

**PROPOSED PLAN FOR KERS & CERS NONHAZARDOUS MEMBERS: EFFECTIVE 9/1/2008 FOR NEW HIRES**

RETIREMENT PROVISION	CURRENT PLAN FOR NEW HIRES	HB 600: AS PASSED BY THE HOUSE	HB 622: SENATE COMMITTEE SUBSTITUTE	PROPOSED LEGISLATIVE AGREEMENT																																				
<p>1. Employee Contribution</p>	<p>5% to pension (refundable w/int.)</p>	<p>5% to defined benefit pension (refundable w/int.) 1% to health (non-refundable) 6% total</p>	<p>4% to defined benefit pension (refundable w/int.) 1% to supplemental defined benefit pension (refundable w/int.) 1% to health (non-refundable) 6% total</p>	<p>5% to defined benefit pension (refundable w/int.) 1% to health (non-refundable) 6% total</p>																																				
<p>2. Final Compensation</p>	<ul style="list-style-type: none"> <li>Average of the highest 5 fiscal years, must contain 48 months.</li> <li>Includes lump-sum compensatory payments at retirement</li> </ul>	<ul style="list-style-type: none"> <li>Average of the highest 5 fiscal years, must contain 60 months.</li> <li>lump-sum comp. payments at retirement not included</li> </ul>	<ul style="list-style-type: none"> <li>Average of the 60 months of service prior to retirement.</li> <li>lump-sum comp. payments at retirement not included</li> </ul>	<ul style="list-style-type: none"> <li>Average of the last 5 full fiscal years prior to retirement, must contain 60 months.</li> <li>All lump-sum comp. payments before and at retirement not included for retirement calculations.</li> </ul>																																				
<p>3. Benefit factor</p>	<ul style="list-style-type: none"> <li>KERS: 1.97%</li> <li>CERS: 2.00%</li> </ul>	<p><b>KERS &amp; CERS</b></p> <table border="1"> <thead> <tr> <th>Yrs. Service At Retirement</th> <th>Benefit Factor</th> </tr> </thead> <tbody> <tr> <td>10 or less</td> <td>1.10%</td> </tr> <tr> <td>Greater than 10, but no more than 20</td> <td>1.30%</td> </tr> <tr> <td>Greater than 20, but no more than 26</td> <td>1.50%</td> </tr> <tr> <td>Greater than 26, but no more than 30</td> <td>1.75%</td> </tr> <tr> <td>Additional years above 30</td> <td>2.00%</td> </tr> </tbody> </table> <p><i>As a member reaches the specific service level, the benefit factor increases for all service credit except that the 2.00% multiplier only applies to service earned in excess of 30 years. Inviolable contract applies to total benefit factor.</i></p>	Yrs. Service At Retirement	Benefit Factor	10 or less	1.10%	Greater than 10, but no more than 20	1.30%	Greater than 20, but no more than 26	1.50%	Greater than 26, but no more than 30	1.75%	Additional years above 30	2.00%	<p><b>KERS &amp; CERS</b></p> <table border="1"> <thead> <tr> <th>Yrs. Service At Retirement</th> <th>Base Benefit Factor</th> <th>Supp. Benefit Factor</th> <th>Total Benefit Factor</th> </tr> </thead> <tbody> <tr> <td>Up to 30 years</td> <td>1.15%</td> <td>0.60%</td> <td>1.75%</td> </tr> <tr> <td>Additional years above 30</td> <td>1.30%</td> <td>0.60%</td> <td>1.90%</td> </tr> </tbody> </table> <p><i>The benefit factor remains constant for the service credit tier. Inviolable contract applies to base benefit factor only.