS' voluntary defined contribution plan, with 403(b), 457(b), Roth 403(b) and Roth 457(b) investment options for additional retirement income.

Defined Benefit Plan

Vesting

Five years of service credit

Creditable Service

Service credit is the accumulated period of time, in years and partial years, during which you receive creditable compensation and make contributions to the Defined Benefit Program. You may also receive service credit for creditable compensation for certain employer-approved leaves of absence. Permissive service credit may be purchased under certain circumstances.

Service credit for one school year is earned proportionally, based on the creditable compensation you earn divided by the compensation that is payable for full-time service in that position. If you are a part-time community college instructor, the minimum FTE per school year is 525 instructional hours, plus mandatory office hours, if paid. If you are a full-time or part-time community college librarian or counselor, then the minimum FTE per school year is 1,050 hours. If you are a community college instructor employed in adult education program, then the minimum FTE per school year is 875 instructional hours, plus mandatory office hours, if paid.

Contributions

The employee and employer each contribute 8 percent of your earnings to your Defined Benefit Supplement account for certain types of creditable compensation, including earnings in excess of one year of service credit. For 2% at 60 members, contributions also include limited-term payments and retirement incentives. These types of compensation are not creditable for 2% at 62 members.

If you were a CalSTRS member from January 1, 2001, to December 31, 2010, one-fourth of your 8 percent member contribution to the Defined Benefit Program was credited to your Defined Benefit Supplement account during that time.

Contributions in 2016-17:

2% at 62 members contribute 9.205 percent of your creditable earnings.

The employer contributes an amount equal to 12.58 percent of your creditable earnings.

The state of California currently contributes 6.328 percent of members' annual earnings, plus an additional 2.5 percent of members’ earnings to pay for purchasing power protection.

Normal Retirement

CalSTRS 2% at 60: Age 50 with at least 30 years of service credit.

Age 55 with five years of service credit—or fewer years of service credit under the special circumstances of concurrent service retirement with certain other California public retirement systems.

CalSTRS 2% at 62: Age 55 with at least five years of service—or fewer years of service credit under the special circumstances of concurrent service retirement.

Benefit Calculations

Service credit x age factor x final compensation

Cash Balance Plan

Vesting

Immediate vesting of member contributions, employer's contributions and interest earned.

Contributions

Members contribute 4 percent of your salary. The employer must contribute an amount equal to at least 4 percent of your salary.

Employers may bargain alternative rates, but the combined employer/employee contribution must be 8 percent. For contracts entered into or changed on or after January 1, 2014, the employee contribution rate can't be less than the employer's rate.

Benefit Calculations

Your Cash Balance Benefit account balance, which includes your contributions, employer contributions, guaranteed interest and any additional earnings credits, is payable to you at retirement.

DISTRICT OF COLUMBIA

The one affiliate has its own retirement plan for faculty and staff: a 403(b) plan, 457(b) or 401(a) plan. No prorated service credit is applicable to the first two plans since retirement benefits are provided solely through the employee.

FLORIDA

Higher education faculty and staff can choose a defined benefit or defined contribution plan through the Florida Retirement System (FRS) Pension Plan or the State University System Optional Retirement Plan (ORP). Membership in the FRS is specified by law for full- and part-time employees working in regularly established positions for state universities and state community colleges. State University System faculty, executive service employees, and administrative and professional employees may elect to participate in the State University System Optional Retirement Program except for faculty at colleges of a state university that has a faculty practice plan. These faculty members are mandatory State University System Optional Retirement Program participants. State Community College System faculty and certain administrators whose positions are covered by the Regular Class may elect to participate in a State Community College System Optional Retirement Program, if the college offers an optional retirement program.

Florida Retirement System (FRS) Pension Plan

Defined benefit plan. Social Security is required for all members.

Vesting

Since July 1, 2001, the FRS has provided for vesting of service retirement benefits after six years of creditable service. Members not actively working in a position covered by the FRS on July 1, 2001, must return to covered employment for up to one work year to be eligible to vest with less service than was required under the law in effect before July 1, 2001. Members initially enrolled on or after July 1, 2001, through June 30, 2011, vest after six years of service. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service.

Creditable Service

Members receive one month of service credit for each month in which any salary is reported for work performed up to their work period during the plan year. Members may also purchase additional credit to increase their retirement benefits under the FRS Pension Plan. Credit may be purchased for past service, prior service (including refunded service credit), certain military service (up to four years), approved leaves of absence (up to two years), out-of-state public service (including federal service), non-FRS public service and non-public service in certain schools or colleges in Florida (up to five years total, including both in-state and out-of-state service), and in some cases credit for periods of disability retirement. To purchase this service credit, members must meet certain requirements. Only the purchase of past service and prior service may be included in the creditable years of service needed to vest; (see Vesting). All other types of service credit purchases become creditable service only after a member is vested based on the member's other service.

Contributions

Employees contribute 3 percent of regular pay; Employer contributes 7.52% of eligible pay.

Normal Retirement

For members initially enrolled before July 1, 2011: Vested with six years of service and age 62; or the age after 62 that the member becomes vested; or 30 years of service, regardless of age.

For members initially enrolled on or after July 1, 2011: Vested with eight years of service and age 65; or the age after 65 that the member becomes vested; or 33 years of service, regardless of age.

Benefit Calculation

Service retirement benefits are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

FRS Investment Plan

Defined contribution plan. Social Security is required for all members.

Vesting

Members are 100% vested in employee contributions plus earnings. For the Investment Plan, if you have completed one (1) year of service with an FRS-covered position, you are vested in (or, you "own") all employee and employer contributions and earnings on those contributions. After you have terminated all FRS-covered employment for three (3) calendar months, you can take the value of your account with you, regardless of your age. See "Distributions from the Investment Plan" for further information on the distribution requirements.

This is in contrast with the Pension Plan, which is as follows:

• If you were initially enrolled prior to July 1, 2011, you need six (6) years of service to vest. Further, normal retirement age for all employees first enrolled in the Pension Plan prior to July 1, 2011 (except Special Risk Class employees) is the earlier of age 62 or attainment of 30 years of service. If you have previous Pension Plan service that you may transfer to the Investment Plan that service will vest under the Pension Plan's 6-year vesting schedule.

• If you were initially enrolled in the Pension Plan on or after July 1, 2011, you need eight (8) years of service to vest. If you enrolled in the Pension Plan on or after July 1, 2011 normal retirement age for all employees (except Special Risk Class employees) is the earlier of age 65 or attainment of 33 years of service. Any previous Pension Plan service you may transfer to the Investment Plan will vest under the Pension Plan's 8-year vesting schedule.

Creditable Service

A member receives one (1) month of service credit for each month in which any salary is reported for work performed. Members may not purchase service credit (e.g., for past service, prior service, certain military service, leaves-of-absence, etc.) to increase their Investment Plan retirement benefit. This includes the upgrade of previous service to another membership class (e.g., SMSC, Special Risk Class, or EOC). If an FRS-covered employee has additional service credit he/she wishes to use towards his/her retirement, he/she must purchase or upgrade such service under the Pension Plan before he/she becomes a member in the Investment Plan.

There are certain types of service such as military, workers' compensation, and suspension and reinstatement that are paid for by the employer and may be creditable for Investment Plan members if certain requirements are met for that type of service. The military service must be as a leave of absence and must be eligible for purchase under the Uniformed Services Employment and Reemployment Act (Chapter 43 of Title 38 of the United States Code).

The Investment Plan complies with the provisions of the Heroes Earnings Assistance and Relief Tax (HEART) Act of 2008, which helps protect the rights of military personnel on active duty. Because FRS records do not indicate whether a member serves in the military, it is the responsibility of the member and/or the beneficiary to notify us and provide sufficient documentation to claim any benefits under this Act.

Contributions

Employer contributions (called the 'blended contribution rate') is the same regardless of participation in the pension plan or investment plan. It is a percentage of an employee's gross monthly salary. Blended rate: Employees contribute 3 percent of regular pay; employer contributes 5.8%. Investment plan contribution rates: Employees contribute 3 percent of pay; employer contributes 3.30%.

Normal Retirement

For members initially enrolled before July 1, 2011: Age 62 or older and 1 or more years of Investment Plan service; age 62 or older and 1 or more years of combined Pension Plan and Investment Plan service; any age and 30 or more years of service.

For members initially enrolled on or after July 1, 2011: Age 65 or older and 1 or more years of Investment Plan service; age 65 or older and 1 or more years of combined Pension Plan and Investment Plan service; any age and 33 or more years of service.

ILLINOIS

Participation in the State Universities Retirement System (SURS) is mandatory. SURS provides 3 options: A defined benefit plan, a defined contribution plan, and a self-directed defined contribution plan. All 3 are 401(a) plans. SURS participants are not eligible for social security.

Tier 1: Traditional and Portable Plan Members (first employed prior to January 1, 2011)

Vesting

Minimum 5 years of service.

Creditable Service

SURS classifies service credit in two ways: vesting service and benefit service. Vesting service is used to determine your eligibility to qualify for a specific benefit, while benefit service is used to determine your benefit amount.

The period used to calculate service credit begins September 1st and ends August 31st. During this period, you may receive no more than 1 year of service credit. You can earn service credit for a fractional year of service, as shown in the following service credit chart.

LENGTH OF EMPLOYMENT	SERVICE CREDIT EARNED
15 or more calendar days in a month	1 month
1 through 2 months	¼ year
3 through 5 months	½ year
6 through 7 months	¾ year
8 through 12 months	1 year

SURS service credit is initially credited based upon basic payroll information received from SURS-covered employers during employment. This information includes only payroll date and contributions withheld on SURS-eligible earnings. Information regarding specific dates worked is gathered at retirement, in order to determine if service credit requires adjustment. Service credit balances included on SURS annual statements reflect unadjusted service credit; therefore, it is important to verify that your adjusted service total will allow you to meet the minimum vesting requirements for any SURS benefit.

Part-time employment with a SURS–covered employer does not affect your eligibility to qualify for benefits. Regardless of the percentage of employment, you accumulate service for qualification of benefits or vesting, equally. When your retirement or survivor annuity is calculated, benefit service credit may be reduced if you have been employed at 50% time or less for more than 3 years after September 1, 1959. This reduction is not reflected in your annual Benefit Summary Statement. Because of potential fluctuations in the percentage of employment during a member's SURS career, the exact reduction that may apply can only be known after all percentages for years of service have been received from all employers.

For example, two members are the same age and are certified as contributing SURS members on the same date. One member may work fulltime (100%) for 10 years. Another may work 10 years, but their employment percentage has varied. They have 3 years at 20%, 2 years at 30%, and 5 years at 10%.

