

Responses to Questions about MN public pensions raised at 1/18/2011 hearings of House Government Operations and Elections Committee and House State Government Finance Committee
Submitted by MSRS, PERA and TRA

1. How do Minnesota’s investment returns compare to the returns of other pension funds?

When compared to other large pension funds, the State Board of Investment’s (SBI) returns have been favorable. The tables below show two comparisons: the first comparison is with other large public and corporate funds and the second comparison is with other public funds.

The first table compares SBI’s returns with 161 public and corporate plans with assets over \$1 billion which report to the Trust Universe Comparison Service (TUCS). SBI tends to rank above the median or in the upper quartiles for most periods when compared to these public and corporate plans. For example, for the one-year period ending June 30, 2010, SBI ranked in the upper 20th percentile, meaning that it was among the top 20 percent of large public and corporate funds for investment performance. Comparisons over longer periods are also shown in the table below.

SBI Rankings in TUCS Universe*
 (for periods ending 6/30/10)

	1 Yr	3 Yr	5 Yr
SBI Pension Fund – Percentile Rank in TUCS	20th	44th	34th

*Source: State Board of Investment, Quarterly Investment Report, 9/27/10

The second table (below) compares SBI’s returns to the returns of 128 public funds reported in the National Association of State Retirement Administrators’ (NASRA) annual FY 2009 survey. When compared to other public pension funds, SBI’s returns have exceeded other funds returns as shown below.

SBI Compared to Other Public Pension Funds
 (for periods ending 12/31/09)

	1 Yr	3 Yr	5 Yr
SBI Pension Fund*	20.3%	-0.9%	4.1%
Median public fund (NASRA)**	19.5%	-1.3%	3.5%

*Source: State Board of Investment, Quarterly Investment Report, 2/25/10

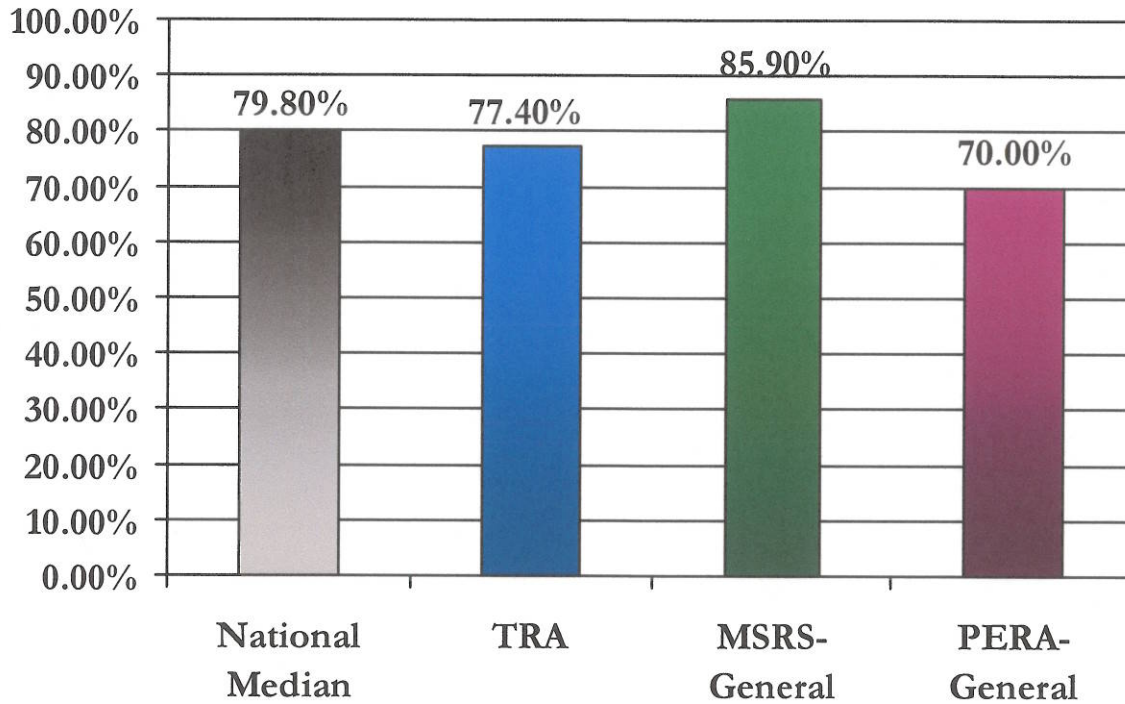
**Source: NASRA Public Fund Survey Summary of Findings for FY 2009, November 2010.

2. How do the funding ratios for Minnesota’s pension funds compare to those of other states? What are the funding ratios of systems of other states?

The chart below compares the funding ratios of Minnesota’s statewide public funds with the national median funding ratio using the latest available data (fiscal 2009) collected annually by the National Association of State Retirement Administrators (NASRA) for 128 public systems. The funding ratios of individual systems in the survey are detailed in Attachment A showing the FY 2009 results from the annual NASRA survey. “Actuarial” value of assets is used rather than “market” value of assets because the NASRA data is available only in that format. (Source: NASRA’s Public Fund Survey Summary of Findings for FY 2009 which is available online at:

<http://www.publicfundsurvey.org/publicfundsurvey/pdfs/Summary%20of%20Findings%20FY09.pdf>)