</i></p>	Yrs. Service At Retirement	Base Benefit Factor	Supp. Benefit Factor	Total Benefit Factor	Up to 30 years	1.15%	0.60%	1.75%	Additional years above 30	1.30%	0.60%	1.90%	<p><b>KERS &amp; CERS</b></p> <table border="1"> <thead> <tr> <th>Yrs. Service At Retirement</th> <th>Benefit Factor</th> </tr> </thead> <tbody> <tr> <td>10 or less</td> <td>1.10%</td> </tr> <tr> <td>Greater than 10, but no more than 20</td> <td>1.30%</td> </tr> <tr> <td>Greater than 20, but no more than 26</td> <td>1.50%</td> </tr> <tr> <td>Greater than 26, but no more than 30</td> <td>1.75%</td> </tr> <tr> <td>Additional years above 30</td> <td>2.00%</td> </tr> </tbody> </table> <p><i>As a member reaches the specific service level, the benefit factor increases for all service credit except that the 2.00% multiplier only applies to service earned in excess of 30 years. Inviolable contract applies to total benefit factor.</i></p>	Yrs. Service At Retirement	Benefit Factor	10 or less	1.10%	Greater than 10, but no more than 20	1.30%	Greater than 20, but no more than 26	1.50%	Greater than 26, but no more than 30	1.75%	Additional years above 30	2.00%
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<p>4. When Can They Retire: Unreduced Benefit</p>	<ul style="list-style-type: none"> <li>Any age/ w 27 years of service or</li> <li>Age 65 w/4 years of service</li> </ul>	<ul style="list-style-type: none"> <li>Rule of 85: Age + service must equal 85 years at retirement except that the employee must be at least 55 years of age to retire under this provision; or</li> <li>Age 65 w/5 years of service</li> </ul>	<ul style="list-style-type: none"> <li>Rule of 87: Age + service must equal 87 years at retirement except that the employee must be at least 57 years of age to retire under this provision; or</li> <li>Age 65 w/5 years of service.</li> </ul>	<ul style="list-style-type: none"> <li>Rule of 87: Age + service must equal 87 years at retirement except that the employee must be at least 57 years of age to retire under this provision; or</li> <li>Age 65 w/5 years of service.</li> </ul>																																				
<p>5. When Can They Retire: Reduced Benefit</p>	<ul style="list-style-type: none"> <li>Any age w/25 years of service or</li> <li>Age 55 w/5 years of service</li> </ul>	<ul style="list-style-type: none"> <li>Age 55 w/10 years of service</li> </ul>	<ul style="list-style-type: none"> <li>Age 62 w/10 years of service</li> </ul>	<ul style="list-style-type: none"> <li>Age 60 w/10 years of service</li> </ul>																																				
<p>6. Penalty on Reduced Benefit</p>	<p>Amount determined by actuary</p>	<p>Amount determined by actuary +1%</p>	<p>Amount determined by actuary</p>	<p>Amount determined by actuary</p>																																				