Because both started on the same day, they will qualify for benefits on the same day, even though one is full-time and the other is part-time. However, when the benefit is actually calculated, the part-time member's service may be reduced because his/her percentage of time is 50% or less. This will affect the number of service years that can be used in calculating the retirement amount.

Members who have been employed at varying percentages at 50% time or less should contact SURS several years prior to retirement to determine how this calculation might affect their retirement plan.

Contributions

Employees contribute 8% of pensionable earnings; employer contributions are actuarially determined each year.

Normal Retirement Requirements

Age 62, with at least 5 years of service; age 55, with at least 8 years of service (age reduction of 0.5% for each month under age 60 at retirement may apply); at any age, with at least 30 years of service

Benefit Calculation

Greater of the benefits computed under SURS General Formula, Minimum Annuity calculation and Money Purchase calculation. (The Money Purchase calculation is not available to members who certified on or after 7/1/2005.

Tier 2: Traditional and Portable Plan Members (first employed on or after January 1, 2011)

Vesting

Minimum 10 years of service.

Creditable Service

SURS classifies service credit in two ways: vesting service and benefit service. Vesting service is used to determine your eligibility to qualify for a specific benefit, while benefit service is used to determine your benefit amount.

The period used to calculate service credit begins September 1st and ends August 31st. During this period, you may receive no more than 1 year of service credit. You can earn service credit for a fractional year of service, as shown in the following service credit chart.

LENGTH OF EMPLOYMENT	SERVICE CREDIT EARNED
15 or more calendar days in a month	1 month
1 through 2 months	¼ year
3 through 5 months	½ year
6 through 7 months	¾ year
8 through 12 months	1 year

SURS service credit is initially credited based upon basic payroll information received from SURS-covered employers during employment. This information includes only payroll date and contributions withheld on SURS-eligible earnings. Information regarding specific dates worked is gathered at retirement, in order to determine if service credit requires adjustment. Service credit balances included on SURS annual statements reflect unadjusted service credit; therefore, it is important to verify that your adjusted service total will allow you to meet the minimum vesting requirements for any SURS benefit.

Part-time employment with a SURS–covered employer does not affect your eligibility to qualify for benefits. Regardless of the percentage of employment, you accumulate service for qualification of benefits or vesting, equally. When your retirement or survivor annuity is calculated, benefit service credit may be reduced if you have been employed at 50% time or less for more than 3 years after September 1, 1959. This reduction is not reflected in your annual Benefit Summary Statement. Because of potential fluctuations in the percentage of employment during a member's SURS career, the exact reduction that may apply can only be known after all percentages for years of service have been received from all employers.

For example, two members are the same age and are certified as contributing SURS members on the same date. One member may work fulltime (100%) for 10 years. Another may work 10 years, but their employment percentage has varied. They have 3 years at 20%, 2 years at 30%, and 5 years at 10%.

Because both started on the same day, they will qualify for benefits on the same day, even though one is full-time and the other is part-time. However, when the benefit is actually calculated, the part-time member's service may be reduced because his/her percentage of time is 50% or less. This will affect the number of service years that can be used in calculating the retirement amount.

Members who have been employed at varying percentages at 50% time or less should contact SURS several years prior to retirement to determine how this calculation might affect their retirement plan.

Contributions

Employees contribute 8% of pensionable earnings; employer contributions are actuarially determined each year.

Normal Retirement Requirements

Age 67, with at least 10 years of service; age 62, with reduction for age, with at least 10 years of service (age reduction of 0.5% for each month under age 67 at retirement will apply).

Benefit Calculation

Greater of the benefits computed under SURS General Formula and Minimum Annuity calculation.

Tier 1 and 2 Self-Managed Plan

Vesting

Employees are always 100% vested in contributions plus earnings. Employees become vested in State of Illinois contributions upon completion of 5 years of service with a SURS member organization.

Creditable Service

The period used to calculate service credit begins September 1st and ends August 31st. During this period, you may receive no more than 1 year of service credit. You can earn service credit for a fractional year of service, as shown in the following service credit chart.

LENGTH OF EMPLOYMENT	SERVICE CREDIT EARNED
15 or more calendar days in a month	1 month
1 through 2 months	¼ year
3 through 5 months	½ year
6 through 7 months	¾ year
8 through 12 months	1 year

Contributions

Employees contribute 8% of earnings; employer contributions are 7.6 percent, of which up to 1 percent is used to provide eligibility for disability benefits

Normal Retirement Requirements

Age 62, with at least 5 years of service; age 55, with at least 8 years of service; at any age, with at least 30 years of service Age reduction is not applicable to SMP.

Distributions prior to Normal Retirement Age: If you leave your job, you may: Take a lump-sum distribution of your account; leave your account balance in the plan until you reach normal retirement age, assuming you have the required years of service and wish to receive an annuity; or leave your account balance in the plan and take a lump-sum distribution at a later date. If you leave your vested account balance in the plan until you reach normal retirement age, your benefit will be paid as described below.

Distributions after Normal Retirement Age You will qualify for an annuity: If you are at least age 55 and have eight or more years of service; if you are at least age 62 and have five or more years of service; or at any age when you achieve 30 years of service

The Self-Managed Plan features a normal form of payment based on your marital status as of your distribution date: • If you are single on your distribution date, you will receive a Single Life Annuity that provides monthly payments for life. This form of payment does not provide any survivor benefits. If you are married, your benefit will be in the form of a 50 percent Joint & Survivor Annuity. This form provides monthly payments for life. After you die, your surviving spouse may receive continued monthly payments for life. If you return to work with a SURS-covered employer, there is no limitation on earnings or waiting period. However, you may no longer make contributions to the System.

Benefit Calculation

Member bears the investment choice risk. At retirement, vested account balance is used to purchase an annuity contract or to pay a lump-sum benefit.

IOWA

If you work for an IPERS employer, participation is required. Social Security is required for all members. The IPERS plan is a defined benefit plan with qualified plan status under federal Internal Revenue Code section 401(a).

Eligibility

Membership in IPERS is automatic if you are a permanent full- or part-time public employee, no matter how much you earn, unless you are: • Specifically excluded from membership by law, or • Allowed to elect out of the IPERS plan. If your employment began after July 4, 1953, and before June 30, 1965, you became an IPERS member upon the first day of the first month following your hire date. Since July 1, 1965, you become an IPERS member on the first day for which you receive IPERS-covered wages.

IPERS defines a temporary employee as an individual hired to work for less than six consecutive months or on an irregular, seasonal, or on-call basis. In general, most temporary employees are excluded from IPERS membership. However, in some cases a temporary employee may become eligible for IPERS membership if an “ongoing relationship” with an IPERS-covered employer is established as follows: (1) When wages paid are $1,000 or more in two consecutive quarters, or (2) When employed for 1,040 hours or more in a calendar year Your IPERS membership begins in the quarter after you establish an ongoing relationship with an IPERS-covered employer. If you have established an ongoing relationship with one employer, you are not automatically eligible for IPERS membership with every employer. As a temporary employee, you must qualify separately with each employer. Your IPERS coverage ends when you terminate employment or, if there is no formal termination, when you perform no services for an employer during four consecutive calendar quarters.

Vesting

The vesting requirements for Regular members changed on July 1, 2012. Beginning July 1, 2012, you become a vested member when you have seven years (28 quarters) of service or by reaching age 65 while in covered employment, whichever occurs first. Before July 1, 2012, you became vested with four years (16 quarters) of service or by reaching age 55 while in covered employment, whichever occurred first. If you were vested by July 1, 2012, you remain vested.

Creditable Service

You receive 0.25 years of service for each calendar quarter your employer reports covered wages for you (after July 4, 1953). Therefore, if covered wages are reported for you for a full year, which is four calendar quarters, you earn one year of service.

Quarter	Months	Years of Service
First	January – March	0.25
Second	April – June	0.25
Third	July – September	0.25
Fourth	October – December	0.25
Total		1

If you are working for a school district or other educational institution that operates on a nine-month basis, you will receive service credit for all four quarters each year you receive wages in the second and fourth quarters. You cannot earn credit for more than four quarters of service in a calendar year, no matter how many employers are reporting covered wages for you. A calendar year is the 12-month period starting January 1 and ending December 31. In certain situations, you may qualify for free credit. The free credit is not automatically added to your records; you must request it from IPERS. See the “Purchasing Service Credits” section for more information.

Contributions

Employee share: 5.95%; Employer share: 8.93%; Total: 14.88%

Your IPERS contributions are tax-deferred, which means you do not pay federal or state income taxes on those amounts. (However, once you retire, your IPERS benefit payments are subject to being taxed.) Making contributions on a pretax basis reduces your taxable income for each year you contribute to IPERS. IPERS contributions became Your average salary is the wage amount IPERS uses to calculate your benefit amount. The salaries we use in the calculation are the covered wages reported for you over a calendar year (January 1– December 31). If you started receiving benefits before July 2012, your average salary was determined by averaging your three highest calendar years’ wages. If you start receiving benefits after June 2012, your average salary is the greater of:1999. Your IPERS contributions are subject to the FICA tax (contribution for Social Security). You are not responsible for paying a FICA tax or income tax related to the IPERS contributions your employer makes on your behalf.

IPERS-covered wages are the portion of your compensation from which contributions to IPERS are withheld. Employers do not report to IPERS wages over this limit and there are no contributions for wages over this limit.

Since January 1, 1997, the IPERS-covered wage ceiling is set at the maximum amount permitted by federal law under IRC section 401(a)(17). For calendar year 2016, the maximum covered wage is $265,000. This amount may be adjusted yearly based on maximum wage limits set by the IRS.

For IPERS' purposes, the portion of your compensation included in your covered wages may vary, based on your benefits, job classification, and collective bargaining contract, if applicable. For all members except elected officials, covered wages include: (1) Regular pay (2) Vacation pay, unless paid in a lump sum (3) Sick pay, unless paid in a lump sum (4) Overtime (5) Back pay, unless paid as damages to avoid litigation (6) Amounts deducted from your pay at your discretion for tax-sheltered annuities, dependent care, and cafeteria plans.

Normal Retirement Requirements

You are eligible for retirement benefits if you are a vested member, no longer working for an IPERS-covered employer, and meet one of these conditions: (1) You are at least 55 years old. (2) You retire because of a disability and are receiving Social Security disability or Railroad Retirement disability benefits. (3) You are age 70 and still working for an IPERS-covered employer, which means that you may apply for IPERS retirement benefits while still employed. When you stop working, IPERS may adjust your benefit to account for your additional years of service and salary. You must apply for a recalculation when you stop working.