FUNDING RATIO COMPARISONS, MN SYSTEMS VS NATIONAL, FY 2009



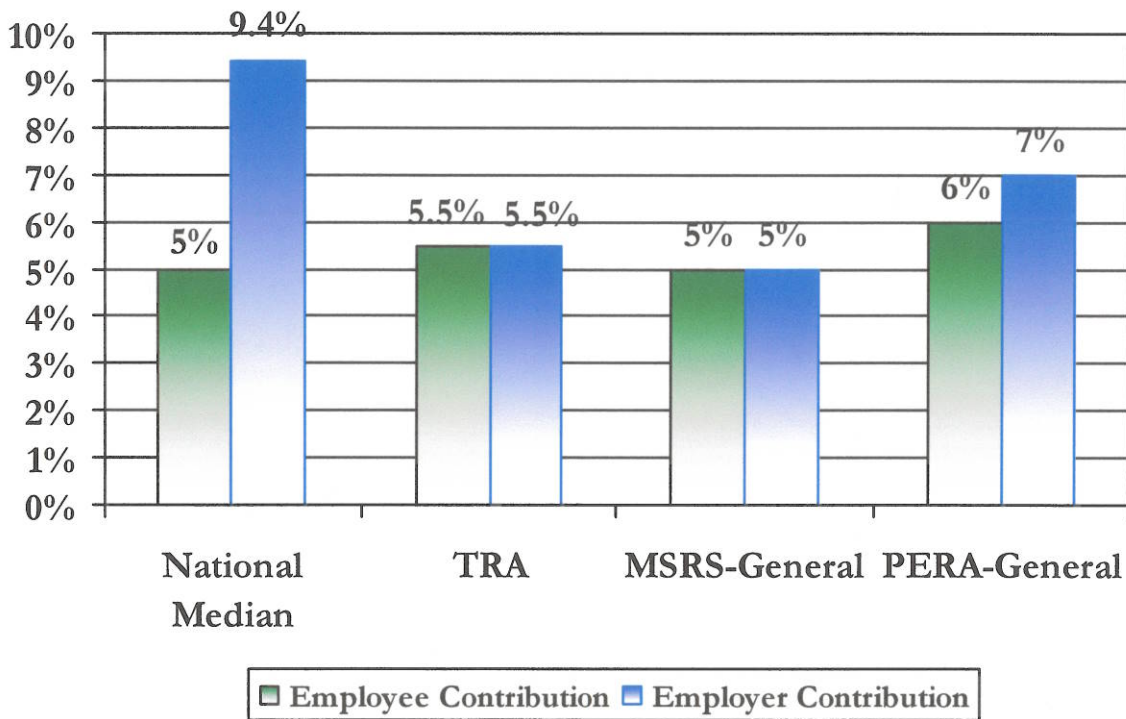
3. How do the unfunded actuarial liabilities of Minnesota’s pension funds compare to those of other states?

Attachment A from NASRA’s FY 2009 report details the funding ratios, liabilities and unfunded liabilities for each state system. The relative magnitude of each state system’s unfunded liability is captured by its funding ratio which reflects each system’s unfunded liabilities in relation to its assets. The chart on the previous page shows funding ratios of Minnesota’s systems compared to the median funding ratio of other states.

4. How do the contribution rates of Minnesota’s pension funds compare to those of other states?

Attachment B contains data from NASRA’s FY 2009 report regarding employer and employee contribution rates for other states. According to NASRA’s report, for systems like Minnesota which are covered by Social Security, the median employer contribution rate was 9.4% in FY 2009 and the median employee contribution rate was 5.0%. Employer contribution rates for all three MN systems are far lower than the median employer rate of 9.4% for other public systems. The chart below compares those median rates to the contribution rates for MSRS, PERA and TRA.

CONTRIBUTION RATE COMPARISONS, MN SYSTEMS VS NATIONAL, FY 2009



5. How do the contribution rates of Minnesota's pension funds compare to private sector 401(k) or profit sharing plans?

According to the annual *401(k) Benchmarking Survey, 2009 Edition* published jointly by Deloitte Consulting and the International Foundation on Employee Benefit Plans, the median private sector employee contribution to 401(k) plans by non-highly compensated employees was 5.65%; the median rate for highly compensated employees was 7%. With respect to employer contributions, the Benchmarking Survey showed that 59% of private sector employers paid matching contributions, 5% paid profit sharing contributions, and 27% paid both matching and profit sharing contributions. The survey shows that the most common private sector employer 401(k) matching contribution is 50% of employee contributions up to 6% of pay and the average employer contribution to profit sharing plans is 4.7% of compensation. This study can be found at: [http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/us_consulting_401\(k\)AnnualBenchmarkingSurvey2009_081409.pdf](http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/us_consulting_401(k)AnnualBenchmarkingSurvey2009_081409.pdf)

According to a paper published by the Center for Retirement Research (Munnell and Soto, November 2007), the average employer contribution rate for private sector defined benefit plans in 2006 was 8% and the employee contribution rate was 0%, as private sector defined benefit plans are typically totally employer funded. This same study found that the average employer contribution rate in private sector defined contribution plans was 3% and the average employee contribution rate was 6%.

6. How do the contributions made to Minnesota's pension funds as a percent of compensation compare to those of other states?

The contribution rates as a percentage of compensation is captured in the data described in the answer to Question 4 on the previous page. For additional detail on contribution rates, Attachment B is an excerpt from NASRA's FY 2009 survey showing contribution rates for all public plans.

7. How do contribution rates for Minnesota PERA's Police and Fire Plan compare to those of other states?

Attachment C shows the employer and employee contribution rates for public safety plans based on recent analysis done by NASRA.