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<p>7. Medical Insurance</p>	<p>FOR NEW HIRES AFTER 07/03:</p> <ul style="list-style-type: none"> <li>10 years of earned service at retirement to be eligible for insurance benefits.</li> <li>Benefit of \$10 per month for each year of earned service without regard to a maximum dollar amount; adjusted by CPI annually.</li> </ul>	<p>FOR NEW HIRES AFTER 07/08:</p> <ul style="list-style-type: none"> <li>Same except increase earned service requirement to be eligible for benefits to 15 years and adjust benefit annually by 1.5% instead of CPI-U.</li> </ul>	<p>FOR NEW HIRES AFTER 07/08:</p> <ul style="list-style-type: none"> <li>Same as current plan except require the employee to be age 65 w/15 years of service or age 60 w/20 years of service and adjust by 1.5% instead of CPI-U.</li> <li>If the employee retires with the level of service credit required but has not reached the age requirement, the employee will be able to purchase coverage through the systems at full cost until reaching the age requirement.</li> <li>Reemployed retiree required to take coverage through employer.</li> </ul>	<p>FOR NEW HIRES AFTER 09/08:</p> <ul style="list-style-type: none"> <li>Medical Insurance Eligibility:                             <ul style="list-style-type: none"> <li>Individual qualifies for a retirement benefit under the Rule of 87; or at</li> <li>Age 60 w/15 years service.</li> </ul> </li> <li>Benefit of \$10 per month for each year of earned service without regard to maximum dollar amount; adjusted by 1.5% annually.</li> <li>Reemployed retiree is required to take coverage through the new employer.</li> </ul>
<p>8. Sick Leave at Retirement</p>	<ul style="list-style-type: none"> <li>KERS: Unlimited amount used toward determining retirement benefits, does not count towards eligibility.</li> <li>CERS: Optional for employer and employer chooses level.</li> </ul>	<ul style="list-style-type: none"> <li>Limit to 12 months for purposes of determining monthly benefits.</li> </ul>	<ul style="list-style-type: none"> <li>Same as House Plan but all costs paid by last participating employer.</li> </ul>	<ul style="list-style-type: none"> <li>Limit to 12 months for purposes of determining monthly benefits.</li> <li>Effective July 1, 2010, require the last participating employer to pay the full cost of the sick leave.</li> </ul>
<p>9. Cost of living Adjustment</p>	<ul style="list-style-type: none"> <li>Annual increase not to exceed 5% based on the percent change in CPI; may be suspended by Legislature.</li> </ul>	<ul style="list-style-type: none"> <li>Annual increase of 1.5%; may be suspended by Legislature.</li> <li>General Assembly may provide additional COLA in excess of 1.5% in the future.</li> </ul>	<ul style="list-style-type: none"> <li>Same as House Plan</li> </ul>	<ul style="list-style-type: none"> <li>Annual increase of 1.5%; may be suspended by Legislature.</li> <li>General Assembly may provide additional COLA in excess of 1.5% in the future.</li> </ul>
<p>10. Distribution of funds before retirement</p>	<ul style="list-style-type: none"> <li>Employee contribution plus interest at rate determined by the board.</li> </ul>	<ul style="list-style-type: none"> <li>Employee contribution plus interest at rate of 2.5%</li> </ul>	<ul style="list-style-type: none"> <li>Same as House Plan</li> </ul>	<ul style="list-style-type: none"> <li>Employee contribution plus interest at rate of 2.5%</li> </ul>
<p>11. Service purchases</p>	<ul style="list-style-type: none"> <li>100% of actuarial cost as determined by the board.</li> <li>In most cases, does not count towards retirement eligibility.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure the actuarial cost includes COLA and earliest eligible retirement date.</li> <li>Tightens provisions to ensure no service purchases count towards retirement eligibility.</li> </ul>	<ul style="list-style-type: none"> <li>Same as House Plan.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure the actuarial cost includes COLA and earliest eligible retirement date.</li> <li>Tightens provisions to ensure no service purchases count towards retirement eligibility.</li> </ul>