Benefit Calculation

Your average salary is the wage amount IPERS uses to calculate your benefit amount. The salaries we use in the calculation are the covered wages reported for you over a calendar year (January 1– December 31). If you started receiving benefits before July 2012, your average salary was determined by averaging your three highest calendar years' wages. If you start receiving benefits after June 2012, your average salary is the greater of: (1) Highest three-year average salary (snapshot taken at June 30, 2012), or (2) Highest five-year average salary (over your entire career). The multiplier increases 2 percent a year for your first 30 years of IPERS-covered employment, and 1 percent a year for years 31–35. The maximum is 65 percent.

KANSAS

Eligibility/Membership

According to the National Association of State Retirement Administrators (NASRA), Kansas PERS is mandatory for university faculty. In some instances when a university staff member participating in PERS becomes eligible for the state university system (TIAA-CREF), Kansas state law allows the member to make a one-time election to stay in PERS or move into the TIAA system.

Kansas law requires that all employees in "covered positions" with participating employers must become members. A covered position for non-school employees is one that is covered by Social Security, is not seasonal or temporary, and requires at least 1,000 hours of work per year. The requirements for school employees differ only in the required hours: 630 hours per year or 3.5 hours per day for at least 180 days, including those who are working for more than one school employer. Employees become members on their first day of employment in a KPERS-covered position.

KPERS 1 members include:

• Active members hired before July 1, 2009, who were:

- Contributing members on July 1, 2009.
- On military leave and return to work.
- On a leave of absence and return to work.

• Active Board of Regents members who have KPERS service and had no break in service.

• Employees who were in their “year of service” between July 1, 2008, and June 30, 2009, and were still employed on July 1, 2009.

• Inactive, vested members with 9.5 years of service on July 1, 2009.

• Members who are inactive because they moved to a non-covered position with the same employer with no break in service (within three days).

KPERS 2 members include:

• Those first employed in a covered position July 1, 2009 through December 31, 2014.

• Members who left employment before vesting in KPERS 1, and returned to employment July 1, 2009 through December 31, 2014.

• Former members who withdrew their account and began a new membership July 1, 2009 through December 31, 2014.

KPERS 3 members include:

• All members (except correctional) first employed in a covered position on or after January 1, 2015.

• KPERS 1 or KPERS 2 members who left employment before vesting, and return to employment on or after January 1, 2015.

• Former members who withdrew their account and begin a new membership on or after January 1, 2015.

Vesting

When you are “vested,” it means you have earned enough service credit to guarantee a retirement benefit, even if you leave covered employment. All active members vest their benefit with five years of service credit. If you leave employment once vested, simply keep your contributions with the Retirement System and you are guaranteed retirement benefits when you become eligible. If you have participated in any of the other plans the Retirement System administers, you may be able to combine years of service credit toward your vesting requirements

Creditable Service

Service credit is an important factor used to calculate your retirement benefit. You automatically earn service credit for the years you work in a covered position. Kansas law governs other types of service that can be purchased or granted to count toward retirement. If you have participated in more than one of the retirement plans administered by the Retirement System, you may be able to combine service credit to become eligible for retirement benefits.

Granted Service Credit Participating Service is any service after your membership date. You will automatically receive this type of service credit while you work in a covered position and make contributions to the Retirement System. In addition, this type of service will be credited during any period of approved disability if you qualify for disability benefits. If you are a KPERS member working for a participating employer, you cannot receive service credit for any period of service during which you also participate in the Kansas Police & Firemen's Retirement System, the Retirement System for Judges or the Board of Regents retirement plan. Prior Service is the time you worked for your employer before your employer joined KPERS. You will automatically receive prior service credit for past unbroken service with that employer if your employer affiliated for prior service. Your employer pays for the cost of this service.

Prior service has a smaller value than participating service when calculating your retirement benefit. Broken periods of prior service with your employer will be granted when you have 38 quarters of service or retire at age 65. You may also receive prior service credit if you worked for other participating employers before they joined KPERS. This service must be verified by your previous employer, and the employer must affiliate for prior service. Military Service: In certain circumstances, Kansas law allows the Retirement System to grant service credit for active military service at no cost to you if the military service interrupts your public service. Service credit may be granted if you are employed in a covered position immediately before activation and you return to covered employment with any participating employer within one year of discharge (or two years, if disabled in the line of duty). You must be off your employer's payroll during this time to receive granted service credit. When you return to work in a covered position, your employer notifies KPERS. You will need to provide a copy of your military discharge papers (DD214) showing the period of military duty. Granted military service is limited to five years. You can purchase up to six years of military service regardless of how many years are granted.

Contributions

As an active KPERS 1 or KPERS 2 member, you contribute 6% of your gross earnings each pay period. Contributions are made on a pre-tax basis and deferred from federal income taxes until you either withdraw or retire. You do need to add the contributions back into your gross income for state income tax purposes when you file your Kansas state income taxes each year. Please see the section on "State and Federal Taxes" for details. Your contributions are credited with interest annually on June 30, based on the balance in your account on December 31 of the year before (i.e., interest credited on June 30, 2016, is based on your account balance as of December 31, 2015). If you became a member:

• Before July 1, 1993, your contributions earn 8% interest.

• On or after July 1, 1993, your contributions earn 4% interest. Kansas law does not allow you to borrow from your contributions.

Normal Retirement Requirements

Your age and the amount of service credit you have determines when you can retire. The minimum age and service requirements differ between KPERS 1 and KPERS 2. Your age equals your age at your last birthday. Additional months do not count. However, two quarters of service credit round to the next year. For example: 9.5 years will round to ten years of service. You can usually combine years of service credit in any of the three retirement plans. However, a separate benefit will be calculated for each plan. Specific guidelines apply. Please contact the Retirement System to make sure you meet all the requirements to retire.

KPERS 1 • Age 65 with at least one year of service credit • Age 62 with at least ten years of service credit • Any age when your age and years of service credit added together equal 85 (85 points)

Retiring with 85 Points

You can retire anytime with “85 points.” The 85 point rule is when your age and years of service credit added together equal 85. Every year you work, you will gain two points – one for each birthday and one for the year of service credit. The 85 point rule is only one of three ways you can qualify for retirement

Benefit Calculation

KPERS retirement benefits are calculated using the following formula:

Final average salary x statutory multiplier* x years of service = annual benefit

*Statutory multiplier is 1.85% for KPERS 2 members and for KPERS 1 members who earn service after January 1, 2014.

Final Average Salary

KPERS 1 I

If your membership date is on or after July 1, 1993, your final average salary is:

• A three-year salary average excluding additional compensation. This three-year average is based on your three highest years of pay during your career. They do not have to be continuous years.

If your membership date is before July 1, 1993, or you were in your “year of service” waiting for membership on July 1, 1993, your final average salary is the higher of:

• A three-year salary average excluding additional compensation. This three-year average is based on your three highest years of pay during your career. They do not have to be continuous years.

• A four-year salary average including additional compensation. This four-year average is based on your four highest years of pay during your career. They do not have to be continuous years.

KPERS will calculate both options and use whichever is higher to calculate your retirement benefit. If add-on pay is included in your final average salary, it is spread over all the days that you worked in the calendar year you retired. It is not credited only to the quarter in which you left employment.

*Additional Compensation or “add-on pay” is compensation from your employer for unused sick leave, annual leave, etc. KPERS cannot use an early retirement incentive or severance pay as part of add-on pay when calculating your final average salary. School employees have special guidelines. Please contact the Retirement System if you have questions about additional compensation.

KPERS 2

Your final average salary is an average of your five highest years of salary, excluding additional compensation, such as payments for unused sick and annual leave.

Final Average Salary Cap

If your salary increases substantially from year to year, a cap on compensation may be used to calculate your final average salary. Generally, the cap applies when your salary changes and your position does not. For KPERS 1, the cap is 15%. For KPERS 2, the cap is 7.5%.

Statutory Multiplier

The multiplier is a percentage set by the legislature used to calculate benefits. You receive this percent of your final average salary for each year of service credit you have at retirement.

KPERS 1

• 1.75% for participating years of service (years you work for an employer in a KPERS-covered position). This is for service before January 1, 2014.

• 1.85% for participating service earned January 1, 2014, and after.

• 1% or 0.75% for prior years of service (time worked for an employer before affiliation with KPERS).

KPERS 2

• 1.85% for participating years of service (years you work for an employer in a KPERS-covered position).

• Note: 2012 legislation increased the multiplier from 1.75% to 1.85% for all participating service, not just future service.

MAINE

Eligibility

As a State employee, you must become a member of MainePERS. If you are eligible to receive Social Security benefits in addition to your MainePERS service retirement benefit, Social Security may reduce your Social Security benefits in some circumstances. The relevant Social Security provisions are the Windfall Elimination Provision and the Government Pension Offset.

Vesting

If your final termination from MainePERS-covered employment was before October 1, 1999, you must have at least 10 years of service credit to qualify for a benefit. If your final termination from a MainePERS-covered employment is after September 30, 1999, you must have at least 5 years of service credit in order to qualify for a benefit. If you reach normal retirement age (either age 60, 62 or 65 for a regular plan employee) and have been in service for at least one year immediately before then, you are eligible for a benefit at termination.

Creditable Service

As a full-time employee, you receive a year of service credit for a year of work. You may not earn more than a year of service credit in a year. A “year” is one calendar year for State employees. For teachers in State Institutions who are paid on an annual, rather than an hourly rate, a “year” is one school year. For purposes of accumulating service credit, a “full-time employee” works 100% of what is defined as full-time for a particular job. If you work less, you earn service credit based on the ratio of the number of hours you work to the number of hours worked by a full-time employee. For example, if you are working 35 hours per week in a 40 hour per week position, you work 1,820 hours in a calendar year (35 hours per week X 52 weeks). A full –time employee in that job works 2.080 in a calendar year (40 hour per week X 52 weeks). Therefore, during a calendar year you would earn 87.5% of a year of service credit (1,820/2,080).

Most part-time, seasonal and temporary (PST) employees earn service credit the same way. For example, if you are a PST employee work works 1,040 hours in a year (20 hours per week X 52 weeks) you earn 50% of a year of service credit (1,040/2,080). This formula took effect for PST employees on July 1, 1991, but exceptions apply to certain members who were PST employees before then. If you have questions about your service credit as a PST employee, contact the MainePERS Retirement Services Unit.

