



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 1040 (Substitute H-3 as passed by the House with proposed amendments)

Sponsor: Senator Roger Kahn, M.D.

Senate Committee: Appropriations

House Committee: Appropriations

Date Completed: 8-15-12

CONTENT

The bill would amend the Public School Employees Retirement Act to make several substantial changes concerning the Michigan Public School Employees' Retirement System (MPERS), including the following:

- Employees hired before July 1, 2010 (non-hybrid employees), would have the following choices: 1) make higher contributions in order to continue receiving a 1.5% multiplier for future years of service; 2) continue paying current contributions but have a 1.25% multiplier for future years of service; or 3) freeze pension benefits earned to date and move to a defined contribution (DC) plan for future years of service. Employees in the existing "hybrid" plan (those hired on or after July 1, 2010) would not be affected by these pension changes.
- New hires (first hired on or after September 4, 2012) could choose an optional DC plan (with a 3% employer contribution if the employee contributed 6%), instead of the hybrid plan.
- The employer contribution rate for unfunded accrued liabilities would be capped at 20.96% of payroll, with an annual appropriation if/when the rate for unfunded accrued liabilities exceeds 20.96%. Combined with an average 3.5% of payroll for normal costs, the total employer contribution rate will be capped at around 24.46% of payroll.
- For new hires (first hired on or after September 4, 2012), or for members who choose this instead of existing benefits, retiree health care premium coverage would be eliminated and replaced with matching employer contributions up to 2% of compensation, deposited into a 401k account; new hires would not have to remit the 3% employee contribution for retiree health that is in the law for current employees.
- Beginning January 1, 2013, the premium coverage paid by the State would decrease to a maximum of 80%, with retirees (both existing retirees and future retirees) paying at least 20% of health care premiums. However, current retirees who are Medicare-eligible as of January 1, 2013, would pay 10% of health care premiums instead of 20%.
- Prefunding of retiree health care would be included; however, if employees' 3.0% contributions for retiree health care were found to be unconstitutional, funding for retiree health care would revert to a cash basis.
- The early-out incentive costs would be amortized over 10 years instead of over five.
- The retirement system would have to perform a study of university health care, and provide information to the universities for their own study of retiree health care.
- The Department Director, Senate Majority Leader, and Speaker of the House would have to commission a study, costing not more than \$150,000, on the existing system and potentially converting to a defined contribution plan for retirement. The study also would include a review of rates of return on investments, mortality, and longevity. The study would include specific recommendations for transitioning to a DC plan. The study would further include a review of stranded costs, and current operation expenses (COE), or other measures as a base for spreading unfunded accrued liabilities (but COE would not be implemented under the bill).

-- The retirement system would be required to disclose, post, and e-mail additional information related to financial statements, and to maintain an electronic mail address for retirement allowance recipients and members.

The bill also would appropriate \$4.7 million to the Office of Retirement Services for implementation of the legislation.

Increased Employee Contributions or a Reduced Multiplier or Conversion to DC

The first series of changes under Senate Bill 1040 (H-3) relates to choices employees would have to make, as follows: 1) increase employee contributions and continue the multiplier (for pension calculation) of 1.5% for future years of service, OR, 2) keep the same level of employee contributions but have a reduced multiplier of 1.25% on future years of service, OR, 3) make no future contributions, but also receive no future years of service for a pension, and instead freeze existing pension benefits and convert to a defined contribution, or 401k, plan.

Employees who wished to continue receiving the existing 1.5% multiplier for future years of service (for use in calculating a pension) would have to pay higher employee contributions than under current law. Specifically, employees hired before January 1, 1990 ("basic" plan members) who chose to remain in the basic plan would have to pay 4% of compensation; these employees currently make no contributions to MPSERS. All member investment plan (MIP) members hired before July 1, 2010, whether they switched from basic or were first hired into MIP, would have to pay a flat 7% of compensation; these employees currently make graded contributions based on salary, presently ranging from 3% to 6.4%. Employees hired on or after July 1, 2010, are in the "hybrid" system and would not be affected by the proposed changes; they would remain in the hybrid plan at their current contribution levels.