**PROPOSED PLAN FOR KERS & CERS HAZARDOUS MEMBERS AND SPRS: EFFECTIVE 9/1/2008 FOR NEW HIRES**

RETIREMENT PROVISION	CURRENT PLAN FOR NEW HIRES	HB 600: AS PASSED BY THE HOUSE	HB 622: SENATE COMMITTEE SUBSTITUTE	PROPOSED LEGISLATIVE AGREEMENT																												
12. Who is Hazardous?	<ul style="list-style-type: none"> <li>Defined by KRS 61.592</li> </ul>	<ul style="list-style-type: none"> <li>No change for KERS hazardous.</li> <li>Amend KRS 61.592 to limit hazardous duty coverage for CERS employees to specific police officers, firefighters, paramedics and EMTs.</li> </ul>	<ul style="list-style-type: none"> <li>Same as House plan except includes language specifically mentioning correctional officers as being covered by hazardous duty.</li> </ul>	<ul style="list-style-type: none"> <li>No change for KERS hazardous.</li> <li>Amend KRS 61.592 to limit hazardous duty coverage for CERS employees to specific police officers, firefighters, correctional officers, paramedics and EMTs.</li> </ul>																												
13. Employee Contribution	8% to pension (refundable w/int.)	8% to defined benefit pension (refundable w/int.) 1% to health (non-refundable) 9% total	7% to defined benefit pension (refundable w/int.) 1% to supplemental defined benefit pension (refundable w/int.) 1% to health (non-refundable) 9% total	8% to defined benefit pension (refundable w/int.) 1% to health (non-refundable) 9% total																												
14. Final Compensation	<ul style="list-style-type: none"> <li>Average of the highest 3 fiscal years, must contain 24 months.</li> <li>Includes lump-sum comp. time payments at retirement</li> </ul>	<ul style="list-style-type: none"> <li>Average of the highest 3 fiscal years, must contain 36 months.</li> <li>lump-sum comp. payments at retirement not included</li> </ul>	<ul style="list-style-type: none"> <li>Average of the 36 months of service prior to retirement</li> <li>lump-sum comp. payments at retirement not included</li> </ul>	<ul style="list-style-type: none"> <li>Average of the highest 3 full fiscal years, must contain 36 months.</li> <li>All lump-sum comp. payments before and at retirement not included for retirement calculations.</li> </ul>																												
15. Benefit factor	<ul style="list-style-type: none"> <li>KERS: 2.49%</li> <li>CERS: 2.50%</li> <li>SPRS: 2.50%</li> </ul>	<p style="text-align: center;">All KRS</p> <table border="1" style="width: 100%;"> <thead> <tr> <th>Yrs. Service At Retirement</th> <th>Benefit Factor</th> </tr> </thead> <tbody> <tr> <td>10 or less</td> <td>1.30%</td> </tr> <tr> <td>Greater than 10, but no more than 20</td> <td>1.50%</td> </tr> <tr> <td>Greater than 20, but less than 25</td> <td>2.25%</td> </tr> <tr> <td>25 or more</td> <td>2.50%</td> </tr> </tbody> </table> <p><i>Inviolable contract applies to total benefit factor.</i></p>	Yrs. Service At Retirement	Benefit Factor	10 or less	1.30%	Greater than 10, but no more than 20	1.50%	Greater than 20, but less than 25	2.25%	25 or more	2.50%	<p style="text-align: center;">All KRS</p> <table border="1" style="width: 100%;"> <thead> <tr> <th>Factor</th> <th>Benefit Factor</th> </tr> </thead> <tbody> <tr> <td>Base Benefit Factor</td> <td>1.60%</td> </tr> <tr> <td>Supp. Benefit Factor</td> <td>0.65%</td> </tr> <tr> <td>Total</td> <td>2.25%</td> </tr> </tbody> </table> <p><i>Inviolable contract applies to base benefit factor only.</i></p>	Factor	Benefit Factor	Base Benefit Factor	1.60%	Supp. Benefit Factor	0.65%	Total	2.25%	<p style="text-align: center;">All KRS</p> <table border="1" style="width: 100%;"> <thead> <tr> <th>Yrs. Service At Retirement</th> <th>Benefit Factor</th> </tr> </thead> <tbody> <tr> <td>10 or less</td> <td>1.30%</td> </tr> <tr> <td>Greater than 10, but no more than 20</td> <td>1.50%</td> </tr> <tr> <td>Greater than 20, but less than 25</td> <td>2.25%</td> </tr> <tr> <td>25 or more</td> <td>2.50%</td> </tr> </tbody> </table> <p><i>Inviolable contract applies to total benefit factor.</i></p>	Yrs. Service At Retirement	Benefit Factor	10 or less	1.30%	Greater than 10, but no more than 20	1.50%	Greater than 20, but less than 25	2.25%	25 or more	2.50%
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16. When Can They Retire: Unreduced Benefit	<ul style="list-style-type: none"> <li>Any age/ w 20 years of service or</li> <li>Age 55 w/5 years of service</li> </ul>	<ul style="list-style-type: none"> <li>Any age w/25 years of service or</li> <li>Age 55 w/5 years of service</li> </ul>	<ul style="list-style-type: none"> <li>Any age w/25 years of service or</li> <li>Age 65 w/5 years or service</li> </ul>	<ul style="list-style-type: none"> <li>Any age w/25 years of service or</li> <li>Age 60 w/5 years or service</li> </ul>																												