Contributions

State employees covered by the regular plan contribute 7.65% of their gross earnable compensation.

Normal Retirement Requirements

In order to retire, you must first terminate employment from your MainePERS-covered position(s). If you qualify to receive a retirement benefit, your benefit will become effective on the first day of the month following your termination, unless you elect a later date. If you again accept MainePERS-covered employment before the effective date of your retirement benefit, you cannot receive a benefit until you terminate covered employment again.

Your normal retirement age is the age at which you can retire without your benefit being subject to an early retirement reduction. For those covered by the regular service retirement plan, your normal retirement age is either 60, 62 or 65, depending on which of the following applies to you:

Your normal retirement age is 60 if, before July 1, 1993, you had at least 10 years of service credit or reached age 60 and had at least a year of service credit immediately prior to reaching age 60.

Your normal retirement age is 62 if before July 1, 1993 you had less than 10 years of service credit and not reached age 60 with at least a year of service credit and before July 1, 2011 you had at least 5 years of service credit or reached age 62 and had at least a year of service credit immediately prior to reaching age 62.

Your normal retirement age is 65 if, before July 1, 2011 you had less than 5 years of service credit and not reached age 62 with at least a year of service credit.

If you are covered by a regular plan, you qualify to receive a benefit (1) once you have at least 25 years of service credit; (2) Upon reaching your normal retirement age of 60, 62 or 65, (3) whether or not you are in service, provided you are vested with 5 or 10 years of service, whichever applies to you; OR upon reaching your normal retirement age of 60, 62 or 65, provided you have been in service for at least one year immediately prior to your retirement.

Benefit Calculation

As a defined benefit plan, the formula to calculate the benefit amount is based on three factors: average final compensation, service credit and an accrual rate. Average final compensation (AFC) is the average of an employee's three highest years of earnable compensation. Earnable compensation is the salary or wages you earn for employment. Service credit is the credit you receive for the time you spend working in a MainePERS-covered employment position; credit you receive for time during which you receive a MainePERS disability retirement benefit; and additional credit you may receive under other conditions. The accrual rate for regular plans is 2%. This is the percentage of your AFC that you would receive as a benefit for each year of creditable service.

The annual service retirement benefit under full benefit option at normal retirement age is calculated as follows:

AFC x Years of Service Credit x Accrual Rate

MASSACHUSETTS

Eligibility/Membership

According to NASRA, Faculty may participate in the Massachusetts State Employees' Retirement System (MSERS) or opt to join an optional money purchase plan. Choice is irrevocable and made within 90 days of hire. For staff, PERS is mandatory. ORP choice is available to faculty, chancellors, presidents, vice chancellors or vice presidents, deans, and senior administrators. The ORP is administered by the Massachusetts Board of Higher Education. I believe that the ORP is the SMART Plan: a 457(b) deferred contribution plan.

MSERS

Membership in the system is mandatory for nearly all state employees who are regularly employed on a part-time (minimum of half-time) or full-time permanent basis. If you are regularly employed in the performance of duties for the state you are considered a member-in-service. You remain a member in-service until you separate from service by reason of retirement, failure of re-election or re-appointment, resignation or removal or discharge from your position or office that you hold. Anyone retiring from state service and receiving a governmental pension, who also is eligible for Social Security benefits, may have his Social Security benefits offset in a variety of circumstances.

Vesting

Being vested means you are eligible to receive a retirement allowance. You are vested in the State system if you have at least ten years of full-time service. To be eligible to retire, you need to meet one of the following conditions:

- You entered state service prior to April 2, 2012 and you have 20 years of full-time creditable service at any age, or
- You entered state service prior to April 2, 2012 and you attain the age of 55 with ten years of creditable service, or
- You entered state service on or after April 2, 2012 and you attain the age of 60 if retiring from Group 1, with ten years of creditable service.

If you leave state service after you are vested, you may leave your retirement contributions in the system and receive a state pension once you meet the minimum age requirement.

Creditable Service

As a member-in-service you earn creditable service toward a retirement allowance for the time during which you contributed a percentage of your salary to the retirement system.

If you are a full-time employee, you will earn one year of creditable service for each year completed. For those employed on a less than full-time basis, you will earn an amount of service equal to a percentage of the full-time service rate. For example, if you are employed on a half-time basis you will receive 50% or 6-month service for each year completed. Please note, as of August, 1973, M.G.L. c.32, §1 excluded from the definition of “employee” any person whose compensation for service rendered to the Commonwealth was derived from the subsidiary account 03 of the appropriation of any department. If you provided contract service prior to August 1973, you may do a regular buyback of this service. If you provided contract service to the Commonwealth after August, 1973 and currently remain an active employee and a member in–service of the MSERS, please refer to the section on Contract Service Purchase.

If you have service while in elected office; service in a position where you were compensated less than $5000.00 annually; or service as a dual member, i.e. a member in more than one retirement system at the same time, please contact the Board. Pension law changes have affected whether, and how much, these types of service can be considered creditable service for retirement purposes.

Contributions

All members-in-service make mandatory pre-tax contributions through payroll deductions. Members contribute a percent of their regular compensation based upon when they joined a retirement system in Massachusetts. State law mandates the contribution rate:

If you joined a system (and remained a member) your contribution rate is:

Prior to January 1, 1975: 5%

January 1, 1975 to December 31, 1983: 7%

January 1, 1984 to June 30, 1996: 8%

July 1, 1996 or later: 9%

There are two exceptions to these contribution rates:

(1) If your membership began on or after April 2, 2012, and you are in group 1, if you attain more than 30 years of creditable service, your base contribution rate will be 6% prospectively, that is from and after the date on which you attain the required amount of creditable service. However, the 2% withholding discussed below would also apply.
(2) If your membership began on or after January 1, 1979, and your annual rate of regular compensation is $30,000.00 or more, an additional 2% will be withheld from that portion of your salary that is in excess of $30,000.00. This 2% withholding is in addition to the 6%, 7%, 8%, 9%, or 12% already being deducted from your regular compensation.

Benefit Calculation

Your retirement allowance is made up of two parts: an annuity and a pension. The annuity portion is made up of the contributions deducted during the course of your employment and deposited for you in an annuity savings fund. The interest that accrues on these contributions is credited to your individual account. The Public Employee Retirement Administration Commission (PERAC) pursuant to state law establishes the interest rate, which is applied to your account. The rate by law is the average interest paid on individual savings accounts, which is obtained from a representative sample of financial institutions in Massachusetts.

The pension is the difference between the retirement allowance specified by law and the amount of your contributions and the retirement systems investment earnings.

The amount of your retirement allowance depends upon the following:

- your age, as of your last birthday
- your length of creditable service,
- your group classification, and

- your highest 36 consecutive months of regular compensation if you became a member before April 2, 2012, or
- your highest consecutive 5 years of regular compensation if you became a member on or after April 2, 2012.

The maximum pension is 80% of the salary average.

Group Classifications

Your position, occupation, and the duties you perform determine your group classification. The group classification applicable to your specific position at the time of retirement may be reviewed by the State Retirement Board for determination pursuant to its Group Classification Policy.

State positions fall within the following groups:

Group One – Members are officials and general employees including clerical, administrative and technical workers, laborers, mechanics, and all others not otherwise classified.

Group Two – Members in this group include probation officers, court officers, certain correctional positions whose major duties require them to have the care, custody, instruction or supervision of prisoners, and certain positions who provide direct care, custody, instruction or supervision of persons with mental illness or developmental disabilities.

Group Three – Members are exclusively State Police officers.

Group Four – Members include certain public safety officers and officials, correction officers and certain other correction positions, and parole officers or parole supervisors.

Generally, in order for the current position held by a member of the State Retirement System to be classified by the Board, the member: (1) must be actively employed by the Commonwealth, or by an agency or governmental entity subject to the State Retirement System; (2) must actively hold the position for which they seek classification; and, (3) must be actively performing the duties of the position for which he/she seeks classification for not less than twelve consecutive months immediately preceding retirement at the time of classification.

Members who entered state service on or after April 2, 2012 will have their group classifications service pro-rated at the time of retirement depending on how long they service in a particular group. Members hired prior to April 2, 2012 may elect to have their service prorated at the time of retirement. Please consult the Board's Group Classification policy available on our website or upon request, for additional details and information.

MICHIGAN

Eligibility/Membership

According to NASRA, Michigan higher education faculty and staff are limited to defined contribution plans offered by individual colleges and universities. The school ERS is a closed system and new members must participate in the ORP, a DC plan sponsored by individual colleges and universities.

MINNESOTA

Eligibility/Membership

According to NASRA, Minnesota faculty may select either the DB plan administered by the Teachers' Retirement Association or an individual DC plan. TRA is a 501(a) Trust and a —qualified planǁ under section 401(a) of the Internal Revenue Code with Section 414(h)(2) employer —pickupǁ of member contributions. Because of this federal tax status, your membership in TRA could limit or completely eliminate the amount you are allowed to deduct on your federal income tax return for contributions to an Individual Retirement Account (IRA). Please consult with the Internal Revenue Service (IRS) or review the pertinent IRS publications with your personal tax advisor before deducting IRA contributions on your federal income tax return. TRA contributions were first approved for tax-sheltered status in 1983. An IRS letter of determination reconfirming TRA's 401(a) status was provided to TRA in 2014.

Minnesota staff participate in the Minnesota State Retirement System. MSRS was established by the Legislature in 1929 to provide retirement benefits to state employees. MSRS administers 10 different retirement plans that provide retirement, survivor, and disability benefit coverage for Minnesota state employees as well as employees of the Metropolitan Council and many non-faculty employees at the University of Minnesota and Minnesota State Colleges and Universities (MNSCU). MSRS covers more than 50,000 active employees and pays monthly benefits to more than 38,000 retirees, survivors, and disabled employees. In addition, MSRS administers the Minnesota Deferred Compensation Plan (MNDCP) and the Health Care Savings Plan (HCSP).

Vesting

Faculty

As a Minnesota teacher covered by TRA, you begin building your retirement benefit your very first day in the classroom. Vesting simply means you have earned enough service credit to be eligible for a monthly lifetime benefit rather than a refund of your contributions. If you have performed TRA-covered service after May 15, 1989, you are vested after only three years of teaching service, allowing you to leave your contributions in TRA to grow with interest until you retire. This protects your pension coverage if you decide to leave your TRA-covered position. If you performed TRA-covered service after June 30, 1987, but not after May 15, 1989, you are vested after 5 years of service and if you have not performed TRA-covered service since June 30, 1987, the vesting requirement is 10 years.