If employees did not choose to make the higher contributions listed above, they would have two choices: 1) pay the existing employee contributions, but receive a 1.25% multiplier for future years of service, OR, 2) freeze the earned benefit to date and convert to a DC plan. The DC plan would require the employer to deposit 4% of compensation into a 401k account, but no future pension benefits would accrue to an employee choosing this option. Regardless of the option chosen, previously accrued service would be calculated at the 1.5% multiplier when pension benefits earned to date were determined.

Current employees would have between September 4, 2012, and October 26, 2012, to decide among the above options, with decisions (e.g., higher contributions, frozen earned benefits, etc.) implemented on the transition date, defined to be the first day of the pay period that begins on or after December 1, 2012.

New Hires Optional Defined Contribution

The bill would allow all new hires, first hired on or after September 4, 2012, to choose an option to participate solely in a defined contribution plan, rather than the hybrid defined benefit (DB)/DC plan. The optional DC plan would require the employer to contribute 3% of the employee's compensation into a 401k-type account if the employee contributed 6%.

Retiree Health Care

Two changes to retiree health care are proposed under Senate Bill 1040 (H-3). First, beginning January 1, 2013, State premium coverage would be reduced to not more than 80%, with retirees paying at least 20% of retiree health care premium coverage, an increase from the current roughly 10% cost sharing. This change would affect not only future retirees, but also people already retired. However, current retirees who are Medicare-eligible would pay 10% of premium coverage, instead of the 20% for non-Medicare-eligible retirees. This would only affect existing (not future) retirees who are currently Medicare-eligible.

Second, the bill would eliminate retiree health care coverage for new hires (first hired on or after September 4, 2012). Mirroring changes made for State employees under Public Act 264 of 2011, the bill would require an employer to make up to a 2% matching contribution into an employee's 401k account in lieu of retiree health care coverage. Employees would not be able to take loans out against the employer's contributions, under this proposal, which was also implemented under Public Act 264.

(The "Age 60" requirement for health care proposed in the introduced version of the bill is not included in Senate Bill 1040 (H-3).)

MCL 38.1303a et al.

FISCAL IMPACT

The proposed changes would address both pension and health care costs. As of the 2011 Comprehensive Annual Financial Report, the unfunded accrued liability (UAL) for MPSERS pensions was \$22.4 billion and the UAL for retiree health care was \$25.9 billion. The bill would reduce the current liabilities under both the pension and health sides, and would have an additional impact on the health care side by eliminating the potential for liabilities associated with new hires with the implementation of a 401k for retiree health care savings in lieu of premium coverage.

Table 1 is a summary of the bill's potential fiscal impact, and Table 2 is a summary of the sections proposed for amendment and their estimated fiscal impact, if available. In addition, the bill would appropriate \$4.7 million to the Office of Retirement Services for implementation, and would require up to \$150,000 spent for a study on the potential of closing the hybrid system and converting to a DC plan, and a review of stranded liabilities.

Table 1

	Current Law (No Changes)	Senate Bill 1040 (H-3)
Employer Contribution Rates for FY 2012-13	27.37%	24.46%
Pension Unfunded Accrued Liability	\$22.4 billion (from 2011 valuation)	\$20.8 billion
Retiree Health Unfunded Accrued Liability	\$25.9 billion (from 2011 valuation)	\$11.9 billion
Total Liability	\$48.3 billion	\$32.7 billion
Additional School Aid Fund Necessary to Keep Employer Rate Flat at 24.46%	\$0	\$150 million - \$155 million in FY 2012-13 (This is higher than the original \$130 million because it includes smaller savings due to the 90/10 health care provision for retirees at least age 65 on January 1, 2013, instead of a straight 80/20 for all.)

Fiscal Analyst: Kathryn Summers

Floor\sb1040(H-3)

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.