Attachment A - Funding Ratios of Public Plans, NASRA FY2009 Survey

Appendix B

State	Plan	Actuarial Funding Ratio (%)	Actuarial Value of Assets (\$000s)	Liabilities (\$000s)	Unfunded Accrued Liability (\$000s)	Latest Actuarial Valuation Date	As of FYE
AK	Alaska PERS	78.8	7,210,772	9,154,282	1,943,510	6/30/2008	6/30/2009
AK	Alaska Teachers	70.2	3,670,086	5,231,654	1,561,568	6/30/2008	6/30/2009
AL	Alabama Teachers	74.7	20,582,348	27,537,400	6,955,052	9/30/2009	9/30/2009
AL	Alabama ERS	72.2	9,928,104	13,756,176	3,828,072	9/30/2009	9/30/2009
AR	Arkansas Teachers	75.7	10,617,000	14,019,000	3,402,000	6/30/2009	6/30/2009
AR	Arkansas PERS	78.0	5,413,000	6,938,000	1,525,000	6/30/2009	6/30/2009
AZ	Arizona SRS	79.0	27,094,000	34,290,000	7,196,000	6/30/2009	6/30/2009
AZ	Arizona Public Safety PRS	70.0	5,445,497	7,778,394	2,332,897	6/30/2009	6/30/2009
AZ	Phoenix ERS	75.3	1,895,148	2,518,094	622,946	6/30/2009	6/30/2009
CA	California PERF	86.9	233,272,000	268,324,000	35,052,000	6/30/2008	6/30/2009
CA	California Teachers	78.2	145,142,000	185,683,000	40,541,000	6/30/2009	6/30/2009
CA	LA County ERS	94.5	39,662,361	41,975,631	2,313,270	6/30/2008	6/30/2009
CA	San Francisco City & County	96.3	15,358,824	15,941,390	582,566	7/1/2008	6/30/2009
CA	San Diego County	91.5	8,413,065	9,198,636	785,571	6/30/2009	6/30/2009
CA	Contra Costa County	88.4	5,282,505	5,972,471	689,966	12/31/2008	12/31/2009
CO	Colorado School	69.2	21,054,910	30,412,815	9,357,905	12/31/2009	12/31/2009
CO	Colorado State	67.0	13,382,736	19,977,217	6,594,481	12/31/2009	12/31/2009
CO	Colorado Municipal	76.2	2,932,628	3,850,821	918,193	12/31/2009	12/31/2009
CO	Denver Schools	88.3	2,917,927	3,304,766	386,839	1/1/2010	12/31/2009
CO	Denver Employees	91.8	1,924,991	2,095,887	170,896	1/1/2009	12/31/2009
CO	Colorado Affiliated Local	89.2	1,855,493	2,081,304	225,811	1/1/2009	12/31/2009
CO	Colorado Fire & Police	101.0	856,090	847,821	-8,269	1/1/2009	12/31/2009
CT	Connecticut Teachers	70.0	15,271,000	21,801,000	6,530,000	6/30/2008	6/30/2009
CT	Connecticut SERS	51.9	9,990,200	19,243,400	9,253,200	6/30/2008	6/30/2009
DC	DC Police & Fire	100.7	3,048,400	3,027,900	-20,500	10/1/2009	9/30/2009
DC	DC Teachers	92.2	1,445,000	1,567,500	122,500	10/1/2009	9/30/2009
DE	Delaware State Employees	98.8	6,744,050	6,827,006	82,956	6/30/2009	6/30/2009
FL	Florida RS	87.1	118,764,692	136,375,597	17,610,905	7/1/2009	6/30/2009
GA	Georgia Teachers	91.9	54,354,284	59,133,777	4,779,493	6/30/2008	6/30/2009
GA	Georgia ERS	85.7	13,613,606	15,878,022	2,264,416	6/30/2009	6/30/2009
HI	Hawaii ERS	68.8	11,380,961	16,549,069	5,168,108	6/30/2008	6/30/2008
IA	Iowa PERS	81.2	21,123,980	26,018,594	4,894,614	6/30/2009	6/30/2009
ID	Idaho PERS	73.7	8,646,000	11,732,200	3,086,200	7/1/2009	6/30/2009
IL	Illinois Teachers	52.1	38,026,044	73,027,198	35,001,154	7/1/2009	6/30/2009
IL	Illinois Municipal	83.2	22,754,804	27,345,113	4,590,309	12/31/2009	12/31/2009
IL	Illinois Universities	54.3	14,282,000	26,316,200	12,034,200	6/30/2009	6/30/2009
IL	Chicago Teachers	73.3	11,493,255	15,683,242	4,189,987	6/30/2009	6/30/2009
IL	Illinois SERS	43.5	10,999,954	25,298,346	14,298,392	6/30/2008	6/30/2009
IN	Indiana PERF	97.5	9,293,952	9,034,573	-259,379	7/1/2008	6/30/2009
IN	Indiana Teachers	48.2	9,034,048	18,750,063	9,716,015	6/30/2008	6/30/2009
KS	Kansas PERS	58.8	11,827,619	20,106,787	8,279,168	12/31/2008	6/30/2009
KY	Kentucky Teachers	63.6	14,885,981	23,400,426	8,514,445	6/30/2009	6/30/2009
KY	Kentucky County	70.6	7,402,277	10,491,358	3,089,081	6/30/2009	6/30/2009
KY	Kentucky ERS	46.7	5,297,114	11,332,961	6,035,847	6/30/2009	6/30/2009
LA	Louisiana Teachers	59.1	13,500,766	22,839,411	9,338,645	6/30/2009	6/30/2009
LA	Louisiana SERS	60.8	8,499,662	13,986,847	5,487,185	6/30/2009	6/30/2009
MA	Massachusetts Teachers	63.0	21,262,462	33,738,966	12,476,504	1/1/2010	12/31/2009
MA	Massachusetts SERS	76.5	19,019,062	24,862,421	5,843,359	1/1/2010	12/31/2009
MD	Maryland Teachers	66.0	20,600,000	31,200,000	10,600,000	6/30/2009	6/30/2009
MD	Maryland PERS	63.8	11,800,000	18,500,000	6,700,000	6/30/2009	6/30/2009
ME	Maine State and Teacher	74.0	8,631,558	11,668,033	3,036,475	6/30/2008	6/30/2009
ME	Maine Local	112.7	2,201,653	1,953,629	-248,024	6/30/2008	6/30/2009
MI	Michigan Public Schools	83.6	45,677,000	54,608,000	8,931,000	9/30/2008	9/30/2009
MI	Michigan SERS	82.8	11,403,000	13,766,000	2,363,000	9/30/2008	9/30/2009
MI	Michigan Municipal	75.0	6,245,500	8,321,900	2,076,400	12/31/2008	12/31/2009
MN	Minnesota Teachers	77.4	17,882,408	23,114,802	5,232,394	7/1/2009	6/30/2009
MN	Minnesota PERF	70.0	13,158,490	18,799,416	5,640,926	6/30/2009	6/30/2009
MN	Minnesota State Employees	85.9	9,030,401	10,512,760	1,482,359	6/30/2009	6/30/2009
MN	St. Paul Teachers	72.2	1,049,954	1,454,314	404,360	6/30/2009	6/30/2009
MN	Duluth Teachers	76.5	279,256	364,811	85,555	7/1/2009	6/30/2009
MO	Missouri Teachers	79.9	28,826,075	36,060,121	7,234,046	6/30/2009	6/30/2009
MO	Missouri State Employees	83.0	7,876,079	9,494,807	1,618,728	6/30/2009	6/30/2009
MO	Missouri Local	80.0	3,330,663	4,161,775	831,112	2/28/2009	6/30/2009
MO	Missouri PEERS	80.7	2,792,182	3,458,044	665,862	6/30/2009	6/30/2009
MO	Missouri DOT and Highway	47.3	1,471,497	3,113,394	1,641,897	6/30/2009	6/30/2009