You may be eligible for a combined service annuity (CSA) upon retirement if you have met the vesting requirements and have at least one-half year of allowable service credit with one or more of the other Minnesota public pension funds (see Combined Service Annuity, page 16). Your combined service credit can be used to meet your vesting requirement of 3, 5 or 10 years retire. This protects your pension coverage if you decide to leave your TRA-covered position. If you performed TRA-covered service after June 30, 1987, but not after May 15, 1989, you are vested after 5 years of service and if you have not performed TRA-covered service since June 30, 1987, the vesting requirement is 10 years. You may be eligible for a combined service annuity (CSA) upon retirement if you have met the vesting requirements and have at least one-half year of allowable service credit with one or more of the other Minnesota public pension funds (see Combined Service Annuity, page 16). Your combined service credit can be used to meet your vesting requirement of 3, 5 or 10 years.

Staff

For those hired before July 1, 1989: You can retire with full retirement benefits at age 65. You can also qualify for full retirement benefits if your age and years of service total 90 or more, which would make you eligible for what we call the Rule of 90. For example, if you are age 60 with 30 years of service, you would qualify for the Rule of 90. To calculate your monthly retirement benefit, we use either the level or step formula, whichever gives you the higher monthly retirement benefit. Under the level formula, you receive 1.70 percent for each year of service. For example, if you have 25 years of service, you would receive 42.50 percent of your high-five salary.

25 (years of service) x 1.70% (for each year of service) 42.50%

Remember that full retirement age is 65. This means if you retire at age 65–or full retirement age–there is no reduction in your monthly benefit. We call this an unreduced benefit, since you receive your full retirement monthly amount.

However, if you retire before full retirement age, your monthly benefit is reduced because you will be collecting the benefit for a longer period of time. The reduction is designed to generate the same value of retirement benefits you receive, regardless of your age at retirement. This is a reduced benefit.

With the step formula you receive 1.20 percent for the first 10 years of service, and 1.70 percent for each year of service after that. For example, if you have 30 years of service:

1.20 x 10 = 12% (first 10 years of service) 1.70 x 20 = 34% (remaining 20 years of service) 12% + 34% = 46%

The step formula is used most frequently with people who retire under the Rule of 90 or under age 63. The step formula allows retirement as early as age 55 or at any age with 30 or more years of service.

For those hired on or after July 1, 1989: You are eligible for monthly benefits, or what we call vested, after five years of service if you were first hired after June 30, 2010. If you were first hired before July 1, 2010, you are eligible for monthly benefits after three years of service. You can start collecting full retirement benefits when you are age 66. Vested employees can begin collecting reduced monthly benefits at age 55 or later.

Under the level formula, you receive 1.70 percent for each year of service. For example, if you have 25 years of service, you would receive 42.50 percent of your high-five salary: 25 x 1.70 = 42.50%

Remember that full retirement age is 66. This means if you retire at age 66–or full retirement age– there is no reduction in your monthly benefit. We call this an unreduced benefit, since you receive your full retirement amount on a monthly basis. However, if you retire before full retirement age, your monthly benefit is reduced because you will be collecting the benefit for a longer period of time. The reduction is designed to generate the same value of retirement benefits you receive, regardless of your age at retirement. We call this a reduced benefit.

Creditable Service

Faculty

Full-time service credit for MnSCU members is determined by the definition of full-time employment in the collective bargaining agreement or in the applicable personnel or salary plan. Part-time service credit is the proration of equivalent full-time service Full-time service credit for MnSCU members is determined by the definition of full-time employment in the collective bargaining agreement or in the applicable personnel or salary plan. Part-time service credit is the proration of equivalent full-time service. Minnesota Statute Section 354.05, subd. 35, governs the calculation of TRA eligible salary. A member may be compensated in many different ways for services provided to an employer. However, certain types of compensation may not be considered TRA-covered salary for the calculation of pension benefits. Minnesota Statute Section 354.05, subd. 35, governs the calculation of TRA eligible salary. A member may be compensated in many different ways for services provided to an employer. However, certain types of compensation may not be considered TRA-covered salary for the calculation of pension benefits. Minnesota Statute Section 354.05, subd. 35, governs the calculation of TRA eligible salary. A member may be compensated in many different ways for services provided to an employer. However, certain types of compensation may not be considered TRA-covered salary for the calculation of pension benefits.

Staff

Service credit is affected by leave of absence, military service, and service provided to another employer in the retirement system.

Contributions

Faculty

As of July 1, 2014, both the member and employer contribution rates are 7.5 percent of your eligible salary.

Staff

Both the member and the employer contribution rates are 5.5% of gross salary.

Normal Retirement Requirements

Faculty

If you are age 55 or older and vested in our retirement system, you are eligible to apply for a retirement benefit. If you were first employed before July 1, 1989 (see Tier I explanation), and have at least 30 years of allowable service credit, you may retire regardless of your age. Normal Retirement Age (NRA) for TRA members first hired prior to July 1, 1989 (Tier I) is age 65 with less than 30 years of allowable service, and age 62 with 30 years or more of allowable service. For TRA members first hired July 1, 1989 or after, the TRA normal retirement age is the retirement age for full social security benefits, but not to exceed age 66.

Staff

Normal retirement age is the age you are eligible for an unreduced pension benefit.

Benefit Calculation

Faculty

Tier I (employed before July 1, 1989) If you were first employed before July 1, 1989, your retirement benefit will be calculated under both the Tier I and Tier II service credit formulas. No election is necessary. At retirement, you automatically receive the greater of these two benefits. The Tier I formula provision for service credit is:

- 1st ten years up to June 30, 2006: 1.2 percent per year
- 1st ten years after June 30, 2006: 1.4 percent per year
- Years 11 and beyond up to June 30, 2006: 1.7 percent per year
- Years 11 and beyond after June 30, 2006: 1.9 percent per year

Under the Tier I provision: 1. Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service. 2. If you retire early, a 3 percent per year reduction factor will be applied for each year under normal retirement age. 3. Rule of 90: If your age plus allowable service equals 90 or more, you are eligible for early retirement under the Rule of 90 provision and will receive full benefits without any actuarial reduction.

Tier II (employed after June 30, 1989) If you were first employed after June 30, 1989, your retirement benefit will be calculated under the Tier II service credit formula provision only.

- Years up to June 30, 2006: 1.7 percent per year
- Years after June 30, 2013: 1.9 percent per year

High-five formula: When you apply for retirement benefits, your annuity is calculated based on a formula that is a percentage of your highest five consecutive years of TRA formula service credit and the salary associated with that service credit. For members who did not receive a full year of service credit during any portion of time during those five years, TRA will use service credit from previous years to reach a total of five years. If only a partial year of service credit is needed from the earliest year, the appropriate percentage will be used and an equivalent percentage of the salary associated with that portion of service. One year of formula service credit is a full year of teaching service during which the maximum deductions are withheld. Formula service credit is measured each fiscal year (July 1 – June 30). You may not earn more than one year of formula service credit in a fiscal year. In years where you did not perform a full year of teaching service or did not pay the maximum deductions as prescribed by TRA law, the service credit is prorated.

Your benefit at retirement age is a calculated percentage of your salary. It's a lifetime benefit that grows the longer you work and the more you make. For our average retiree, their TRA benefit replaces 40-45% of their pre-retirement salary.

Formula multiplier x years of service x high-five average salary = benefit paid

Staff

See 'Vesting'

MISSOURI

Eligibility/Membership

According to NASRA, the University of Missouri has its own retirement system for faculty members. The regional universities (e.g., Missouri State University, Southwest Missouri State, etc.) participate in MOSERS. The community college faculty participate in the PSRS/PEERS which is the teachers' system. Participation in PSRS/PEERS is mandatory for community college faculty and staff.

University of Missouri

Tier 1: Hired for the first and only time before 10/1/2012

Eligibility

If you are…	Your core plan is…	Your voluntary plan options are…
• Active benefit-eligible employee hired prior to 10/1/2012 • Returning benefit-eligible employee who was vested upon termination and did not take a retirement plan distribution	• Retirement Disability and Death Benefit Plan, Level 1, consisting of a pension (also known as a defined benefit)	• 403(b) • 457(b) • SRP 401(a)

Who is eligible to participate? You automatically become a RDD Level One Member on your first day of full-time employment with the University if you are: (2) someone who was initially hired prior to October 1, 2012, earned a vested benefit, terminated service after earning such vested benefit, did not elect a lump sum payment, and is rehired by the University on or after October 1, 20s12.

When does participation begin? (1) Full-Time Employees: You automatically become a Member on your first day of full-time employment with the University. (2) Part-Time Employees: If you are a part-time employee you become a Member if you are required to complete at least 1,500 hours of service in a Contract Year. If you are not required to complete at least 1,500 hours of service in a Contract Year, but actually work 1,500 hours in a Contract Year, you will become a Member retroactive to the first day of the Contract Year in which you actually worked 1,500 hours.

Vesting

Five years of service

Creditable Service

How do I earn service credit–12-month appointments? You earn service credits by working as a full-time employee. You earn one year of service credit if you work on a full-time basis during the period beginning September 1 and ending August 31, a contract year. Service credit is counted in full years and days from the date you join the University to your ending service date. Part-time employees also can receive service credits. Information on how you earn service credits as a part-time employee is described later in this section.

How do I earn service credit–Nine-month appointments? If you're a full time employee and faculty member on a nine-month appointment: (1) One academic semester counts as a half year of service credit; and (2) One academic quarter counts as one-third of a year of service credit with proportionate service for shorter periods.

Are there any limits that apply to service credit? (1) You cannot receive more than one year of service credit in any twelve consecutive months. (2) No duplicative service credit will be awarded for any portion of the year in which summer appointment service credit is awarded. (3) No period of employment as a resident hired on or after 7/1/1994 or per diem employee will be considered for purposes of service credit. (4) You cannot receive service credit under the RDD for any period of employment entitling you to service credit and benefits under the U.S. Civil Service Retirement System, FERS or MOSERS.

Can I get service credit for part-time employment? You earn one year of service credit for each full contract year (September 1 through August 31) during which you work 1,500 hours or more. If you do not work a full Contract Year due to commencement or termination of employment, proportionate credit will be given for such Contract Year if you complete at least 1,500 hours or more.

Does unused accumulated sick leave count toward my benefit? When you retire from the University, any unused accumulated sick leave will be counted as additional service credit, but such additional service credit will not be taken into account in determining whether you are a Qualified Member. Also, any additional service credit on account of accumulated sick leave will not change the reduction in your benefits due to early commencement.