17. When Can They Retire: Reduced Benefit	<ul style="list-style-type: none"> <li>Age 50 w/15 years of service</li> </ul>	<ul style="list-style-type: none"> <li>Same as before</li> </ul>	<ul style="list-style-type: none"> <li>Age 55 w/15 years of service or</li> <li>Age 60 w/10 years of service</li> </ul>	<ul style="list-style-type: none"> <li>Age 50 w/15 years of service</li> </ul>																												
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19. Medical Insurance	<ul style="list-style-type: none"> <li>FOR NEW HIRES AFTER 07/03:                             <ul style="list-style-type: none"> <li>10 years of earned service at retirement to be eligible for insurance benefits.</li> <li>Benefit of \$15 per month for each year of earned service without regard to a maximum dollar amount; adjusted by CPI annually.</li> <li>\$10 per month for each year of hazardous service for surviving spouse of deceased member.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>FOR NEW HIRES AFTER 07/08:                             <ul style="list-style-type: none"> <li>Same except increase earned service requirement to be eligible for benefits to 15 years and adjust benefit annually by 1.5% instead of CPI-U.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>FOR NEW HIRES AFTER 07/08:                             <ul style="list-style-type: none"> <li>Same as House plan.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>FOR NEW HIRES AFTER 09/08:                             <ul style="list-style-type: none"> <li>15 years of earned service at retirement to be eligible for insurance benefits.</li> <li>Benefit of \$15 per month for each year of earned service without regard to a maximum dollar amount; adjusted by 1.5% annually.</li> <li>\$10 per month for each year of hazardous service for surviving spouse of deceased member.</li> </ul> </li> </ul>
20. Sick Leave at Retirement	<ul style="list-style-type: none"> <li>KERS &amp; SPRS: Unlimited amount used toward determining retirement benefits, does not count towards eligibility.</li> <li>CERS: Optional for employer and employer chooses level.</li> </ul>	<ul style="list-style-type: none"> <li>Limit to 12 months used for purposes of determining monthly benefits.</li> </ul>	<ul style="list-style-type: none"> <li>Same as House Plan but all costs paid by last participating employer.</li> </ul>	<ul style="list-style-type: none"> <li>Limit to 12 months for purposes of determining monthly benefits. Effective July 1, 2010, require the last participating employer to pay the full cost of the sick leave.</li> </ul>
21. Cost of living Adjustment	<ul style="list-style-type: none"> <li>Annual increase not to exceed 5% based on the percent change in CPI; may be suspended by Legislature.</li> </ul>	<ul style="list-style-type: none"> <li>Annual increase of 1.5%; may be suspended by Legislature.</li> <li>General Assembly may provide additional COLA in excess of 1.5%.</li> </ul>	<ul style="list-style-type: none"> <li>Same as House plan.</li> </ul>	<ul style="list-style-type: none"> <li>Annual increase of 1.5%; may be suspended by Legislature.</li> <li>General Assembly may provide additional COLA in excess of 1.5% in the future.</li> </ul>
22. Distribution of funds before retirement	<ul style="list-style-type: none"> <li>Employee contribution plus interest at rate determined by the board.</li> </ul>	<ul style="list-style-type: none"> <li>Employee contribution plus interest at rate of 2.5%</li> </ul>	<ul style="list-style-type: none"> <li>Same as House plan.</li> </ul>	<ul style="list-style-type: none"> <li>Employee contribution plus interest at rate of 2.5%</li> </ul>
23. Service purchases	<ul style="list-style-type: none"> <li>100% of actuarial cost as determined by the board</li> </ul>	<ul style="list-style-type: none"> <li>Ensure the actuarial cost includes COLA and earliest eligible retirement date.</li> <li>Tightens provisions to ensure no service purchases count towards eligibility for retirement</li> </ul>	<ul style="list-style-type: none"> <li>Same as House Plan.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure the actuarial cost includes COLA and earliest eligible retirement date.</li> <li>Tightens provisions to ensure no service purchases count towards eligibility for retirement</li> </ul>