Table 2

**Section-by-Section Analysis of MPSERS Reform Legislation
(Senate Bill 1040 Substitute H-3, As Amended)**

Section Number and Purpose	Proposed Change	Estimated Fiscal Impact
Sec. 25 Allows retirement board to promulgate rules to implement the Act	Study and data for university retiree health care would be required.	None
Sec. 41 Valuation methods	Retiree health care would be prefunded (instead of cash funding) if employee 3% contributions were found to be legal; employer contribution rate would be capped at 24.46% of payroll, subject to annual appropriation.	<p>Prefunding retiree health care is estimated to reduce retiree health UAL by \$10.8 billion.</p> <p>An estimated \$150.0 million cost to cap the employer contribution rate in FY 2012-13. Additional costs anticipated over the next several years, to keep the employer contribution rate flat.</p>
Sec. 43a Existing Employee Contributions Sec. 43g Proposed Employee Contributions	<p>Employees would be given a choice to either 1) continue to pay existing contributions under Sec. 43a, but receive a reduced pension multiplier of 1.25% (rather than 1.5%) for future years of service, or 2) pay higher contributions under Sec. 43g in order to continue receiving the 1.5% pension multiplier.</p> <p>Basic employees (hired before 1990) choosing option #2 would pay flat 4% of compensation (up from 0% current contribution) into pension system.</p> <p>Member Investment Plan (MIP) employees (hired between 1990 and 2010) would pay flat 7% of compensation (up from a graded system where contributions range from 3% to 6.4%, based on hire date and salary) into pension system.</p> <p>Hybrid members (hired after July 1, 2010) would remain in the hybrid plan, and continue contributing existing amounts.</p>	<p>4% across-the-board for basics and 7% across-the-board for MIP (non-hybrid) = \$265 million in employer savings.</p> <p>Long-term reduction in employer contribution rate would be 2.07% if employee contributions were directed to reduce employer costs.</p> <p>UAL reduction of \$1.56 billion.</p>

**Section-by-Section Analysis of MPSERS Reform Legislation
(Senate Bill 1040 Substitute H-3, As Amended)**

Section Number and Purpose	Proposed Change	Estimated Fiscal Impact
<p>Sec. 59 Employee Choices:</p> <p>Higher Contributions/Retain 1.5% multiplier for future years of service</p> <p>Same Contributions/Reduced 1.25% multiplier for future years of service</p> <p>No Contributions/Freeze Pension Earned to Date/Switch to DC for future years</p>	<p>All existing employees hired before July 1, 2010, would be given a choice to either pay higher contributions and retain the 1.5% pension multiplier, or, if choosing not to pay the higher contributions, then either retain the existing contributions with a reduced multiplier (1.25%) OR freeze earned pension and transfer to a Defined Contribution plan.</p> <p>An employee choosing to make the higher contributions to retain the existing 1.5% multiplier for future service would be given a further choice to pay the higher contributions until termination or until reaching "attainment date" (i.e., 30 years of service). Employees choosing to pay the higher contributions until attainment date, after reaching 30 years of service, would return to the lower contribution levels, but at a 1.25% multiplier for years in excess of 30.</p> <p>An employee choosing not to pay the higher contributions who further chose to freeze the earned pension to date and transfer to DC, would make no contributions and would receive an employer contribution of 4% of pay into the employee's 401k account.</p>	<p>This section would implement the employee contribution sections referred to above, and therefore would have no stand-alone fiscal impact.</p>
<p>Sec. 81b Amortizing the early out</p>	<p>The five-year payoff would be changed to 10 years.</p>	<p>Yearly cost would be lowered by roughly 1% of payroll, but payment would be extended to 10 years.</p>
<p>Sec. 81d - NEW</p>	<p>New hires could choose a DC plan alone, instead of the hybrid plan. A 3% employer match on first 6% employee contributions would be provided.</p>	<p>Would eliminate exposure to future variations in liabilities, to the extent new hires chose this option.</p>