Am I eligible for summer appointment service credit? If you're a faculty member on a full-time, nine-month appointment and you teach or perform research work for the University during the summer months following your nine-month appointment, you're eligible for summer appointment service credits. Summer appointment service credit is in addition to any service credits you've earned.

Do summer appointment service credits count toward my benefit? You earn one year of summer appointment service credit for each summer during which you have an academic summer appointment. You can earn a maximum of one year of summer appointment service credit during any one academic year.

A special rule may apply if, during your University career, you worked under both nine- and 11-month (or 12month) appointments. Please contact the Office of Human Resources for further information. You cannot earn more than one year of service credit for any 12-month period.

Your final average summer appointment salary is your average salary earned during your five consecutive highest-paid summer appointments. Summers you do not work are not considered in calculating the average. If you're employed for more than one summer appointment in any academic year, your salary for those summer appointments will be combined and considered as one summer appointment.

For summers beginning in 2011, if your summer appointment salary exceeds 3/9 of your regular annual salary for any nine-month period immediately before your summer appointment, the overage will not be included as part of your summer appointment salary. For summers before 2011, If your summer appointment salary exceeds 2/9 of your regular annual salary for any nine-month period immediately before your summer appointment, the overage will not be included as part of your summer appointment salary.

Contributions

Employees will contribute 1% of their first $50,000 of eligible salary. Once the employee reaches the $50,000 threshold, the contribution increases to 2% of eligible salary. Contributions reset to 1% each January.

Normal Retirement Requirements

You are eligible to retire as early as at least age 55 with at least 10 years of service credit, or at least age 60 with at least five years of service credit. A reduction in benefit may apply for retiring early. One year of service credit must be achieved after age 54.

The amount of your benefit depends on when you retire. If you retire at age 65 or later, you will receive your fully earned (normal) retirement benefit. If you retire between the ages of 62 and 65, and you have at least 25 years of service credit, you will also receive your full benefit.

You receive a reduced early retirement benefit if you retire with less than 25 years of service between ages: (1) 55 and 60 with at least 10 years of service credit; or (2) 60 and 65 with at least five years of service credit.

Your monthly retirement benefit is determined using a formula. The formula takes into account your service credits, final average regular salary and final average summer appointment salary.

2.2% of final average regular salary times years of service credit plus 2.2% of final average summer appointment salary times years of summer appointment service credit equals your annual normal retirement benefit

Benefit Calculation

2.2% of pay, average of 5 highest consecutive years of salary, service credits

Tier 2: Hired for the first and only time on or after 10/1/2012

Eligibility

If you are…	Your core plan is…	Your voluntary plan options are…
• Active, benefit-eligible employee first hired on or after 10/1/2012 • Returning, benefit-eligible employee who was not vested upon termination • Returning, benefit-eligible employee who was vested upon termination and took a full retirement plan distribution	• Active, benefit-eligible employee first hired on or after 10/1/2012 • Returning, benefit-eligible employee who was not vested upon termination • Returning, benefit-eligible employee who was vested upon termination and took a full retirement plan distribution	• 403(b) • 457(b) • SRP 401(a)

Eligibility

Who is eligible to participate?

You automatically become a RDD Level Two Member on your first day of full-time employment with the University if you are: (1) in an appointment of at least 75% FTE and at least nine months in duration, and if you were initially hired on or after October 1, 2012, or (2) someone who was initially hired prior to October 1, 2012, earned a vested benefit, terminated service after earning such vested benefit, elected a lump sum payment, and is rehired by the University on or after October 1, 2012, or (3) someone who was initially hired prior to October 1, 2012, and left as a non-vested employee

When does participation begin? (1) Full-Time Employees: You automatically become a member on your first day of full-time employment with the University. (2) Part-Time Employees: If you are a part-time employee, you become a Member if you are required to complete at least 1,500 hours of service in a Contract Year. If you are not required to complete at least 1,500 hours of service in a Contract Year, but actually work 1,500 hours in a Contract Year, you will become a Member retroactive to the first day of the Contract Year in which you actually worked 1,500 hours.

Vesting

Upon earning five years of service credit, you become a Qualified Member and vested in your benefit.

Creditable Service

How do I earn service credits – 12-month appointments? You earn service credits by working as a full-time employee. You earn one year of service credit if you work on a full-time basis during the period beginning September 1 and ending August 31, a contract year. Service credit is counted in full years and days from the date you join the University to your ending service date. Part

How do I earn service credit - Nine-month appointments? If you're a full time employee and faculty member on a nine-month appointment: (1) one academic semester counts as a half year of service credit; and (2) one academic quarter counts as one-third of a year of service credit with proportionate service for shorter periods

Are there any limits that apply to service credit? (1) You cannot receive more than one year of service credit in any twelve consecutive months. (2) No duplicative service credit will be awarded for any portion of the year in which summer appointment service credit is awarded. (3) No period of employment as a resident hired on or after 7/1/1994 or per diem employee will be considered for purposes of service credit. (4) You cannot receive service credit under the RDD for any period of employment entitling you to service credit and benefits under the U.S. Civil Service Retirement System, FERS, or MOSERS.

Can I get service credit for part-time employment? You earn one year of service credit for each full contract year (September 1 through August 31) during which you work 1,500 hours or more. If you do not work a full Contract Year due to commencement or termination of employment, proportionate credit will be given for such Contract Year if you complete at least 1,500 hours or more.

How does unused accumulated sick leave count toward my benefit? When you retire from the University, any unused accumulated sick leave will be counted as additional service credit, but such additional service credit will not be taken into account in determining whether you are a Qualified Member. Also, any additional service credit on account of accumulated sick leave will not change the reduction in your benefits due to early commencement.

Am I eligible for summer appointment service credit? If you're a faculty member on a full-time, nine-month appointment and you teach or perform research work for the University during the summer months following your nine-month appointment, you're eligible for summer appointment service credits. Summer appointment service credit is in addition to any service credits you've earned.

How do summer appointment service credits count towards my benefit? You earn one year of summer appointment service credit for each summer during which you have an academic summer appointment. You can earn a maximum of one year of summer appointment service credit during any one academic year.

A special rule may apply if, during your University career, you worked under both nine- and eleven-month (or twelve-month) appointments. Please contact Total Rewards for further information. You cannot earn more than one year of service credit for any 12 month period.

Your final average summer appointment salary is your average salary earned during your five consecutive highest-paid summer appointments. Summers you do not work are not considered in calculating the average. If you're employed for more than one summer appointment in any academic year, your salary for those summer appointments will be combined and considered as one summer appointment.

For summers beginning in 2011, if your summer appointment salary exceeds 3/9 of your regular annual salary for any nine-month period immediately before your summer appointment, the overage will not be included as part of your summer appointment salary. For summers before 2011, If your summer appointment salary exceeds 2/9 of your regular annual salary for any nine-month period immediately before your summer appointment, the overage will not be included as part of your summer appointment salary.

Contributions

Defined benefit portion

Multiplier formula: 1% of pay, average of 5 highest consecutive years of salary, service credits

Vesting 5 years of service

Defined contribution portion

UM base defined contribution: 2% of Pay

UM match: 100% of up to an additional 3% of pay

Vesting: 3 years of service (need not be consecutive

Normal Retirement Requirements

Normal retirement: You're eligible for a normal retirement benefit at age 65 (or at age 62 if you have at least 25 years of credited service) if you're a Qualified Member.

Early retirement: You may want to retire before age 65. You're eligible for an early retirement benefit if you're a Qualified Member and you're between ages: of 55 and 60 with at least 10 years of service credit, with at least one year of service credit earned after age 54; or, of 60 and 65 with at least five years of service credit.

Benefit Calculation

1.0% of final average regular salary times years of service credit plus 1.0% of final average summer appointment salary times years of summer appointment service credit equals your annual normal retirement benefit

Regional Campuses

MOSERS (Missouri State Employees' Retirement System) administers retirement, life insurance and long-term disability (LTD) benefits for employees of the following departments/agencies (unless otherwise noted). A position is benefit-eligible if it meets these two criteria: (1) The position must be in the nature of an ongoing (a multi-year position including a position covered by a contract) or permanent position (2) The position must normally require the performance of duties of not less than 1,040 hours per year.

MSEP: For employees hired before July 1, 2000

MSEP 2000: For employees hired July 1, 2000 - December 31, 2010

Eligibility/Membership

MOSERS is a single-employer, public employee retirement plan administered in accordance with Chapter 104 of the Revised Statutes of Missouri (RSMo).

MOSERS operates as a tax-qualified “defined benefit” plan under Section 401(a) of the Internal Revenue Code. A defined benefit (DB) plan is one that requires a member to be vested (work a set number of years in a benefit-eligible position) and it provides a set benefit (based on salary and credited service) for life once a member meets the age and service requirements for retirement. In other words, the “benefit” is “defined” by the law. A DB plan can be either contributory or noncontributory. MSEP and MSEP 2000 are noncontributory defined benefit plans.

As a state employee, you are automatically enrolled in MOSERS. The date on which you were first employed in a MOSERS benefit-eligible position (determined by your employer) will determine your membership in the MSEP or MSEP 2000. • MSEP - You were first employed prior to July 1, 2000 and vested in the MSEP. • MSEP 2000 - You were first employed prior to July 1, 2000, but left employment before becoming vested and returned to work in a benefit-eligible position any time after July 1, 2000, or you were first employed on or after July 1, 2000 but prior to January 1, 2011.

Vesting

Five years

Creditable Service

Contributions

You do not contribute toward your retirement benefit if you began employment prior to 1/1/2011. Retirement benefits are financed solely by state contributions and investment earnings on those contributions. Each September, the MOSERS Board of Trustees establishes a contribution rate for the next fiscal year. The contribution rate, which is set as a percentage of payroll, is actuarially calculated to cover the system’s benefit obligations and administrative costs for the coming fiscal year and into the future. When the system’s actuary calculates the contribution rate, it is based on a number of factors including the current level of benefits, how many members are in the plan, current and expected future pay levels, the age and average life expectancy of members, expected earnings on investments, and the plan’s unfunded liability.

Normal Retirement Requirements

Retirement laws in effect on the date you leave state employment determine your retirement eligibility. MSEP – Normal Retirement Eligibility - Age 65 with 5 years of service, age 60 with 15 years of service, or at least age 48 with the sum of your age and credited service equaling 80 or more ("Rule of 80"). – Early Retirement Eligibility - Age 55 with 10 years of credited service. MSEP 2000 – Normal Retirement Eligibility - Age 62 or older with at least 5 years of service, or at least age 48 with the sum of your age and credited service equaling 80 or more ("Rule of 80"). – Early Retirement Eligibility - Age 57 with 5 years credited service.

