

2005 Legislative Changes

A major benefit change was enacted by the General Assembly during 2005. The legislation modified benefits for State Employees and Teachers only. Below is a summary of the relevant legislation.

H5270 Article 7 Substitute A as amended

This law modifies benefits under ERSRI (State and Teachers only) for new members hired in the future and for current members who have less than 10 years of contributory service on or before July 1, 2005. We will refer to these as schedule B members.

All other members, including current active members who have at least 10 years of contributory service on or before July 1, 2005, inactive vested members who have more than 10 years of contributory service, and all current retirees, will be called schedule A members. H5270 Article 7 does not change any of the provisions of ERSRI for schedule A members.

For schedule B members, the following changes are made:

New retirement eligibility requirements: Unreduced retirement available at age 59 and 29 years of service; unreduced retirement available at age 65 and 10 years of service; actuarially reduced retirement available at age 55 and 20 years of service.

Actuarial Early Retirement Factors			
Age	Age Factor	Age	Age Factor
64	89.3%	59	52.2%
63	79.9%	58	47.1%
62	71.6%	57	42.5%
61	64.3%	56	38.5%
60	57.9%	55	34.9%

New Formula - SCHEDULE B	
Years of Service	Percentage Allowance
1st through 10th inclusive	1.60%
11th through 20th inclusive	1.80%
21st through 25th inclusive	2.0%
26th through 30th inclusive	2.25%
31st through 37th inclusive	2.50%
38th	2.25%
Maximum service now 38 years versus schedule A at 35 years.	

New COLA amount: CPI-related, maximum of 3.00%; COLA for disabled retirees unchanged (3.00% fixed)

New COLA start date: Third anniversary of retirement; no change for disabled retirees.

Elimination of SRA-Plus option (Social Security Option) for schedule B members only

Contributions re-invest provision

- Any year in which the actuarially required employer contributions to the system are lower than the year before
- Governor shall take 20% of rate reduction and appropriate to pension fund
- Actuary shall not adjust required year contribution for reduction. Twenty percent shall be in addition to required contribution and serve to reduce UAAL