



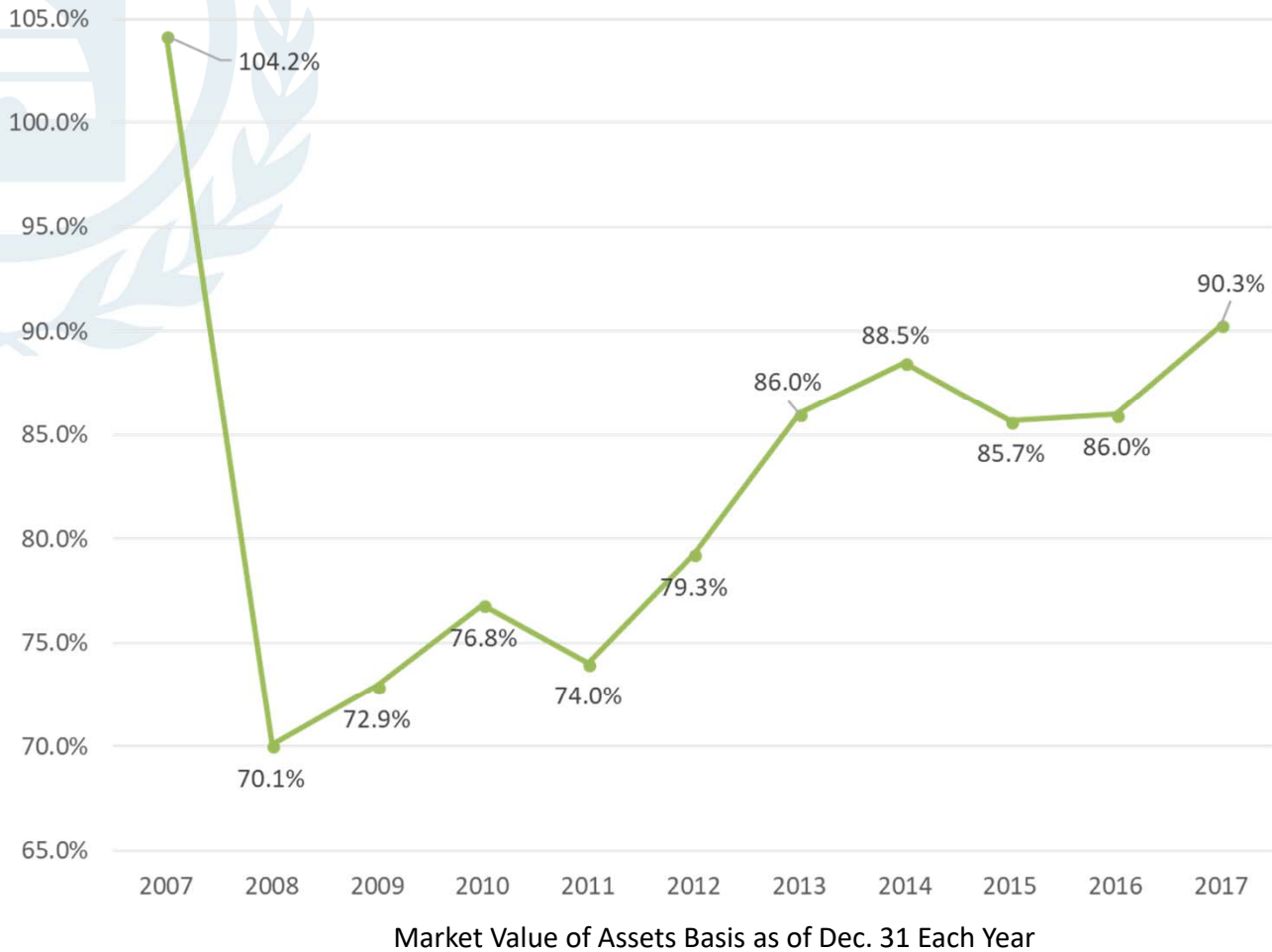
Retirement and Independent Entities Appropriations Subcommittee