Benefit Calculation

Your eligibility for retirement depends on the amount of credited service you have acquired and your age. In general, the retirement laws in effect on the date you leave state employment determine your eligibility for a benefit and the provisions used to calculate your benefit.

Your normal annuity starting date is the date at which you may retire with an unreduced benefit. You will be eligible for normal retirement if you meet at least one of the following age and service requirements: • MSEP

– Age 65 with 5 years of service

– Age 60 with 15 years of service

– "Rule of 80" - at least age 48 with the sum of your age and service equaling 80 or more* • MSEP 2000

– Age 62 with at least 5 years of service

– "Rule of 80" - at least age 48 with the sum of your age and service equaling 80 or more* *You can "age" into the "Rule of 80" if you leave state employment belonging to the MSEP as an active employee, no matter which plan you choose at retirement. "Aging" into the "Rule of 80" happens because you continue to attain age but acquire no more service. However, in the MSEP 2000, you may not "age" into the "Rule of 80." Base Benefit Formula At the time you apply for retirement, your base benefit is calculated using a formula that takes into account the following factors: • Final Average Pay - The average of your highest 36 consecutive months of compensation • Credited Service - Your years and months of credited service including unused sick leave (if applicable) • Multiplier - The multiplier is established by the legislature.

– MSEP - The multiplier is 1.6% (.016). Future formula increases, if any, may be passed along to retirees.

– MSEP 2000 - The multiplier is 1.7% (.017). Future formula increases, if any, will not be passed along to retirees.

MSEP: For all employees hired for the first time on or after January 1, 2011

Eligibility/Membership

As a state employee, you are automatically enrolled in MOSERS. General state employees employed for the first time on or after January 1, 2011 in a benefit-eligible position participate in the MSEP 2011. Your employer determines if the position in which you are working is benefit-eligible. A benefit-eligible position is one that is permanent and normally requires the performance of duties during not less than 1,040 hours per year.

Vesting

Ten years

Contributions

MSEP 2011 members are required to contribute 4 percent of pay to the retirement system.

Normal Retirement Requirements

At least age 67 and 10 years of credited service or at least age 55 with sum of age and credited service equaling at least 90 at the time of termination.

Benefit Calculation

Your normal annuity starting date is the date at which you may retire with an unreduced benefit. You will be eligible for normal retirement if you meet at least one of the following age and service requirements:

• Age 67 or older with at least 10 years of service

• "Rule of 90" - at least age 55 with the sum of your age and service equaling 90 or more Once you are vested, you may leave state employment and receive your monthly MOSERS retirement benefits in the future upon meeting all requirements (provided you didn't take a refund of your contributions).

• You are NOT required to retire directly from active employment.

• You are NOT required to be immediately eligible for retirement when you leave state employment. For example, if you worked in a MOSERS benefit-eligible position from age 35 until age 45 (10 years), then left and worked elsewhere; you may apply and begin drawing MOSERS retirement benefits when you attain the age of 67. Base Benefit Formula At the time you apply for retirement, your base benefit is calculated using a formula that takes into account the following factors:

• Final Average Pay - The average of your highest 36 consecutive months of compensation.

• Credited Service - Your years and months of credited service including unused sick leave (if applicable).

• Multiplier - The multiplier is established by the legislature and is currently 1.7% (.017). Future formula increases, if any, will not be passed along to retirees.

Non-Social Security Covered Service Pursuant to Section 104.1024, RSMo, benefits for non-social security covered service will be computed using a benefit multiplier of 2.5%.

NOTE: Some MO community college contribute to the PSRS/PEERS retirement system

MONTANA

NASRA information on faculty retirement options is incorrect. Montana Public Employee Retirement Administration (PERS) provides retirement, disability and death benefits to the State of Montana, the university system, local governments and certain school district employees. PERS covers two retirement plans: The Defined Benefit Retirement Plan and The Defined Contribution Retirement Plan. If you are a new member of PERS, your contributions are automatically deposited into the Defined Benefit Retirement Plan (DBRP). You then have 12 months, from the time you are first reported to MPERA through payroll, to choose to remain in the DBRP or transfer to the Defined Contribution Retirement Plan (DCRP). You cannot be in both the Defined Benefit and the Defined Contribution Retirement Plans.

PERS is a defined benefit retirement system. Benefits and contributions are set by law, and protected by the Montana Constitution and only the Legislature may change them.

For members hired on or after July 1, 2011

Eligibility/Membership

Vesting

Five years of membership

Creditable Service

If you work 160 hours or more in any month, you earn one month of service credit. If you work less than 160 hours, you will receive proportional service credit. For example, if you work 80 hours per month, you earn one-half of a month of service credit. However, if you work at least 2,080 non-overtime hours in a fiscal year and are reported as working less than 160 hours in any months during that year, you will receive one full year of service credit.

If you work part-time, PERS will adjust either your service credit or hour highest average compensation at retirement. We adjust one or the other to prevent a double reduction of your benefit. You will not see the adjustment to your service credit until retirement.

Contributions

For Montana University System, the state and MUS contribution rate is 6.9 percent; the employer additional contribution rate is 1.57 percent for a total of 8.47 percent. Members pay 7.9 percent.

Normal Retirement Requirements

Full service retirement: (1) Any age with 30 years of membership service, (2) Attain age 65 while employed, regardless of years of membership service; (3) Age 60 with 5 years of membership service

Early Retirement: (1) Age 50 with 5 years of membership service - actuarially reduced; (2) Any age under 60 with 25 years of membership service - actuarially reduced. Employee contribution rate is 7.9 percent.

Benefit Calculation

Monthly Benefit Formula

Membership Service Factor (see below) x years of Service Credit x HAC

1.7857% - If you have less than 25 years of membership service

2% - If you have 25 years or more of membership service.

Highest Average Compensation (HAC): Highest consecutive 36 months of gross salary. Also, bonuses have been removed from the definition of compensation for all retirement systems effective for bonuses paid on or after July 1, 2013.

For members hired before July 1, 2011

Vesting

Five years of membership service

Creditable Service

If you work 160 hours or more in any month, you earn one month of service credit. If you work less than 160 hours, you will receive proportional service credit. For example, if you work 80 hours per month, you earn one-half of a month of service credit. However, if you work at least 2,080 non-overtime hours in a fiscal year and are reported as working less than 160 hours in any months during that year, you will receive one full year of service credit.

If you work part-time, PERS will adjust either your service credit or hour highest average compensation at retirement. We adjust one or the other to prevent

Contributions

For Montana University System, the state and MUS contribution rate is 6.9 percent; the employer additional contribution rate is 1.57 percent for a total of 8.47 percent. Members contribute 7.9 percent.

Normal Retirement Requirements

Full service retirement: (1) Any age with 30 years of membership service; (2) Attain age 65 while employed, regardless of years of membership service; (3) Age 60 with 5 years of membership service.

Early Retirement: (1) Age 50 with 5 years of membership service - actuarially reduced; (2) Any age under 60 with 25 years of membership service - actuarially reduced.

Benefit Calculation

Monthly Benefit Formula:

Membership Service Factor (see below) x years of Service Credit x HAC

1.7857% - If you have less than 25 years of membership service

2% - If you have 25 years or more of membership service.

Highest Average Compensation (HAC): Highest consecutive 36 months of gross salary. Also, bonuses have been removed from the definition of compensation for all retirement systems effective for bonuses paid on or after July 1, 2013.

NOTE: Montana PERS had no PDF documents to download regarding these benefits.

NEW HAMPSHIRE

Employees of the Community College System of New Hampshire (CCSNH) are provided retirement benefits through the New Hampshire Retirement System (NHRS) is a contributory public employee defined benefit pension plan qualified under section 401(a) of the Internal Revenue Code (Code) and funded through a trust which is exempt from tax under Code section 501(a). NHRS provides benefits to its eligible members and their beneficiaries upon retirement, disability, death, or other termination of employment. CCSNH employees are included in Group 1, Employees and Teachers. The System offers employees 403(b) and two different 457(b) retirement plans.

Members vested prior to January 1, 2012

Vesting

Members become vested for retirement benefits upon the earlier of: (1) completion of 10 years of NHRS Creditable Service; or (2) on or after attainment of the NHRS normal retirement age while in service, regardless of years of

Creditable Service

The number of months and years of service credit earned as an NHRS member. Creditable Service is one of the factors used to calculate the pension benefit.

Contributions

Employer contributions are 11.08 percent for pension and 1.07 percent for medical subsidy (12.15 percent total).

Normal Service Retirement Requirements

Group I members can retire at the age of 60 regardless of their years of Creditable Service. By law, Group I members experience a reduction in their pension amount beginning at age 65 regardless of their effective date of retirement. This reduction is not tied to Social Security.

Benefit Calculation

Benefit formula for ages 60-64 • Member's AFC divided by 60 then multiplied by Creditable Service. (example: AFC of $30,000 ÷ 60 = $500; $500 x 30 years of service = $15,000)

Benefit formula for age 65 and older • Member's AFC divided by 66 then multiplied by Creditable Service. (example: AFC of $30,000 ÷ 66 = $455; $455 x 30 years of service = $13,636

For members hired on or after July 1, 2011

Vesting

Members become vested for retirement benefits upon the earlier of: (1) completion of 10 years of NHRS Creditable Service; or (2) on or after attainment of the NHRS normal retirement age while in service, regardless of years of Creditable Service.

Creditable Service

The number of months and years of service credit earned as an NHRS member. Creditable Service is one of the factors used to calculate the pension benefit.

Contributions

Employer contributions are 11.08 percent for pension and 1.07 percent for medical subsidy (12.15 percent total).

Normal Retirement Requirements

Group I members can retire at the age of 65 regardless of their years of Creditable Service.

Benefit Calculation

Benefit formula • Member's AFC divided by 66 then multiplied by Creditable Service. (example: AFC of $30,000 ÷ 66 = $455; $455 x 30 years of service = $13,636

For members in service prior to July 1, 2011 and not vested prior to January 1, 2012

Vesting

Members become vested for retirement benefits upon the earlier of: (1) completion of 10 years of NHRS Creditable Service; or (2) on or after attainment of the NHRS normal retirement age while in service, regardless of years of Creditable Service.

Creditable Service

The number of months and years of service credit earned as an NHRS member. Creditable Service is one of the factors used to calculate the pension benefit.

Contributions

Employer contributions are 11.08 percent for pension and 1.07 percent for medical subsidy (12.15 percent total).