**Section-by-Section Analysis of MPSERS Reform Legislation
(Senate Bill 1040 Substitute H-3, As Amended)**

Section Number and Purpose	Proposed Change	Estimated Fiscal Impact
<p>Sec. 84b Pension Calculations Based on Choices Made in Section 59</p>	<p>People choosing to make the higher contributions under Sec. 43g would retain the 1.5% multiplier for future years of service, in the calculation of their pension. If they chose to make the increased contributions only until attainment date, the 1.5% multiplier would be used for service accrued until they reached the attainment date, and a 1.25% multiplier would be used for years of service after the attainment date was reached.</p> <p>People choosing not to make the higher contributions under Sec. 43g, but choosing to continue making the contributions under Sec. 43a, would receive a 1.25% multiplier for future years of service, when calculating their pension. People choosing not to make any future contributions would be frozen at the pension accrued to date, and switched to DC for future years of service.</p> <p>All previously accrued service would be calculated at a 1.5% multiplier.</p>	<p>This section would implement the employee elections section referred to above, and therefore would have no stand-alone fiscal impact.</p>
<p>Sec. 91 Retiree Health Care</p>	<p><u>"80/20"</u> All existing retirees would have State retiree health, dental, vision, and hearing coverage of 80%, rather than the existing coverage. However, current retirees who are Medicaid eligible would have 90% State coverage.</p> <p>Retiree health care coverage would be eliminated for any employee first hired on or after August 1, 2012.</p>	<p><u>"80/20"</u> Year 1: \$70 million savings Year 2: \$80 million savings Year 3: \$90 million savings</p> <p>UAL reduction of \$1.6 billion, and a reduction in the employer contribution rate of 0.75%.</p>

**Section-by-Section Analysis of MPSERS Reform Legislation
(Senate Bill 1040 Substitute H-3, As Amended)**

Section Number and Purpose	Proposed Change	Estimated Fiscal Impact
Sec. 91a "401k" for Retiree Health	<p>Combined with Sec. 91(15), retiree health care premium coverage would be eliminated for employees first hired on or after August 1, 2012. In place of retiree health care coverage, the employer would pay up to 2% in matching contributions to an employee's 401k account.</p> <p>New hires would not pay the 3% retiree health contribution required under Sec. 43e for all current employees, since they would not receive retiree health care upon retirement.</p>	<p>This would be a new cost in addition to payment of the cash costs of existing retirees, which would grow until a break-even point was reached in roughly 30 years, after which costs would decline, with significant savings achieved in 60 years. Eventually, long-term costs for retiree health care would max-out at 2% of payroll.</p> <p>Year 1: \$11 million additional cost Year 2: \$22 million additional cost Year 3: \$31 million additional cost Year 10: \$110 million additional cost</p>
Sec. 92b - NEW	\$4.7 million would be appropriated to the Office of Retirement Services for implementation of the bill.	\$4.7 million appropriated from the retirement system's assets.
Sec. 93 - NEW	A study on the existing retirement system, including potential to close and move strictly to a defined contribution plan, would have to be commissioned. The study also would include a review of rates of return, longevity, and mortality, and would be due November 15, 2012.	\$100,000 cost
Sec. 94 - NEW	A study on stranded liabilities, and the appropriateness of using current operation expenditures or other methods on which to address stranded liabilities would be required.	n/a
Sec. 131 Tier 2 guidelines	New hires who chose a DC-only plan would receive 3% if they contributed 6%.	n/a
Sec. 131a - NEW	The retirement system would have to develop auto-enrollment such that employees would default to the maximum DC contributions required to receive the maximum allowable employer matching contributions.	n/a

**Section-by-Section Analysis of MPSERS Reform Legislation
(Senate Bill 1040 Substitute H-3, As Amended)**

Section Number and Purpose	Proposed Change	Estimated Fiscal Impact
Total Fiscal Impacts		<p>The H-3 substitute would cap the employer contribution rate in FY 2012-13 at 24.46% of MPSERS payroll, at a cost of roughly \$150.0 million in the School Aid Fund. A total of \$130.0 million already has been appropriated for this purpose. The total UAL reduction is estimated at \$15.6 billion, mostly due to prefunding retiree health care.</p> <p>Note: The FY 2011-12 MPSERS employer contribution rate is 24.46% of payroll, and, in the absence of any changes, the FY 2012-13 rate will be 27.37% (an increase of 2.91% of payroll over FY 2011-12) and the FY 2013-14 rate will be 31.21% (an increase of 3.84% of payroll over FY 2012-13).</p> <p>The bill does not include mandatory DC for new hires, and does not move to current operation expenditures for spreading the costs of unfunded accrued liabilities.</p>

Projected Employer Contribution Rates

Estimated employer contribution rates, as percentages of MPSERS active member payroll, are displayed in the chart below. Tabular values are provided as well.

