

Draft Provisions for LC252¹

Short title: Professional retirement option for new hires into teachers' retirement system

Plan Structural Issue	PRO provision	Questions for Committee	Committee decision/direction
Overall structure	Retains general structure of the current TRS		
Applicability	New hires after effective date (most likely July 1, 2011)		
Employee contribution	7.69% of salary (increase of 0.54% from current rate)		
Employer contribution	9.96% of salary (might change depending on funding decisions by 2011 Legislature)		
Multiplier	1.667% for members with less than 30 years of service; 2% for all years of service for members with 30+ years of service		
Average final compensation	averaged over 5 years		

¹ As articulated by SAVA during its August 17, 2010, meeting.

Vesting	5-year graded: <ul style="list-style-type: none"> • after 5 years: 25%; • increasing 5% per year for years 6 through 10; • increasing 10% per year for years 11 through 15. 		
Service retirement	60 and vested or at any age with 30 years of service		
Early retirement	55 and vested		
Actuarial reduction for early retirement	Full actuarial reduction		
Retirement benefit	Same as current TRS provisions		
Post-retirement benefit adjustment	1.5% annually, same as current TRS provisions		
Termination	Same as current TRS provisions		
Death benefits	Same as current TRS provisions		
Disability benefits	Same as current TRS provisions		
Others? <ul style="list-style-type: none"> ▶ Preamble clauses? ▶ Staff permission to work with bill sponsor to resolve other issues that arise during drafting process? 			