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State	Plan	Actuarial Funding Ratio (%)	Actuarial Value of Assets (\$000s)	Liabilities (\$000s)	Unfunded Accrued Liability (\$000s)	Latest Actuarial Valuation Date	As of FYE
MO	St. Louis School Employees	87.6	963,900	1,099,900	136,000	1/1/2009	12/31/2009
MS	Mississippi PERS	67.3	20,597,581	30,594,546	9,996,965	6/30/2009	6/30/2009
MT	Montana PERS	83.5	4,002,212	4,792,819	790,607	6/30/2009	6/30/2009
MT	Montana Teachers	63.8	2,762,200	4,331,000	1,568,800	7/1/2009	6/30/2009
NC	North Carolina Teachers and	99.3	55,127,658	55,518,745	391,087	12/31/2008	6/30/2009
NC	North Carolina Local	99.6	17,100,739	17,173,975	73,236	12/31/2008	6/30/2009
ND	North Dakota Teachers	77.7	1,900,300	2,445,900	545,600	7/1/2009	6/30/2009
ND	North Dakota PERS	85.1	1,617,100	1,901,200	284,100	6/30/2009	6/30/2009
NE	Nebraska Schools	86.6	7,007,582	8,092,339	1,084,757	7/1/2009	6/30/2009
NH	New Hampshire Retirement	58.3	4,937,320	8,475,052	3,537,732	6/30/2009	6/30/2009
NJ	New Jersey Teachers	65.0	34,708,001	53,418,429	18,710,428	6/30/2009	6/30/2009
NJ	New Jersey PERS	64.9	28,879,176	44,470,403	15,591,227	6/30/2009	6/30/2009
NJ	New Jersey Police & Fire	70.7	22,937,838	32,442,101	9,504,263	6/30/2009	6/30/2009
NM	New Mexico PERF	84.2	12,575,142	14,932,624	2,357,482	6/30/2009	6/30/2009
NM	New Mexico Teachers	67.5	9,366,300	13,883,300	4,517,000	6/30/2009	6/30/2009
NV	Nevada Regular Employees	73.4	19,158,282	26,087,621	6,929,339	6/30/2009	6/30/2009
NV	Nevada Police Officer and	68.9	4,813,594	6,987,537	2,173,943	6/30/2008	6/30/2009
NY	NY State & Local ERS	107.3	128,916,000	120,183,000	-8,733,000	4/1/2008	3/31/2009
NY	New York State Teachers	106.6	88,254,700	82,777,500	-5,477,200	6/30/2008	6/30/2009
NY	New York City ERS	79.7	40,722,200	51,063,300	10,341,100	6/30/2008	6/30/2009
NY	New York City Teachers	66.9	33,902,600	50,667,600	16,765,000	6/30/2008	6/30/2009
NY	NY State & Local Police &	108.0	22,767,000	21,072,000	-1,695,000	4/1/2008	3/31/2009
OH	Ohio PERS	75.3	55,315,148	73,466,166	18,151,018	12/31/2008	12/31/2009
OH	Ohio Teachers	60.0	54,902,859	91,440,955	36,538,096	6/30/2009	6/30/2009
OH	Ohio School Employees	82.0	9,723,000	14,221,000	4,498,000	6/30/2009	6/30/2009
OH	Ohio Police & Fire	65.1	9,309,000	14,307,000	4,998,000	1/1/2008	12/31/2009
OK	Oklahoma Teachers	49.8	9,439,000	18,950,900	9,511,900	6/30/2009	6/30/2009
OK	Oklahoma PERS	66.8	6,208,245	9,291,458	3,083,213	7/1/2009	6/30/2009
OR	Oregon PERS	80.2	43,520,600	54,259,500	10,738,900	12/31/2008	6/30/2009
PA	Pennsylvania School	86.0	60,922,100	70,845,600	9,923,500	6/30/2008	6/30/2009
PA	Pennsylvania State ERS	84.4	30,205,000	35,797,000	5,592,000	12/31/2009	12/31/2009
RI	Rhode Island ERS	56.2	6,231,411	11,083,014	4,851,603	6/30/2007	6/30/2008
RI	Rhode Island Municipal	90.3	1,064,615	1,179,233	114,618	6/30/2007	6/30/2008
SC	South Carolina RS	69.3	24,699,678	35,663,419	10,963,741	7/1/2008	6/30/2009
SC	South Carolina Police	77.9	3,363,136	4,318,955	955,819	7/1/2008	6/30/2009
SD	South Dakota PERS	91.8	6,778,500	7,387,400	608,900	6/30/2008	6/30/2009
TN	TN State and Teachers	96.2	26,214,995	27,240,151	1,025,156	7/1/2007	6/30/2009
TN	TN Political Subdivisions	89.5	4,897,974	5,475,620	577,646	7/1/2007	6/30/2009
TX	Texas Teachers	83.1	106,384,000	128,030,000	21,646,000	8/31/2009	8/31/2009
TX	Texas ERS	87.4	23,509,622	26,907,779	3,398,157	8/31/2009	8/31/2009
TX	Texas County & District	89.8	16,564,213	18,448,162	1,883,949	12/31/2009	12/31/2009
TX	Texas Municipal	75.8	16,305,700	21,525,100	5,219,400	12/31/2009	12/31/2009
TX	Houston Firefighters	95.6	2,945,100	3,080,500	135,400	7/1/2008	6/30/2009
TX	City of Austin ERS	71.8	1,672,500	2,330,900	658,400	12/31/2009	12/31/2009
TX	Texas LECOS	86.1	780,808	907,102	126,294	8/31/2009	8/31/2009
UT	Utah Noncontributory	85.6	16,622,548	19,429,734	2,807,186	12/31/2009	12/31/2009
VA	Virginia Retirement System	84.0	52,548,000	62,554,000	10,006,000	6/30/2008	6/30/2009
VA	Fairfax County Schools	76.9	1,733,946	2,255,298	521,352	12/31/2008	6/30/2009
VT	Vermont Teachers	65.4	1,374,079	2,101,838	727,759	6/30/2009	6/30/2009
VT	Vermont State Employees	78.9	1,217,638	1,544,144	326,506	6/30/2009	6/30/2009
WA	Washington PERS 2/3	101.1	16,692,700	16,508,000	-184,700	6/30/2008	6/30/2009
WA	Washington PERS 1	70.9	9,852,900	13,901,000	4,048,100	6/30/2008	6/30/2009
WA	Washington Teachers Plan 1	76.8	8,262,300	10,753,900	2,491,600	6/30/2008	6/30/2009
WA	Washington Teachers Plan 2/3	107.9	5,681,000	5,263,800	-417,200	6/30/2008	6/30/2009
WA	Washington LEOFF Plan 1	128.0	5,592,500	4,367,700	-1,224,800	6/30/2008	6/30/2009
WA	Washington LEOFF Plan 2	126.4	5,052,700	3,998,200	-1,054,500	6/30/2008	6/30/2009
WA	Washington School Employees	104.3	2,302,600	2,207,300	-95,300	6/30/2008	6/30/2009
WI	Wisconsin Retirement System	99.8	78,911,300	79,104,600	193,300	12/31/2009	12/31/2009
WV	West Virginia PERS	79.7	3,930,701	4,930,158	999,457	7/1/2009	6/30/2009
WV	West Virginia Teachers	41.3	3,554,771	8,607,869	5,053,098	6/30/2009	6/30/2009
WY	Wyoming Public Employees	87.5	5,742,542	6,565,677	823,135	1/1/2010	12/31/2009
Total		79.8	\$2,561,175,228	\$3,208,469,565	\$647,294,337		