The alternative projections shown include:

1. Current Plan Provisions – Baseline Scenario

Current plan provisions are continued for both the pension and retiree health plans. New employees are covered by the Hybrid Plan (Pension Plus Plan) and receive graded coverage in the retiree health plan.

2. Proposed Provisions – House Version of MPSERS Reform (DC/Hybrid Option for New Hires / House Version of DC Plan)

Proposed Pension Provisions:

Basic employees contribute 4% of pay to the pension plan, while MIP employees contribute 7% of pay to the pension plan, new employees are assumed to be covered under the Hybrid plan but can elect to be covered by a DC arrangement (for purposes of the projections, the DC arrangement is assumed to have an employer normal cost of 3.00%, which is based upon a 50% employer match on the first 6% of member contributions and no DB death-in-service and disability coverage for these members), new employees covered under the Hybrid plan have no proposed changes to their benefit structure.

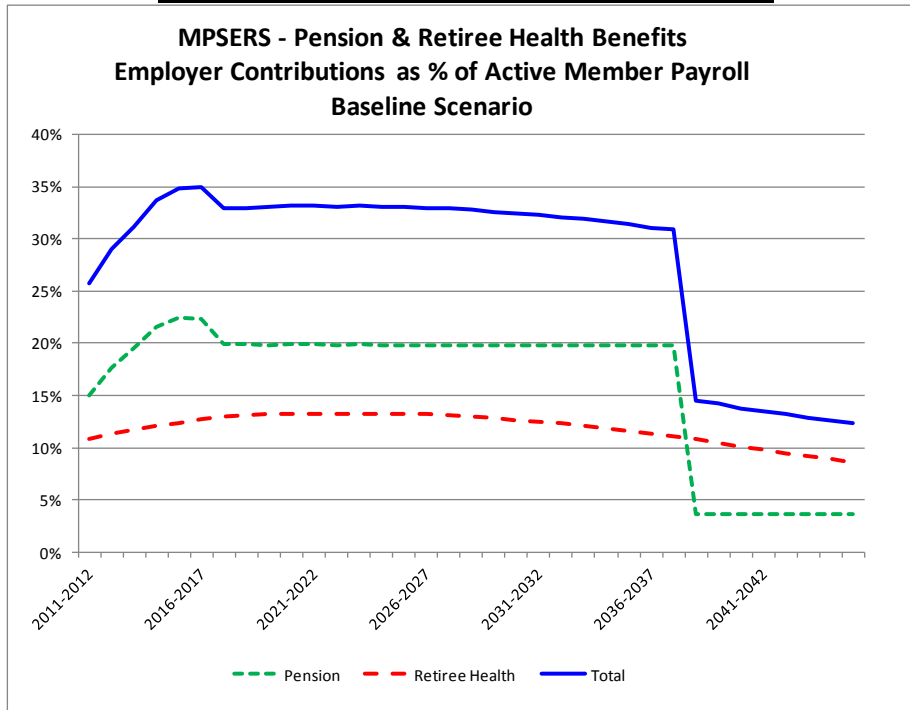
Proposed Retiree Health Provisions:

80%/20% (employer/employee) cost share (for actives, deferreds, and retirees currently under age 65), and a 90%/10% (employer/employee) cost share (for retirees currently over age 65), 3% active member contributions to the health plan for current actives; new employees are covered by a 2% DC arrangement; all unfunded retiree health actuarial accrued liabilities are funded over 25 years, starting with the 2011-2012 fiscal year. This scenario assumes that employers and members are fully funding the retiree health ARC each year. Additionally, it is assumed that the employer fully funds the early retirement incentive over 10 years (starting with the 2012-2013 fiscal year, rather than over 5 years as currently scheduled. For illustration purposes, we assume 25% of new employees elect to participate in the DC plan.

All results in this illustration are based on September 30, 2010 valuation results. In all cases, FY 2010-2011 payroll is estimated to total \$9.5 billion, consistent with the payroll estimated in the September 30, 2010 actuarial valuation. As of September 30, 2010, school employers had not yet completed their planned replacement of employees who retired under the 2010 Early Retirement Incentive Program, so that reported active member payroll dropped significantly. However, reported payroll began to increase after September 30, 2010. The actuary and the Office of Retirement Services estimated that actual payroll would be around \$9.5 billion in FY 2010-2011. Projected payroll figures include payroll for both defined benefit (DB) and defined contribution (DC) participants.