**PROPOSED PLAN FOR KTRS MEMBERS: EFFECTIVE 7/1/2008 FOR NEW HIRES**

RETIREMENT PROVISION	CURRENT PLAN FOR NEW HIRES	HB 600: AS PASSED BY THE HOUSE	HB 622: SENATE COMMITTEE SUBSTITUTE	PROPOSED LEGISLATIVE AGREEMENT																						
<p>24. Employee Contribution</p>	<p>FOR TEACHERS:                      9.105% to pension (refundable w/int.)                      0.750% to health (non-refundable)                      9.855% total</p> <p>FOR UNIVERSITY EMPLOYEES:                      7.625% to pension (refundable w/int.)                      0.750% to health (non-refundable)                      8.375% total</p>	<p>FOR TEACHERS:                      9.105% to pension (refundable w/int.)                      1.750% to health (non-refundable)                      10.855% total</p> <p>FOR UNIVERSITY EMPLOYEES:                      7.625% to pension (refundable w/int.)                      1.750% to health (non-refundable)                      9.375% total</p>	<p>Same as House plan</p>	<p>Same as Prior House and Senate Plans.</p>																						
<p>25. Final Compensation</p>	<ul style="list-style-type: none"> <li>• Highest 5 years of earnings</li> <li>• Highest 3 years if employee has 27 years of service and is at least age 55.</li> <li>• Lump sum comp., vacation, and sick leave included.</li> </ul>	<ul style="list-style-type: none"> <li>• SAME AS BEFORE</li> <li>• Lump-sum comp. and vacation not included. Limit payment for sick leave to 300 days of accumulated leave.</li> </ul>																								
<p>26. Benefit factor</p>	<p>FOR NEW TEACHERS AFTER 07/02:</p> <ul style="list-style-type: none"> <li>➢ 2.0% if you have less than 10 years.</li> <li>➢ 2.5% if you have more than 10 years.</li> <li>➢ 3.0% for service in excess of 30 years.</li> </ul> <p>FOR UNIVERSITY EMPLOYEES                      2.0%</p>	<p>FOR NEW TEACHERS</p> <table border="1"> <tr> <td><u>Yrs. Service At Retirement</u></td> <td><u>Benefit Factor</u></td> </tr> <tr> <td>10 or less</td> <td>1.70%</td> </tr> <tr> <td>Greater than 10, but no more than 20</td> <td>2.00%</td> </tr> <tr> <td>Greater than 20, but no more than 26</td> <td>2.30%</td> </tr> <tr> <td>Greater than 26, but no more than 30</td> <td>2.50%</td> </tr> <tr> <td>Additional years above 30</td> <td>3.00%</td> </tr> </table> <p>FOR NEW UNIVERSITY EMPLOYEES</p> <table border="1"> <tr> <td><u>Yrs. Service At Retirement</u></td> <td><u>Benefit Factor</u></td> </tr> <tr> <td>10 or less</td> <td>1.50%</td> </tr> <tr> <td>Greater than 10, but no more than 20</td> <td>1.70%</td> </tr> <tr> <td>Greater than 20, but less than 27</td> <td>1.85%</td> </tr> <tr> <td>27 or more</td> <td>2.00%</td> </tr> </table> <p><i>As a member reaches the specific service level, the benefit factor increases for all service credit except that the 3.00% multiplier for teachers only applies to service earned in excess of 30 years.</i></p>	<u>Yrs. Service At Retirement</u>	<u>Benefit Factor</u>	10 or less	1.70%	Greater than 10, but no more than 20	2.00%	Greater than 20, but no more than 26	2.30%	Greater than 26, but no more than 30	2.50%	Additional years above 30	3.00%	<u>Yrs. Service At Retirement</u>	<u>Benefit Factor</u>	10 or less	1.50%	Greater than 10, but no more than 20	1.70%	Greater than 20, but less than 27	1.85%	27 or more	2.00%		
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Greater than 10, but no more than 20	2.00%																									
Greater than 20, but no more than 26	2.30%																									
Greater than 26, but no more than 30	2.50%																									
Additional years above 30	3.00%																									
<u>Yrs. Service At Retirement</u>	<u>Benefit Factor</u>																									
10 or less	1.50%																									
Greater than 10, but no more than 20	1.70%																									
Greater than 20, but less than 27	1.85%																									
27 or more	2.00%																									
<p>27. When Can They Retire: Unreduced Benefit</p>	<ul style="list-style-type: none"> <li>• Age 60 w/5 years of service or</li> <li>• Any age/ w 27 years of service</li> </ul>	<ul style="list-style-type: none"> <li>• No change</li> </ul>																								
<p>28. When Can They Retire: Reduced Benefit</p>	<ul style="list-style-type: none"> <li>• Age 55 w/5 years of service</li> </ul>	<ul style="list-style-type: none"> <li>• Age 55 w/10 years of service</li> </ul>																								
<p>29. Penalty on Reduced Benefit</p>	<ul style="list-style-type: none"> <li>• 5% for each year short of unreduced benefit.</li> </ul>	<ul style="list-style-type: none"> <li>• 6% for each year short of unreduced benefit.</li> </ul>																								