Attachment B - Employer/Employee Contribution Rates
 NASRA FY 2009 Public Fund Survey



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Contribution Rates:

- Click here to switch to **Ascending**, click here to switch to **Descending**
- Then click column headings to sort
- Click single 'Plan Name' to view report for selected record
- Click here to **Scroll through Plans alpha by State**

State	Plan Name	Coverage SS Eligible	Employee Contribution Rate	Employer Contribution Rate	for FY ended
AK	Alaska Teachers	No	9.65%	44.17%	6/30/2009
AK	Alaska PERS	Both	6.75% for general employees; 7.5% for police and fire	32.51%	6/30/2009
AL	Alabama Teachers	Yes	5.0%	12.07% for teachers	9/30/2009
AL	Alabama ERS	Yes	5.0%; state police contribute 10.0%	11.88% for state employees; 30.99% for state police officers	9/30/2009
AR	Arkansas Teachers	Yes	Non-contributory for approximately one-half of plan participants; those who contribute are required to contribute 6.0%.	14.0%; many employers pay the employee contribution as part of employment agreements	6/30/2009
AR	Arkansas PERS	Yes	non-contributory for those hired before 7/1/05; 5.0% for those hired since (who are automatically enrolled in the contributory plan) and for those who elected to switch to the contributory plan	11.01% for most participants	6/30/2009
AZ	Arizona Public Safety Personnel	Yes	7.65%	weighted average of 21.72%; varies by employer depending on valuation, with a minimum of 8.0%	6/30/2009
AZ	Phoenix ERS	Yes	5.0%	11.78%	6/30/2009
AZ	Arizona SRS	Yes	9.40%, including the long-term disability benefit	9.40%, including the long-term disability benefit	6/30/2010
CA	California	No	8.0%	10.27%	6/30/2009

	Teachers				
CA	LA County ERS	Yes	Between 5% and 15%, depending on age and date of entry into the plan; new participants may elect a non-contributory option. Approximately 6.5% as a weighted average.	12.08%	6/30/2009
CA	Contra Costa County	Both	varies by participant based on employer, tier, and benefit; weighted average rate is 9.42%	varies by participant based on age and job class; weighted average rate is 27.7%	12/31/2009
CA	San Diego County	Both	9.19% to 9.97%; 11.94% for law enforcement personnel	21.49%; 29.87% for public safety personnel; includes contribution for retiree health care	6/30/2009
CA	California PERF	Both	Most state employees contribute 5.0%; school employees contribute 7.0%; firefighters and police officers contribute 8.0%; most others contribute between 5% and 9.0%.	15.62% as an average	6/30/2009
CA	San Francisco City & County	Both	7.5% for most participants	4.99% for all participants	6/30/2009
CO	Colorado State	No	8.0%; state troopers contribute 10.0%	15.75%; 18.45% for state troopers	12/31/2009
CO	Denver Schools	No	8.0%	7.58%	12/31/2009
CO	Colorado Municipal	No	8.0%	15.6%	12/31/2009
CO	Colorado School	No	8.0%	15.75%	12/31/2009
CO	Denver Employees	Yes	2.5%	8.50%	12/31/2009
CO	Colorado Affiliated Local		Varies by plan; most employees contribute between 5% and 10% of pay.	Varies by plan; most employers contribute based on results of latest valuation. Because most plans are well-funded, employer contribution rates are low, including zero, for many plans.	12/31/2009
CO	Colorado Fire & Police Statewide	Both	4.0%	4.0%	12/31/2009
CT	Connecticut Teachers	No	7.0%, including 1.0% for retiree medical benefits	15.21%	6/30/2009
CT	Connecticut SERS	Yes	Non-contributory for most participants; 5.0% for public safety personnel	20.3%	6/30/2009
DC	DC Police & Fire	No	8.0%	26.6% for firefighters; 25.3% for police	9/30/2009