None of the projected employer contribution rates include reconciliation payments. The projected pension employer contribution rates include the 2-year delay in the budgeting process beginning with the 2012-2013 fiscal year. (That is, the September 30, 2010 valuation was used to budget fiscal years ending 2012 and 2013. The September 30, 2011 valuation is used to budget fiscal year 2014.) For retiree health projected employer contribution rates, no delay was incorporated in the full funding scenario. Under the baseline scenario and the Hybrid/DC option proposal scenario, the pension unfunded actuarial accrued liability is assumed to be fully amortized by the end of FY 2038. For purposes of the projections, it was assumed that non-Hybrid members would elect to contribute the additional member contributions to accrue the existing benefit multiplier. For purposes of the projections, it was assumed that DB retiree health members would elect to contribute the 3% member contribution rate to participate in the DB retiree health plan.

BASELINE SCENARIO (Draft - 08/15/2012)

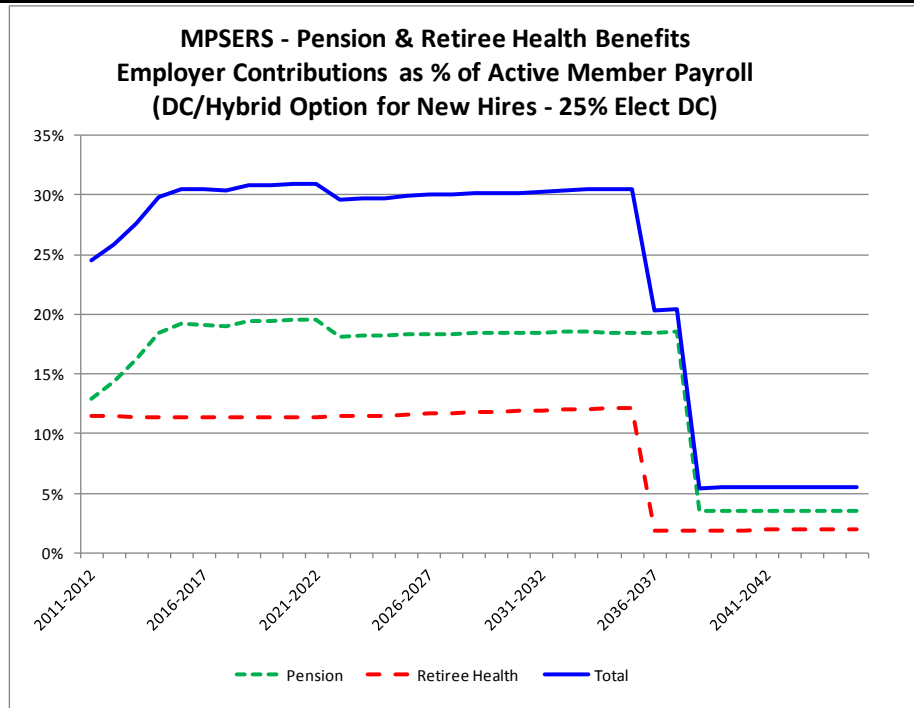


Projected Payroll and Employer Contributions for Pension and Retiree Health Benefits (in millions)

