Comparison of Pension Proposals For Retirement Group F

	Status Quo	State Treasurer's 2021 Proposal	Speaker of the House's 2021 Proposal	Pension Task Force's Recommendation
How Cost of Living Adjustment (COLA) is Calculated	COLA is 100% of the Consumer Price Index (CPI). 1-5% COLA Range. Cola begins after 12 months of retirement.	COLA is 100% of the CPI, but ONLY applies to the first $24,000 of a pension 1-5% COLA Range	COLA is 100% of the CPI, but ONLY applies to the first $24,000 of a pension	COLA is 100% of the Consumer Price Index (CPI) on *full* pension. 0-4% COLA Range. Cola begins after 24 months of retirement.
How Average Final Contribution (AFC) is Calculated	Top 3 Consecutive Years	Top 5 Consecutive Years	Top 7 Consecutive Years	No change to status quo.
Length of Work/Age Before Eligible for Retirement	For Group F: Age 62, or 30 years of service— whichever comes first. For Group F*: Age 65, or the Rule of 87— whichever comes first.†	Age of 62 or the Rule of 90— whichever comes first	Age of 67	No change to status quo.

Comparison of Pension Proposals For Retirement Group F

	Status Quo	State Treasurer's 2021 Proposal	Speaker of the House's 2021	Pension Task Force's Recommendation
Employee Contributions	6.65%	7.00%	7.75% (*Plus* 0.25%-1.25% Risk Sharing)	Effective in FY 2023*, • Members with base salaries below the 25th percentile see no change to the status quo. • Members with base salaries between the 25th and up to the 50th percentile see 0.5%/year increases for 3 years. • Members with base salaries above the 50th percentile and up to the 75th percentile see 0.5%/year increases for 4 years. • Members with base salaries above the 75th percentile see 0.5%/year increases for 5 years.
Vesting Period	5 Years	5 Years	10 Years	No change to status quo.

Comparison of Pension Proposals For Retirement Group F

Notes: The parties have until April 15th to work on a proposal to provide incentives to state employees who are eligible to retire to continue state service that has no negative impact of the financial position of the retirement system. The parties also have until April 15th to submit a proposal that is cost neutral to the retirement system; if that standard can be met, the legislature will add the proposal to the bill. The Task Force Proposal would make no changes to the pensions of current retires. The Pension Task Force's recommendations will now be forwarded on to the Legislature for its consideration.

*Using current income statistics:

- The 0—25 percentile group would be made up of employees earning under $50,000, annually.
- The 25—50 percentile group would be made up of employees earning between $50,000 and $62,000, annually.
- The 50—75 percentile group would be made up of employees earning between $62,000 and $75,000, annually.
- The 75—100 percentile group would be made up of employees earning over $75,000, annually.

†Group F* is composed of Group F employees hired after July 1, 2008.