February 6, 2019

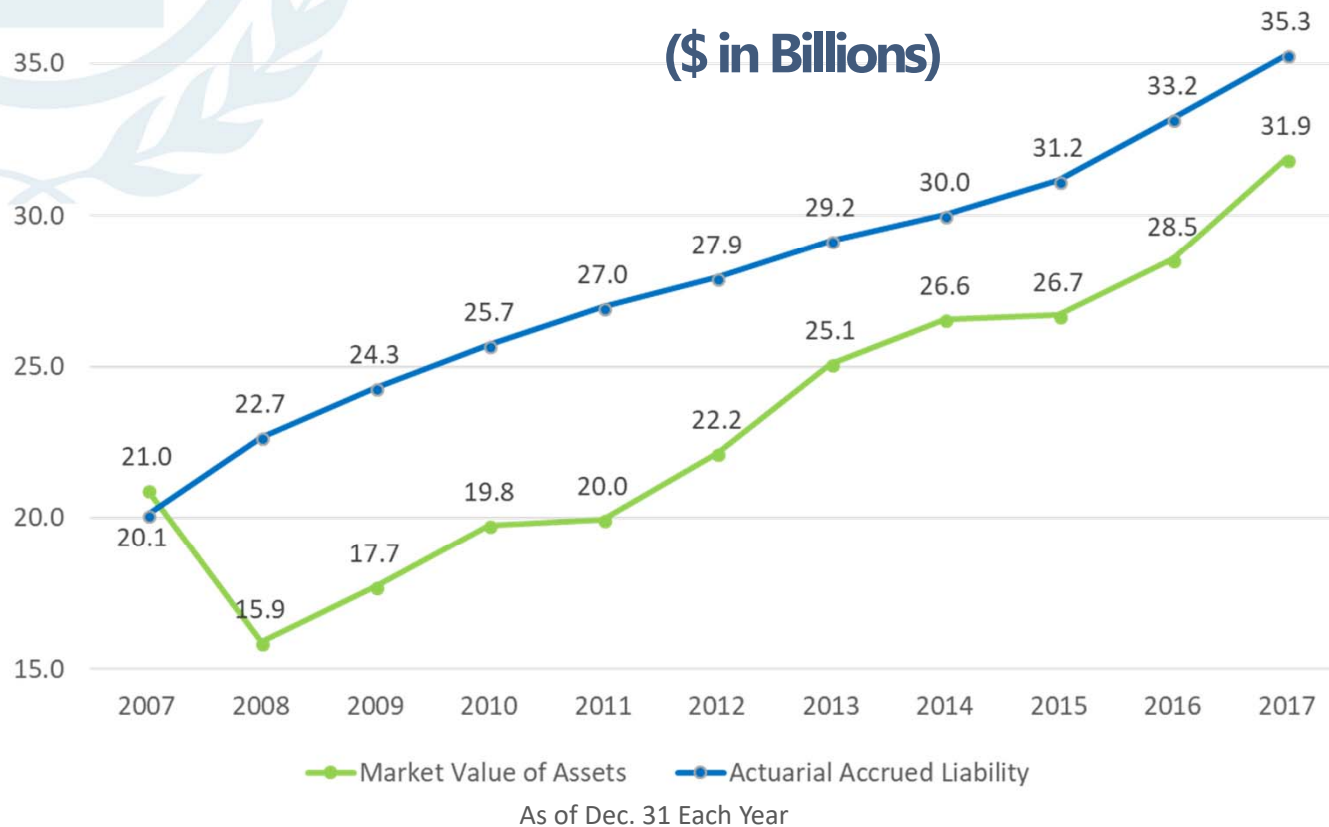


Trust • Commitment • Value • Innovation • Excellence

URS DB Plan Funded Ratios



DB Actuarial Accrued Liability & Market Value of Plan Assets

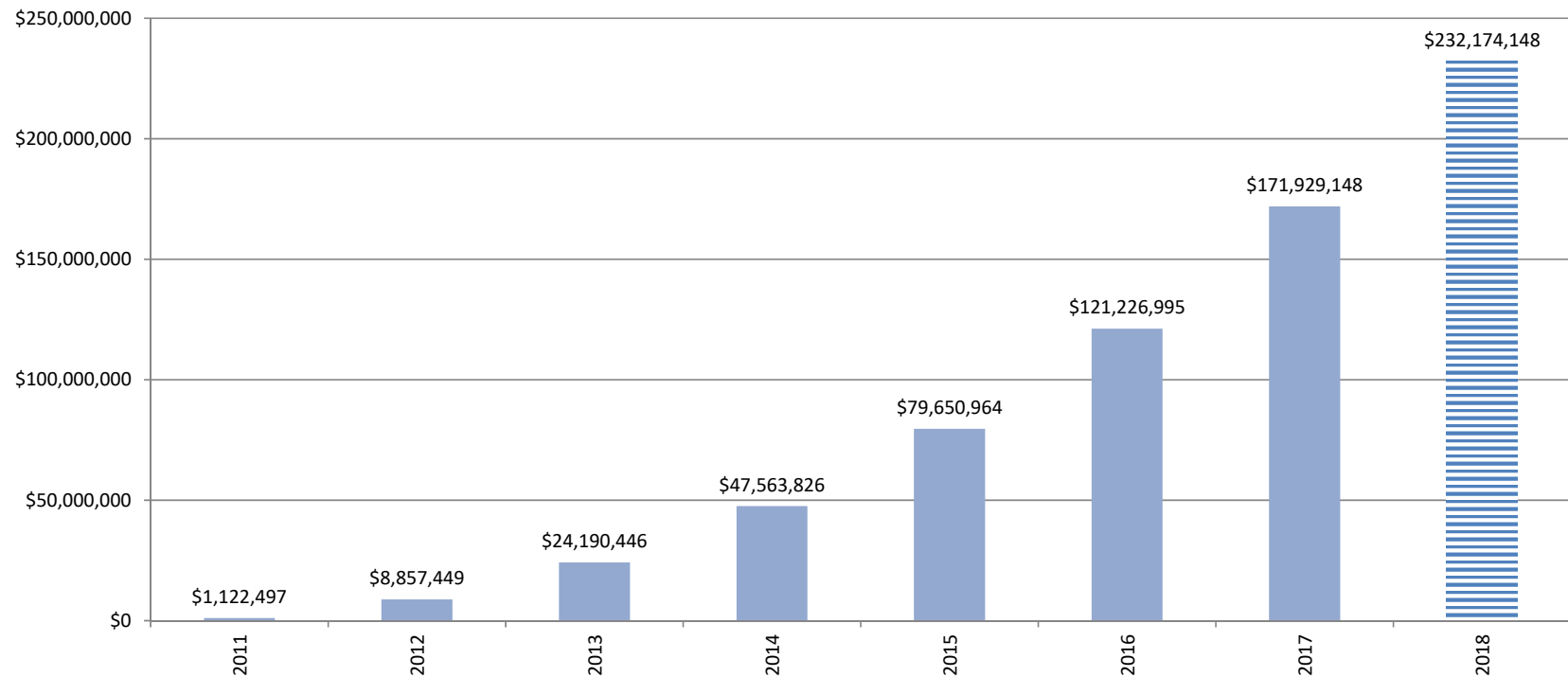


Unfunded Liability

2008: \$6.8 Billion

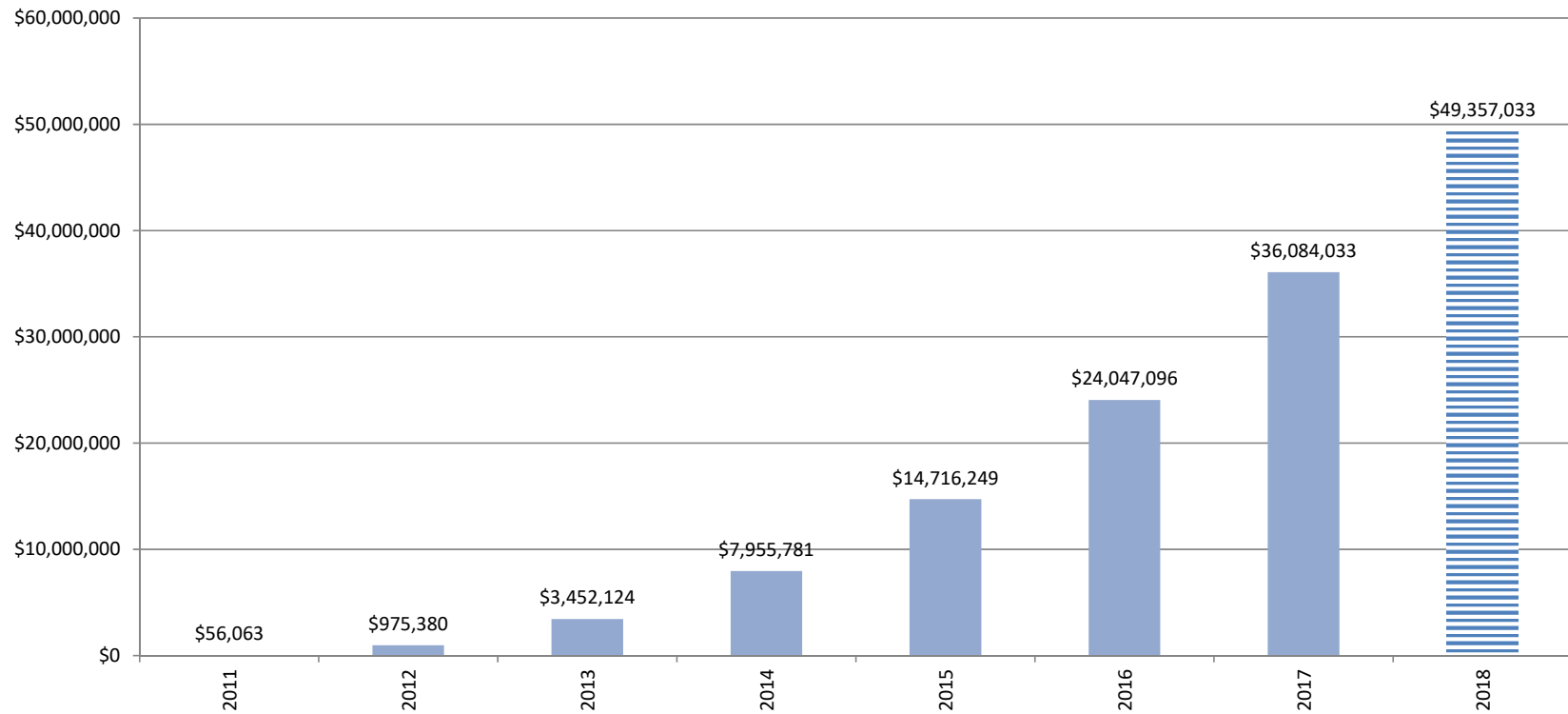
2017: \$3.4 Billion

Savings Realized - Cumulative



Note: 2018 numbers are estimated based on past savings growth

Savings Realized – PS/FF Cumulative



Note: 2018 numbers are estimated based on past savings growth

Service Benefit Multiplier Comparison

Retirement Allowance Formula= Multiplier X Final Average Salary