Fiscal Year	Projected Payroll	Pension		Retiree Health		Total	
		Dollars	% of Pay	Dollars	% of Pay	Dollars	% of Pay
2011-2012	\$9,833	\$1,471	15.0%	\$1,063	10.8%	\$2,534	25.8%
2012-2013	\$10,177	\$1,801	17.7%	\$1,147	11.3%	\$2,948	29.0%
2013-2014	\$10,533	\$2,054	19.5%	\$1,231	11.7%	\$3,285	31.2%
2014-2015	\$10,902	\$2,355	21.6%	\$1,317	12.1%	\$3,672	33.7%
2015-2016	\$11,284	\$2,528	22.4%	\$1,403	12.4%	\$3,931	34.8%
2016-2017	\$11,679	\$2,604	22.3%	\$1,485	12.7%	\$4,089	35.0%
2017-2018	\$12,088	\$2,406	19.9%	\$1,566	13.0%	\$3,972	32.9%
2018-2019	\$12,511	\$2,490	19.9%	\$1,644	13.1%	\$4,134	33.0%
2019-2020	\$12,949	\$2,564	19.8%	\$1,717	13.3%	\$4,281	33.1%
2020-2021	\$13,402	\$2,667	19.9%	\$1,786	13.3%	\$4,453	33.2%
2021-2022	\$13,871	\$2,760	19.9%	\$1,850	13.3%	\$4,610	33.2%
2022-2023	\$14,356	\$2,842	19.8%	\$1,915	13.3%	\$4,757	33.1%
2023-2024	\$14,858	\$2,957	19.9%	\$1,982	13.3%	\$4,939	33.2%
2024-2025	\$15,378	\$3,045	19.8%	\$2,049	13.3%	\$5,094	33.1%
2025-2026	\$15,916	\$3,151	19.8%	\$2,115	13.3%	\$5,266	33.1%
2026-2027	\$16,473	\$3,262	19.8%	\$2,178	13.2%	\$5,440	33.0%
2027-2028	\$17,050	\$3,376	19.8%	\$2,238	13.1%	\$5,614	32.9%
2028-2029	\$17,647	\$3,494	19.8%	\$2,291	13.0%	\$5,785	32.8%
2029-2030	\$18,265	\$3,616	19.8%	\$2,340	12.8%	\$5,956	32.6%
2030-2031	\$18,904	\$3,743	19.8%	\$2,389	12.6%	\$6,132	32.4%
2031-2032	\$19,566	\$3,874	19.8%	\$2,442	12.5%	\$6,316	32.3%
2032-2033	\$20,251	\$4,010	19.8%	\$2,491	12.3%	\$6,501	32.1%
2033-2034	\$20,960	\$4,150	19.8%	\$2,535	12.1%	\$6,685	31.9%
2034-2035	\$21,694	\$4,295	19.8%	\$2,573	11.9%	\$6,868	31.7%
2035-2036	\$22,453	\$4,446	19.8%	\$2,605	11.6%	\$7,051	31.4%
2036-2037	\$23,239	\$4,601	19.8%	\$2,634	11.3%	\$7,235	31.1%
2037-2038	\$24,052	\$4,762	19.8%	\$2,661	11.1%	\$7,423	30.9%
2038-2039	\$24,894	\$921	3.7%	\$2,682	10.8%	\$3,603	14.5%
2039-2040	\$25,765	\$953	3.7%	\$2,696	10.5%	\$3,649	14.2%
2040-2041	\$26,667	\$987	3.7%	\$2,704	10.1%	\$3,691	13.8%
2041-2042	\$27,600	\$1,021	3.7%	\$2,709	9.8%	\$3,730	13.5%
2042-2043	\$28,566	\$1,057	3.7%	\$2,708	9.5%	\$3,765	13.2%
2043-2044	\$29,566	\$1,094	3.7%	\$2,709	9.2%	\$3,803	12.9%
2044-2045	\$30,601	\$1,132	3.7%	\$2,714	8.9%	\$3,846	12.6%
2045-2046	\$31,672	\$1,172	3.7%	\$2,725	8.6%	\$3,897	12.3%

PROPOSED PROVISIONS – HOUSE VERSION OF MPSERS REFORM (Draft - 08/15/2012)

(DC/HYBRID OPTION FOR NEW HIRES / HOUSE VERSION OF DC PLAN)



Projected Payroll and Employer Contributions for Pension and Retiree Health Benefits (in millions)