DC	DC Teachers	No	8.0%	0%	9/30/2009
DE	Delaware State Employees	Yes	3.0% of earnings above \$6,000	5.5% for state employees; 12.0% for county workers and civilian employees of other political subdivisions	6/30/2009
FL	Florida RS	Yes	non-contributory	8.74%; 19.81% for public safety personnel	6/30/2009
GA	Georgia Teachers	Yes	5.0%	9.28%	6/30/2009
GA	Georgia ERS	Yes	1.25%	11.63%	6/30/2009
HI	Hawaii ERS	Yes	6.0% for hybrid plan participants; 7.8% for those in the contributory plan	13.75%; 15.75% for police and fire	6/30/2008
IA	Iowa PERS	Yes	4.10%; 7.52% for most public safety personnel	6.35%; 7.52% for most public safety personnel	6/30/2009
ID	Idaho PERS	Yes	6.23%; 7.65% for public safety personnel	10.39%; 10.73% for public safety personnel	6/30/2009
IL	Chicago Teachers	No	9.0%	10.125% for pension and 3.39% for health care	6/30/2009
IL	Illinois Teachers	No	9.4%	12.73%	6/30/2009
IL	Illinois Universities	No	8.0%; public safety personnel contribute 9.5%	10.4%	6/30/2009
IL	Illinois Municipal	Yes	4.50% for general employees; 7.50% for law enforcement personnel	9.47%; 19.33% for law enforcement personnel	12/31/2009
IL	Illinois SERS	Yes	4.0% for those covered by Social Security, 8.0% for those not covered; public safety members contribute 10.5%	12.8%	6/30/2009
IN	Indiana PERF	Yes	3.0%	6.3%	6/30/2009
IN	Indiana Teachers	Yes	3.0%	For teachers hired before 1996, the plan operates on a pay-as-you-go basis. For those hired after 1995, the employer contribution rate is 7.0%	6/30/2009
KS	Kansas PERS	Yes	4.0%	7.37% for state and school; 5.93% for local governments; 8.84% for correctional employees	6/30/2009
KY	Kentucky Teachers	No	Members hired before 7/08 contribute 9.855%; those hired after must also contribute an additional 1% to the medical insurance fund. University members contribute 6.16%.	13.105% for non-university participants; 13.84% for university participants. 0.75% is for retiree health care.	6/30/2009
			5.0%; 8.0% for hazardous duty		

KY	Kentucky ERS	Yes	workers; for those hired after 8/31/08, rates are 6.0% and 9.0%, respectively, with all but one percent going to individual participant accounts.	10.01% for most employers; 24.35% for hazardous duty workers	6/30/2009
KY	Kentucky County	Yes	5.0%; 8.0% for hazardous duty employees; for those hired after 8/31/08, rates are 6.0% and 9.0%, respectively, with all but one percent going to individual participant accounts.	13.5%; 29.5% for hazardous duty employees	6/30/2009
LA	Louisiana SERS	No	7.5%; correctional officers contribute 9.0%	18.5%	6/30/2009
LA	Louisiana Teachers	No	8.0%	15.5%	6/30/2009
MA	Massachusetts SERS	No	9.0% plus 2.0% of pay above \$30,000; state police contribute 12% plus 2% above \$30,000	8.5%	12/31/2009
MA	Massachusetts Teachers	No	5% to 11%, depending on member's date of entry		12/31/2009
MD	Maryland PERS	Yes	4.0% for most general employee participants	12.62%	6/30/2010
MD	Maryland Teachers	Yes	4.0% for most public school teachers	12.62%	6/30/2010
ME	Maine State and Teacher	No	7.65%; 8.65% for state police	15.85% for most state employees; 16.72% for teachers	6/30/2009
ME	Maine Local	Both	3.0% to 8.0%	ranges from 1.5% to 6.5%, depending on employer plan selection and funding status	6/30/2009
MI	Michigan Public Schools	Yes	3.0% of first \$5,000 of pay, plus 3.6% of next \$10,000, plus 4.3% of pay above \$15,000	10.0% for pension benefits plus an amount for retiree health care benefits	9/30/2009
MI	Michigan SERS	Yes	non-contributory	20.0%	9/30/2009
MI	Michigan Municipal	Yes	0% to 10%, depending on employer election	17.7% as a weighted average for all employers	12/31/2009
MN	Duluth Teachers	Yes	5.5%	5.76%	6/30/2009
MN	Minnesota Teachers	Yes	5.5%	5.5%	6/30/2009
MN	St. Paul Teachers	Yes	5.5%	9.83%	6/30/2009
MN	Minnesota PERF	Yes	6.0%	6.75%	6/30/2009

MN	Minnesota State Employees	Yes	4.50%; 7.0% for correctional officers	4.50%; 10.1% for correctional officers	6/30/2009
MO	St. Louis School Employees	Yes	5.0%	8.27%	12/31/2009
MO	Missouri State Employees	Yes	non-contributory	12.75%	6/30/2010
MO	Missouri State Employees	Yes	non-contributory	12.53%	6/30/2009
MO	Missouri Local	Yes	non-contributory or 4%, depending on employer election; most plans are non-contributory	varies by plan type and actuarial valuation; 10.4% as a weighted average	6/30/2010
MO	Missouri Teachers	No	13.0%	13.0%	6/30/2009
MO	Missouri DOT and Highway Patrol	Yes	non-contributory	30.7% for non-uniformed; 40.2% for uniformed personnel	6/30/2009
MO	Missouri State Employees	Yes	non-contributory; those hired 1/1/11 and after contribute 4.0%	12.75%	6/30/2010
MO	Missouri PEERS	Yes	6.25%	6.25%	6/30/2009
MS	Mississippi PERS	Yes	7.25%; Highway Patrol Officers contribute 6.50%	11.85%; 30.30% for Highway Patrol Officers	6/30/2009
MT	Montana PERS	Yes	6.9%	7.035% for state and university workers; 6.935% for local government workers; 6.8% for school district employees	6/30/2009
MT	Montana Teachers	Yes	7.15%	9.47%	6/30/2009
NC	North Carolina Local Government	Yes	6.0%	4.80 for general employees, 5.27% for public safety personnel, plus amounts that vary by employer	6/30/2009
NC	North Carolina Teachers and State Employees	Yes	6.0%	3.36%	6/30/2009
ND	North Dakota PERS	Yes	4.0%; the state picks up its employees' contributions	4.12%; 16.7% for public safety personnel	6/30/2009
ND	North Dakota Teachers	Yes	7.75%	8.25%, which will decline to 7.75% when the funding ratio reaches 90%	6/30/2009
NE	Nebraska Schools	Yes	7.83%	7.91%	6/30/2009
NH	New Hampshire Retirement System	Yes	5.0% for general employees and teachers; 9.3% for police officers and firefighters	8.90% for general employees; 8.94% teachers; 18.98% for police officers; 24.78% for firefighters	6/30/2009