**PROPOSED PLAN FOR KTRS MEMBERS EFFECTIVE 7/1/2008 FOR NEW HIRES**

RETIREMENT PROVISION	CURRENT PLAN FOR NEW HIRES	HB 600: AS PASSED BY THE HOUSE	HB 622: SENATE COMMITTEE SUBSTITUTE	PROPOSED LEGISLATIVE AGREEMENT
30. Medical Insurance	FOR NEW HIRES AFTER 07/02:  Years of Service  Less than 5: 5-9.99 10-14.99 15-19.99 20-24.99 25-25.99 26-26.99 27 or more:  % of Premium Paid for Retiree 0% 10% 25% 45% 65% 90% 95% 100%	FOR NEW HIRES AFTER 07/08:  • Increase minimum service requirement to 15 years.	Same as House plan.	Same as Prior House and Senate Plans.
31. Cost of living Adjustment	• 1.5% COLA plus ad hoc amount provided by General Assembly	• No Changes		
32. Distribution of funds before retirement	• Employee contribution plus interest at 3% per annum.	• Employee contribution plus interest at rate of 2.5% per annum.		
33. Service purchases	<ul style="list-style-type: none"> <li>• 100% of actuarial cost as determined by the board.</li> <li>• Can count towards vesting for pension and health benefits.</li> </ul>	<ul style="list-style-type: none"> <li>• Remove purchase of "non-qualified service" except for up to 10 months in case retiring teacher with 26 years, 2 months of service but less than 27 years of service.</li> </ul>		

*7/1/08*  
*Real E-clause*

**PROPOSED CHANGES FOR EXISTING EMPLOYEES/RETIRES IN KTRS**

RETIREMENT PROVISION	HB 600: AS PASSED BY THE HOUSE	HB 622: SENATE COMMITTEE SUBSTITUTE	PROPOSED LEGISLATIVE AGREEMENT
34. Retired Reemployed	<ul style="list-style-type: none"> <li>• Provides additional revised option to KTRS retirees who return to work by allowing them to waive their pension during the period of reemployment. If they are full-time they will earn additional years of service credit and will have their benefit recalculated upon termination of employment.</li> </ul>	• Same as House Plan	• Same as Prior House and Senate Plans.