Tier 1 Public Safety & Firefighters	Tier 2 Public Safety & Firefighters
2.5% (for first 20 years) 2% (after 20 years)	1.5% (for all years)

Tier 1 Public Employees	Tier 2 Public Employees
2% (for all years)	1.5% (for all years)



2019 S.B. 129

Public Safety and Firefighter Tier II Retirement Enhancements

- » For hybrid system members, increases the benefit multiplier from 1.5% to 2.0% for service earned after July 1, 2019 and results in a decrease of the employer nonelective 401(k) contribution to .09%
- » For defined contribution plan members, increases the employer nonelective 401(k) contribution from 12% to 16%.
- » Increases the participating employers' cap on employer contributions from 12% to 16% of covered payroll.
- » Provides certain funding mechanisms.

2019 S.B. 129

Fiscal impact of increasing the multiplier from 1.5% to 2.0% for service earned after July 1, 2019 for the PS/FF Tier 2 System in FY 2019-2020

	Current Plan	2.0% Multiplier (Service after July 1, 2019)
Actuarial Accrued Liability	\$39.6M	\$41.4M
Actuarial Value of Assets	38.9M	38.9M
Unfunded Liability	0.7M	2.5M
Normal Cost Rate	11.34%	15.76%
Amortization Rate	0.04%	0.15%
Total Contribution Rate	11.38%	15.91%
FY 2020 Contribution \$	\$13.3M	\$18.6M