NJ	New Jersey Police & Fire	Yes	8.5%		19.2%	6/30/2009
NJ	New Jersey PERS	Yes	5.5%		12.45%	6/30/2009
NJ	New Jersey Teachers	Yes	5.5%		7.3%	6/30/2009
NM	New Mexico Teachers	Yes	7.9%		11.65%, growing by 0.75% each year until reaching 13.9% in FY 12	6/30/2009
NM	New Mexico PERF	Yes	7.42%		16.59%	6/30/2009
NV	Nevada Police Officer and Firefighter	No		19.0%; paid by employers for most members as a pre-tax cost-sharing plan, in lieu of salary increases or by salary reduction as certified by employers.	19.0%; paid by employers for most members as a pre-tax cost-sharing plan, in lieu of salary increases or by salary reduction as certified by employers.	6/30/2010
NV	Nevada Regular Employees	No		11.25%, paid by employers for most members as a pre-tax cost-sharing plan, in lieu of salary increases or by salary reduction as certified by employers.	11.25%, paid by employers for most members as a pre-tax cost-sharing plan, in lieu of salary increases or by salary reduction as certified by employers.	6/30/2010
NY	New York City ERS	Yes		3.0% for most members; some are required to contribute only during the first 10 years of service	20.0%	6/30/2009
NY	New York City Teachers	Yes		3.0% for first 10 years of service	30.8%	6/30/2009
NY	NY State & Local ERS	Yes		3% for most participants.	7.4% as a plan average	3/31/2010
NY	NY State & Local Police & Fire	Yes		0%	The average employer contribution rate for PFRS for fiscal year ended 3/31/09 was approximately 15.9%.	3/31/2010
NY	New York State Teachers	Yes		0% for Tiers 1 and 2; 3.0% for Tiers 3 and 4 until the participant accrues 10 years of service	7.63%	6/30/2010
OH	Ohio Teachers	No		10.0%	14.0%, including 1.0% for retiree health care	6/30/2010
OH	Ohio School Employees	No		10.0%	14.0%, including 9.06% for the pension benefit, 0.75% to the Medicare Part B fund, and 4.16% to the retiree health care fund,	6/30/2009
OH	Ohio Police & Fire	No		10.0%	19.5% for police; 24.0% for firefighters, which includes 7.75% for retiree health care benefits	12/31/2009
OH	Ohio PERS	No		10.0%; public safety and law enforcement personnel pay 10.1%	14.0% for employers of state and local workers; 17.63% for law enforcement and public safety personnel. Rates include 7.0% for health care	12/31/2009

OK	Oklahoma Teachers	Yes	7.0%	9.0% plus a portion of state sales and other taxes	6/30/2009
OK	Oklahoma PERS	Yes	3.5% for state employees; the combined ee and er rate for county and local agencies is 18.0%, composed of a minimum ee rate of 3.5% to a max of 8.5%, and a minimum er rate of 9.5% to a max of 14.5%	14.5% for state er's; the combined ee and er rate for county and local agencies is 18.0%, composed of a minimum ee rate of 3.5% to a max of 8.5%, and a minimum er rate of 9.5% to a max of 14.5%	6/30/2009
OR	Oregon PERS	Yes	non-contributory for the DB plan; 6.0% for the individual accounts	13.84% for the state and political subdivisions; 17.27% for schools	6/30/2009
PA	Pennsylvania State ERS	Yes	6.25%	4.03%	12/31/2009
PA	Pennsylvania School Employees	Yes	7.5%	4.76%, including 0.76% for retiree health care premium assistance	6/30/2009
RI	Rhode Island ERS	Yes	8.75% for state employees, 9.5% for teachers	21.64% for state employees; 11.89% for teachers	6/30/2009
RI	Rhode Island Municipal	Yes	6.0% for general employees; 7.0% for public safety personnel	rates vary based on participating plans' valuation	6/30/2009
SC	South Carolina Police	Yes	6.5%	10.65%, plus 0.40% for death benefits	6/30/2009
SC	South Carolina RS	Yes	6.50%	9.24%, plus 0.15% for the death benefit	6/30/2009
SD	South Dakota PERS	Yes	6.0%; public safety personnel contribute 8.0%	6.0%; 8.0% for public safety personnel	6/30/2009
TN	TN State and Teachers	Yes	noncontributory for most state and higher ed employees; 5% for teachers.	13.11% for state and higher ed employees; 6.42% for teachers	6/30/2009
TN	TN Political Subdivisions	Yes	Employers may elect the non-contributory option; otherwise, 5%.	Varies by employer based on actuarial valuation; weighted average of 9.36%.	6/30/2009
TX	Texas County & District	Yes	Employers set the employee contribution rate, in a range from 4.0% to 7.0%; 6.9% is the weighted average	9.87% as a weighted average	12/31/2009
TX	Texas Teachers	No	6.9%, which includes 0.5% for health care benefits.	7.99%, which includes 1.4% for health care benefits.	8/31/2010
TX	Texas LECOS	Yes	non-contributory	1.59%	8/31/2009
TX	Texas ERS	Yes	6.0%	6.45%	8/31/2009
TX	Texas Municipal	Yes	5%, 6%, or 7%, depending on ER election	Matching of 100%, 150%, or 200% of EE contributions.	12/31/2009