Fiscal Year	Projected Payroll*	Pension		Retiree Health		Total		School District Rate	School Aid Rate
		Dollars	% of Pay	Dollars	% of Pay	Dollars	% of Pay		
2011-2012	\$9,833	\$1,273	12.9%	\$1,132	11.5%	\$2,405	24.5%		
2012-2013	\$10,177	\$1,462	14.4%	\$1,166	11.5%	\$2,628	25.8%	24.5%	1.3%
2013-2014	\$10,533	\$1,702	16.2%	\$1,203	11.4%	\$2,905	27.6%	24.5%	3.1%
2014-2015	\$10,902	\$2,002	18.4%	\$1,242	11.4%	\$3,244	29.8%	24.5%	5.3%
2015-2016	\$11,284	\$2,162	19.2%	\$1,283	11.4%	\$3,445	30.5%	24.5%	6.0%
2016-2017	\$11,679	\$2,236	19.1%	\$1,327	11.4%	\$3,563	30.5%	24.5%	6.0%
2017-2018	\$12,088	\$2,302	19.0%	\$1,372	11.4%	\$3,674	30.4%	24.5%	5.9%
2018-2019	\$12,511	\$2,432	19.4%	\$1,420	11.4%	\$3,852	30.8%	24.5%	6.3%
2019-2020	\$12,949	\$2,516	19.4%	\$1,471	11.4%	\$3,987	30.8%	24.5%	6.3%
2020-2021	\$13,402	\$2,616	19.5%	\$1,525	11.4%	\$4,141	30.9%	24.5%	6.4%
2021-2022	\$13,871	\$2,707	19.5%	\$1,583	11.4%	\$4,290	30.9%	24.5%	6.4%
2022-2023	\$14,356	\$2,600	18.1%	\$1,644	11.5%	\$4,244	29.6%	24.5%	5.1%
2023-2024	\$14,858	\$2,704	18.2%	\$1,708	11.5%	\$4,412	29.7%	24.5%	5.2%
2024-2025	\$15,378	\$2,798	18.2%	\$1,775	11.5%	\$4,573	29.7%	24.5%	5.2%
2025-2026	\$15,916	\$2,911	18.3%	\$1,846	11.6%	\$4,757	29.9%	24.5%	5.4%
2026-2027	\$16,473	\$3,012	18.3%	\$1,922	11.7%	\$4,934	30.0%	24.5%	5.5%
2027-2028	\$17,050	\$3,116	18.3%	\$2,000	11.7%	\$5,116	30.0%	24.5%	5.5%
2028-2029	\$17,647	\$3,243	18.4%	\$2,080	11.8%	\$5,323	30.2%	24.5%	5.7%
2029-2030	\$18,265	\$3,355	18.4%	\$2,162	11.8%	\$5,517	30.2%	24.5%	5.7%
2030-2031	\$18,904	\$3,471	18.4%	\$2,246	11.9%	\$5,717	30.2%	24.5%	5.7%
2031-2032	\$19,566	\$3,593	18.4%	\$2,333	11.9%	\$5,926	30.3%	24.5%	5.8%
2032-2033	\$20,251	\$3,738	18.5%	\$2,425	12.0%	\$6,163	30.4%	24.5%	5.9%
2033-2034	\$20,960	\$3,868	18.5%	\$2,520	12.0%	\$6,388	30.5%	24.5%	6.0%
2034-2035	\$21,694	\$4,002	18.4%	\$2,618	12.1%	\$6,620	30.5%	24.5%	6.0%
2035-2036	\$22,453	\$4,141	18.4%	\$2,718	12.1%	\$6,859	30.5%	24.5%	6.0%
2036-2037	\$23,239	\$4,285	18.4%	\$430	1.9%	\$4,715	20.3%		
2037-2038	\$24,052	\$4,460	18.5%	\$453	1.9%	\$4,913	20.4%		
2038-2039	\$24,894	\$881	3.5%	\$475	1.9%	\$1,356	5.4%		
2039-2040	\$25,765	\$911	3.5%	\$497	1.9%	\$1,408	5.5%		
2040-2041	\$26,667	\$943	3.5%	\$519	1.9%	\$1,462	5.5%		
2041-2042	\$27,600	\$975	3.5%	\$541	2.0%	\$1,516	5.5%		
2042-2043	\$28,566	\$1,009	3.5%	\$563	2.0%	\$1,572	5.5%		
2043-2044	\$29,566	\$1,044	3.5%	\$584	2.0%	\$1,628	5.5%		
2044-2045	\$30,601	\$1,080	3.5%	\$606	2.0%	\$1,686	5.5%		
2045-2046	\$31,672	\$1,119	3.5%	\$629	2.0%	\$1,748	5.5%		

*Projected Payroll includes payroll for both DB and DC participants.