

House Ways and Means Retirement
Ad Hoc Committee Recommendations for Discussion
December 12, 2011

State workers would pay 7.5 percent of their salaries into the system instead of the current 6.5 percent. (SCRS and PORS)

Employees could not retire with full benefits until they had worked for 30 years and reached age 62. If employees choose to withdraw benefits before the age of 62, there will be a graduated benefit structure for early withdrawal. (SCRS)

PORS retirement remains at 25 years.

Pension benefits would be calculated based on the average of five consecutive years of a worker's highest salary instead of three years' worth of salary. If an employee received a 40% raise during this five-year period, they would only receive credit for 20% of the raise. (SCRS and PORS)

Annual and sick leave would no longer be used to compute retirement. (SCRS and PORS)

There will be no new TERI participants. (SCRS...TERI program does not exist for PORS.)

There will also be no more guaranteed cost of living adjustments unless the following criteria are met: the revenue source must be identified, an actuarial firm must guarantee we remain at 30 years, and the General Assembly must approve the increase. (SCRS & PORS)

Interest will no longer be accrued on inactive retirement accounts. (SCRS)

Service Purchase would be required to be actuarially neutral. (SCRS and PORS)

No longer allowed to use overtime and special pay toward retirement calculation. (SCRS)

Notations as to above proposals:

**These proposals for the SCRS system will only affect employees with less than 23 years of service.

**All proposals would affect new and current employees besides the TERI proposal. The TERI proposal would only be for new hires.

**All proposals would affect the PORS participants except the 30 yrs and 62 for retirement, TERI, and the use of overtime in calculation of retirement.