

**PUBLIC EMPLOYEES' AND TEACHERS' RETIREMENT SYSTEMS  
SUMMARY OF MAJOR BENEFIT CHANGES AND COST COMPARISON**

	<b>Current PERS Tier I &amp; TRS Tier 1 DB Plan</b>	<b>Current PERS Tier II/III &amp; TRS Tier II DB Plan</b>	<b>Senate Bill 141 DC Plan</b>
<b>PERS Employee Contribution Rate</b>	6.75% other 7.5% Police/Fire 9.6% school district	6.75% or 7.5 Police/Fire 7.5% Police/Fire 9.6% school district	8% all members voluntary % up to IRS limits
<b>TRS Employee Contribution Rate</b>	8.65%	8.65%	8% all members
<b>Vesting</b>	5 years PERS 8 year TRS	5 years PERS 8 year TRS	Immediate for employee contributions Fully vested in employer contributions after 5 years.
<b>Retirement Age</b>	55 normal - 50 early 30 years "all others" 20 Police/Fire 20 Teachers	60 normal - 55 early 30 years "all others" 20 Police/Fire 20 Teachers	Any age
<b>PERS and TRS Benefit Formula</b>	2% up to 2.5% multiplier per year DB multiplier x years of service x avg of high 3 years salary	2% up to 2.5% multiplier per year DB multiplier x years of service x avg of high 3 years (TRS & PERS P/F) or high 5 years (PERS Other) salary	11.5% per year to DC account + investment earnings. Health Reimbursement Arrangement (HRA) account accumulated over working lifetime
<b>Medical</b>	Do not have to retire directly from system to be service or age eligible for medical coverage.  Medical plan premium paid by retirement system for all retirees and dependents.	Do not have to retire directly from system to be service or age eligible for medical coverage.  Medical plan premium paid by retirement system for P/F & Teachers with 25 years of service.  Retirees with less than 25 years (TRS & PERS P/F) or 30 years (PERS) pay full premium under age 60.  <b>Tier III only.</b> Must have 10 years of service for system-paid coverage over age 60.  <b>Tier III only.</b> Employees with less than 10 years pay full premium for access to coverage regardless of age.	Must retire directly from system with minimum of 10 years of service for medical coverage and access to HRA.  Access to medical coverage at age 65 with 10 years of service, or at any age after (1) 25 years for peace officer/firefighter, or (2) 30 years for all others.  Retiree and survivors pay full premium until Medicare eligible.  After Medicare age eligible, retiree shares cost based on years of service.  Reimbursed for qualified medical expenses from HRA.
<b>Employer Normal Cost Rate – PERS unfunded liability portion</b>	13.24% - Current Normal Cost Rate 12.39%- Past Service Rate	13.24% - Current Normal Cost Rate 12.39%- Past Service Rate	8.25% - reduces normal cost rate by 38% N/A
<b>Employer Normal Cost Rate – TRS unfunded liability portion</b>	14.28% - Current Normal Cost Rate 24.57% Past Service Rate	14.28% - Current Normal Cost Rate 24.57% Past Service Rate	8.25% - reduces normal cost rate by 42% N/A
Future exposure and volatility in investment earnings and increasing medical costs.	Employer bears all the risk.	Employer bears all the risk.	Employer risk is minimal: medical inflation with a capped percentage and shared with employee.  Employee bears investment risk.

March 18, 2005 (Corrected)