Normal Retirement Requirements

Group I members can retire at the age of 60 regardless of their years of Creditable Service. By law, Group I members experience a reduction in their pension amount beginning at age 65 regardless of their effective date of retirement. This reduction is not tied to Social Security.

Benefit Calculation

Benefit formula for ages 60-64 • Member's AFC divided by 60 then multiplied by Creditable Service. (example: AFC of $30,000 ÷ 60 = $500; $500 x 30 years of service = $15,000)

Benefit formula for age 65 and older • Member's AFC divided by 66 then multiplied by Creditable Service. (example: AFC of $30,000 ÷ 66 = $455; $455 x 30 years of service = $13,636)

NEW JERSEY

The Alternate Benefit Program (ABP) is a tax-sheltered, defined contribution retirement program for certain higher education faculty, instructors and administrators. ABP provides retirement benefits, life insurance and disability coverage, which, when combined with Social Security and other tax-deferred plans, can provide security in retirement.

The ABP Retirement Plan is intended to be a tax-qualified defined contribution pension plan under IRC § 40 I (a) et seq. The Plan Administrator intends to maintain the ABP Retirement Plan as a profit-sharing plan that qualifies for favorable income tax treatment under IRC § 401(a)(27). The ABP Retirement Plan is an individual account plan, which provides for an individual account for each participant and for benefits based solely upon the amount of contributions, investment gains and losses, fees, and expenses allocated to the participant's account. Assets with respect to the ABP Retirement Plan shall be used solely for the purpose of providing benefits under the ABP Retirement Plan and for paying the administrative expenses of the ABP Retirement Plan.

Vesting

For most ABP members, mandatory “employee” and “employer” contributions are held in a “delayed vesting” status during the first year of ABP eligible employment. The member is vested in the ABP beginning in the second year of ABP eligible employment. Some ABP members can be “immediately vested” if the member has an existing retirement account containing employee and employer contributions from employment in higher education or is an active or vested member of a federal or state retirement system and transfers that retirement system membership to the ABP . When vested, all contributions and accumulations in the ABP account belong to the member and provide benefits when the member is eligible to receive them. Vested members of the ABP are also eligible to apply through their provider for loans made from the member’s account balance. Contact the authorized provider for borrowing and repayment procedures.

Contributions

Members annually contribute 5% of base or contractual salary matched by an 8% employer contribution* to a tax-deferred investment account.

NEW MEXICO

NASRA indicates that the New Mexico Educational Retirement Board (NMERB) is mandatory for faculty and staff, though DB and DC plans pertain to different positions.

Eligibility/Membership

Membership in the Educational Retirement Board (ERB) plan is a condition of employment. You automatically become a member of the ERB plan when you begin employment with any entity covered by the ERA. Individuals who work more than 25% of a FTE are covered by the ERB’s retirement plans. The ERB Defined Benefit Plan is administered as a qualified plan under the Internal Revenue Code, Section 401(a). In a qualified plan, employee contributions are deducted pre-tax; federal and state income taxes are deferred until the member receives monthly retirement benefits or their contributions are withdrawn.

The ERB also administers the Alternative Retirement Plan (ARP), a defined contribution retirement program available to certain faculty and professional employees regularly employed at New Mexico universities and colleges. Unlike a defined benefit plan, retirement benefits in a defined contribution plan are determined solely by the balance in an individual participant’s account at retirement. ERB employers pay a 3% contribution rate to cover the actuarial impact on the Defined Benefit Plan attributable to employees participating in the ARP.

Vesting

Five years of service.

Creditable Service

Members of ERB's Defined Benefit Plan accumulate service credit for each calendar quarter of employment by an ERB employer and make contributions to that plan.

Contributions

Employees who make ≤ $20,000 pay 7.9 percent, and the employer pays 13.9 percent for a total of 21.8 percent.

Employees who make > $20,000 pay 10.7 percent, and the employer pays 13.9 percent for a total of 24.6 percent.

Normal Retirement Requirements

Retirement eligibility is determined by your start date.

TIER 1: Membership Prior to July 1, 2010

If your ERB membership began before July 1, 2010, and you have not withdrawn all of your contributions, you are eligible to retire on the earliest date you meet any of the following criteria:

1. "25 and Out" – Earned service credits + allowed service credits = 25 or more years. There is no minimum age requirement.

2. "Rule of 75" – Your age + earned service credits = 75 or more. Under the Rule of 75, allowed service credits are used to calculate your retirement benefit but do not count toward eligibility. If you retire under this rule, are under age 60, and have less than 25 years of earned service credit, your retirement benefit will be reduced by:

- 0.6% for each ¼ year, or portion thereof, that retirement occurs prior to age 60 but after the 55th birthday (equal to 2.4% per year), plus
- 1.8% for each ¼ year, or portion thereof, that retirement occurs prior to age 55 (equal to 7.2% for each year under age 55). For example, if you are six months past your 59th birthday, the reduction in benefits is 1.2%.

3. "65 and 5" – If you are at least 65 years old and have five or more years of earned service credit, you are eligible for retirement.

4. COLA begins at age 65.

TIER 2: Membership on or after July 1, 2010, but prior to July 1, 2013

If you are first employed by an ERB employer on or after July 1, 2010, but prior to July 1, 2013 or if you were employed before July 1, 2010, terminated your employment and subsequently withdrew all of your contributions, you must meet one of the following requirements to be eligible for retirement:

1. "30 and Out" – Earned service credits = 30 or more years. There is no minimum age required. Under Tier 2 "30 and Out," allowed service credit is not used to determine eligibility for retirement but is used to calculate retirement benefits.

2. “Rule of 80” – Your age + earned service credits = 80 or more. As in the Rule of 75, allowed service credits are used to calculate your retirement benefit but do not count toward eligibility. If retire under this rule, are under age 65, and have less than 30 years of earned service credit, your retirement benefit will be reduced by:

- 0.6% for each ¼ year, or portion thereof, that retirement occurs prior to age 65 but after the 60th birthday (equal to 2.4% per year), plus
- 1.8% for each ¼ year, or portion thereof, that the retirement occurs prior to age 60 (equal to 7.2% per year).

3. “67 and 5” – If you are at least 67 years old and have five or more years of earned service credit, you are eligible for retirement.

4. COLA begins at age 65.

TIER 3: Membership Beginning on or after July 1, 2013

If your ERB membership began on or after July 1, 2013, or you were employed before July 1, 2013, terminated your employment and subsequently withdrew all of your contributions and returned to work for an ERB employer on or after July 1, 2013, you must meet one of the following requirements to be eligible for retirement:

1. “30 and Out” – Earned service credits = 30 or more years. Soft minimum retirement age of 55: those who retire younger than age 55 with 30 years of service credit will have a reduction in benefits to the actuarial equivalent of the member retiring at age 55. Under Tier 3 “30 and Out,” allowed service credit is not used to determine eligibility for retirement but is used to calculate retirement benefits.

2. “Rule of 80” – Your age + earned service credits = 80 or more. As in the Rule of 75, allowed service credits are used to calculate your retirement benefit but do not count toward eligibility. If you retire under this rule, are under age 65, and have less than 30 years of earned service credit, your retirement benefit will be reduced by:

- 0.6% for each ¼ year, or portion thereof, that retirement occurs prior to the member’s 65th birthday but after the 60th birthday (equal to 2.4% per year), plus
- 1.8% for each ¼ year, or portion thereof, that retirement occurs prior to the member’s 60th birthday (equal to 7.2% per year).

3. “67 and 5” – If you are at least 67 years old and have five or more years of earned service credit, you are eligible for retirement. 4. COLA begins at age 67.

Benefit Calculation

Benefits are based on three components – your average annual salary (sometimes referred to as your final average salary or “FAS”) annualized by fiscal year, your earned and allowed service credit, and a 2.35% factor. Average Annual Salary x service credit x .0235 = annual benefit

Your average annual salary is the higher of:

1. Your average fiscal annual earnings for the last 20 calendar service quarters (60 months) prior to retirement, or

2. Your highest average fiscal annual earnings for any 20 consecutive calendar quarters.

OHIO

Faculty obtain benefits through the State Teachers Retirement System; staff retirement benefits are available through the Ohio Public Employees' Retirement System.

Faculty

Eligibility/Membership

Ohio law defines STRS Ohio membership in Section 3701.01 of the Revised Code. This includes any other teacher or faculty member employed in any school, college, university, institution or other agency wholly controlled and managed, or supported in whole or in part, by the state or any of its subdivisions.

Vesting

Defined benefit:

Defined contribution: Members are vested in their own contributions immediately, and vest 20 percent per year in employer contributions and all gains and losses on those contributions.

Creditable Service

See "Service Credit Guidelines" (Defined Benefit and Combined Plan) Brochure

Contributions

Defined benefit plan: Members contribute 14 percent of annual gross earnings, employers contribute 14 percent of their total faculty payroll.

Defined contribution plan: Members contribute 14 percent of annual gross earnings, employers contribute 9.5 percent.

Combined plan: Members contribute 14 percent of annual salary, employers contribute 14 percent.

Normal Retirement Requirements

Depends upon retirement dates. Through July 1, 2015, the minimum age and years of service is any age and 30 years or age 65 and 5 years of qualifying service credit. On or after August 1, 2026, age 60 and 35 years, or age 65 and 5 years of qualifying service credit.

Benefit Calculation

Retirement calculated using a salary-related benefit calculation based upon age at retirement, total years of service credit, and final average salary (FAS), the average of your five highest years of Ohio public earnings. For member retiring August 1, 2015 and later, the benefit is calculated by multiplying all years of service by 2.2 percent of a five-year FAS. For members who were eligible to retire on or before July 1, 2015, the benefit is calculated by multiplying the first 30 years of contributing service credit and all noncontributing credit (including Ohio-valued purchasing credit) by 2.2 percent of the FAS.

Staff

Eligibility/Membership

All employees who are paid in whole or in part by the state of Ohio, a county, municipality or any other political subdivision of the state or local government in Ohio, and who are not in a position covered by another state retirement system in Ohio or by the Cincinnati Retirement System, are enrolled in OPERS.

Vesting

Creditable Service

See ‘Service Credit and Contributing Months’ booklet.

Contributions

Members contribute 10 percent of their earnable salary, employers contribute 14 percent.

Normal Retirement Requirements

Minimum age and service eligibility differ by retirement plan and retirement group. See Ohio PERS member handbook for details.

Benefit Calculation

Benefit calculations differ by retirement plan and retirement group. See each individual plan’s ‘Retiring from Public Employment’ booklet.