TX	City of Austin ERS	Yes	8.0%	10.0%	12/31/2009
TX	Houston Firefighters	No	9.0%	29.4%	6/30/2009
UT	Utah Noncontributory	Yes	non-contributory	14.22% for state and school employees; 11.66% for local government employees	12/31/2009
VA	Fairfax County Schools	Yes	4.0%	3.37%	6/30/2009
VA	Virginia Retirement System	Yes	5.0% for participants other than law enforcement and corrections personnel, and judges. Employers make most contributions for employees.	6.23% for state employees; 8.81% for teachers; rates vary for political subdivisions from 0% to 25%. Contributions for state police were 20.05% and 14.23% for local law enforcement and corrections personnel.	6/30/2009
VT	Vermont State Employees	Yes	5.13%	7.56%	6/30/2009
VT	Vermont Teachers	Yes	3.4%	8.0%	6/30/2009
WA	Washington School Employees Plan 2/3	Yes	4.68% for Plan 2 members; Plan 3 members contribute only to their defined contribution plan at between 5% and 15%	7.54%	6/30/2009
WA	Washington LEOFF Plan 2	Yes	8.83%	5.46% (ports and universities pay 8.99%)	6/30/2009
WA	Washington LEOFF Plan 1	Yes	0%	0.16%	6/30/2009
WA	Washington Teachers Plan 2/3	Yes	4.26% for Plan 2 members; Plan 3 members may contribute 5% to 15% to the defined contribution plan component.	8.46%	6/30/2009
WA	Washington Teachers Plan 1	Yes	6.0%	8.46%	6/30/2009
WA	Washington PERS 2/3	Yes	6.0%; Plan 3 members contribute only to their defined contribution plan at between 5% and 15%	8.31%	6/30/2009
WA	Washington PERS 1	Yes	6.0%	8.31%	6/30/2009
WI	Wisconsin Retirement System	Yes	5.9%; 5.0% for public safety personnel	4.7%; 8.2% for public safety personnel	12/31/2009
WV	West Virginia PERS	Yes	4.5%	10.5%	6/30/2009
WV	West Virginia Teachers	Yes	6.0%	15.0% for those hired before 7/1/91; 7.5% for those hired after thereafter	6/30/2009
			5.68%; law enforcement		

	WY	Wyoming Public Employees	Yes	personnel contribute 8.6%; employer pay most employees' contributions	5.57%; law enforcement personnel contribute 8.6%	12/31/2009	
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Attachment C

Other States' Public Safety Plans' Contribution Rates

Taken from recent analysis by the National Association of State Retirement Administrators (1/2011)

Retirement System	Employer Rate	Employee Rate	Other Comments
Alaska Public Employees Retirement System	22.0 percent of pay	7.5 percent of pay	Employer must pay difference between employee contribution and the actuarial requirement contribution
Alabama Employees Retirement System	30.99 percent of pay for state police	10.0 percent for state police	Statute requires that employer pay difference between total employee contribution and the actuarial requirement contribution
Arizona Public Safety Personnel Retirement System	Varies by employer; weighted average of 21.72 percent of pay; minimum of 8 percent of pay	7.65 percent of pay	Varies by employer, based on actuarial valuation for each employer
CA Public Employees Retirement System	15.62 percent of pay on average	7.65 percent of pay	Employer must pay actuarial required contribution for individual group; CA PERS has actuarial staff who calculate required contribution for each employer based on their individual demographics and benefits chosen
Colorado Public Employees Retirement Association	12.85 percent for state troopers	8.0 percent of pay	Employers must pay up to an additional 10 percent of pay depending on funded status of plan
District of Columbia Police and Fire	26.6 percent for fire fighters; 25.3 percent for police	8.0 percent of pay	Statute requires that the district pay "not less than" the normal cost of the benefits
Florida Retirement System	22.11 percent of pay	Non-contributory	
Hawaii Employees Retirement System	19.7 percent of pay	7.8 percent of pay	
Idaho Public Employees Retirement System	10.73 percent of pay	7.65 percent of pay	Board sets rate of employers' contribution based on actuarial required contributions determined in the annual valuation

IL State Employees Retirement System	12.80 percent of pay	10.5 percent of pay	
IL Municipal Employees Retirement system	19.33 percent of pay	7.50 percent of pay	Employers must pay difference between employee contribution rate set in statute and the actuarial contribution determined in the annual actuarial valuation
Kentucky Retirement System	24.35 to 29.5 percent of pay	8.0 to 9.0 percent depending on date of hire	
MA SERS	8.5 percent of pay	12.0 percent of pay up to \$30,000, 2 percent for all earnings above that	
Minnesota Police & Fire	14.4 percent of pay	9.6 percent of pay	
North Carolina Local Government	5.27 percent of pay, plus variable amounts per employer	6.0 percent of pay	Contribution rates are set by the Board; the statute requires the Board set the rates to fully fund the plan
North Dakota PERS	16.7 percent of pay	4.0 percent of pay (picked up by state)	
New Hampshire Retirement System	18.98 percent for police officers; 24.78 percent for fire fighters	9.0 percent for police officers and fire fighters	Employer rate fluctuates because it must include sufficient contribution to cover the difference between actuarial required contribution and the employee contribution
New Jersey Police and Fire	19.30 percent of pay	8.50 percent of pay	Actuarial required contribution is supposed to be paid, by statute
Nevada Police Officers & Fire Fighters	18.86 percent of pay; which includes the employer paying employee contributions in lieu of salary increases	Employer paying employee contributions in lieu of salary increases	Actuarial required contribution must be paid as determined by the periodic actuarial valuation
New York State & Local Police & Fire	Average employer contribution rate for the fiscal year ending March 31, 2007 was \$15.8 percent	Employees paid nothing	
Ohio Police & Fire	19.5 percent for police officers; 24.0 percent for fire	10.00 percent of pay	Employer rate adjusted to pay full actuarial required contribution less employee

	fighters; both rates include 7.75 percent for retiree health care		contribution
South Carolina Retirement System	10.65 percent of pay, plus 0.4 percent for death benefit	6.50 percent of pay	Adjusted to recognize actuarial required contribution rate less employee contribution as determined by the actuarial valuation report
South Dakota Retirement System	8.0 percent of pay	8.0 percent of pay	
Houston Firefighters Relief and Retirement Fund	29.40 percent of pay	9.0 percent of pay	Statute requires employer to contribute more than twice the employee contribution and must cover the actuarial required contribution
Virginia Retirement System	20.25 percent for state police; 14.23 percent for local law enforcement and correctional personnel	Non-contributory	Employer contribution based on actuarial required contribution determined in the most recent actuarial valuation report

Terms:

1. Actuarial required contribution – the total “percent of pay” contribution calculated by the actuary to be necessary to pay the cost of benefits currently being earned and the supplemental cost needed to retire the unfunded liability.

Minnesota Police and Fire Current Rates: 9.6 percent employee; 14.4 percent employer