**PROPOSED CHANGES FOR EXISTING EMPLOYEES/RETIREES IN KERS, CERS, AND SPRS**

RETIREMENT PROVISION	HB 600: AS PASSED BY THE HOUSE	HB 622: SENATE COMMITTEE SUBSTITUTE	PROPOSED LEGISLATIVE AGREEMENT
35. Cost of living Adjustment	<ul style="list-style-type: none"> <li>Beginning July 1, 2009, current and future KERS, CERS, and SPRS retirees will receive a set 1.5% cost of living adjustment. Provides that the General Assembly may provide an additional COLA if pre-funded by the General Assembly.</li> </ul>	<ul style="list-style-type: none"> <li><i>Retired prior to July 1, 2008, and age 65 or older:</i> No change in COLA</li> <li><i>Retired prior to July 1, 2008, and under 65 years of age:</i> Same as House Plan</li> <li><i>Retired on or after July 1, 2008:</i> Same as House Plan</li> </ul>	<ul style="list-style-type: none"> <li>Beginning July 1, 2009, current and future KERS, CERS, and SPRS retirees will receive a set 1.5% cost of living adjustment. Provides that the General Assembly may provide an additional COLA if pre-funded by the General Assembly.</li> </ul>
36. Reemployment After Retirement	<ul style="list-style-type: none"> <li>Under the provisions of the bill, retirees who return to work on or after July 1, 2008, will be required to observe a one month break in employment. Provided the break is observed, the employee can return to work, draw their pension, but will not contribute to the systems or earn a second pension. The employer will be required to pay contributions to the systems.</li> </ul>	<ul style="list-style-type: none"> <li>Same as House Plan except:                             <ul style="list-style-type: none"> <li>Require 6 month break in employment for KERS and SPRS reemployment.</li> <li>Require 1 month break in employment for CERS or LGERS reemployment.</li> </ul> </li> <li>CERS and LGERS employer does not contribute but does pay the health insurance premium of the retiree (not to exceed the cost of the single premium).</li> </ul>	<ul style="list-style-type: none"> <li>Under the provisions of the bill:                             <ul style="list-style-type: none"> <li>Hazardous KERS or CERS and SPRS retirees who return to work on or after September 1, 2008 in SPRS or in a hazardous duty position in KERS or CERS will be required to observe a one month break in employment.</li> <li>All other KERS, CERS, SPRS retirees who return to work on or after September 1, 2008 in KERS, CERS, or SPRS will be required to observe a 3 month break in employment.</li> <li>Provided the break is observed, the employee can return to work, draw their pension, but will not contribute to the systems or earn a second pension. The employer will be required to pay contributions to the systems and the health insurance premium of the retiree (not to exceed the cost of the single premium).</li> </ul> </li> <li>KERS &amp; SPRS: Effective July 1, 2010, require the last participating employer to pay the full cost of the sick leave.</li> </ul>
37. Payment of Sick Leave for Current Employees	<p>Same as current which provides:</p> <ul style="list-style-type: none"> <li>KERS: Unlimited amount used toward determining retirement benefits. The first six months are paid by the trust, remaining months are paid by the last participating employer.</li> <li>SPRS: Unlimited amount used toward determining retirement benefits. All months are paid by the trust.</li> </ul>	<ul style="list-style-type: none"> <li>KERS &amp; SPRS: All months paid by the last participating employer.</li> </ul>	<ul style="list-style-type: none"> <li>KERS &amp; SPRS: Effective July 1, 2010, require the last participating employer to pay the full cost of the sick leave.</li> </ul>
38. Partial Lump Sum Payment Option	<ul style="list-style-type: none"> <li>Removes partial lump sum option for employees retiring on or after July 1, 2008</li> </ul>	<ul style="list-style-type: none"> <li>Same as House Plan</li> </ul>	<ul style="list-style-type: none"> <li>Removes partial lump sum option for employees who begin drawing retirement benefits after January 1, 2009</li> </ul>
39. Determination of Service Purchase Costs	<ul style="list-style-type: none"> <li>Ensure the actuarial cost includes COLA and earliest eligible retirement date.</li> </ul>	<ul style="list-style-type: none"> <li>Same as House Plan</li> </ul>	<ul style="list-style-type: none"> <li>Ensure the actuarial cost includes COLA and earliest eligible retirement date.</li> </ul>

PROPOSED CHANGES FOR LEGISLATORS AND JUDGES PARTICIPATING IN LRP AND JRP			
RETIREMENT PROVISION	HB 600, AS PASSED BY THE HOUSE	HB 622, SENATE COMMITTEE SUBSTITUTE	PROPOSED LEGISLATIVE AGREEMENT
40. Cost of living Adjustment	<ul style="list-style-type: none"> <li>Beginning July 1, 2009, current and future JRP and LRP retirees will receive a set 1.5% cost of living adjustment. Provides that the General Assembly may provide an additional COLA if pre-funded by the General Assembly.</li> </ul>	<ul style="list-style-type: none"> <li><i>Retired prior to July 1, 2008 and age 65 or older: No change in COLA</i></li> <li><i>Retired prior to July 1, 2008 and under 65 years of age: Same as House Plan</i></li> <li><i>Retired on or after July 1, 2008: Same as House Plan</i></li> </ul>	<ul style="list-style-type: none"> <li>Beginning July 1, 2009, current and future JRP and LRP retirees will receive a set 1.5% cost of living adjustment. Provides that the General Assembly may provide an additional COLA if pre-funded by the General Assembly.</li> </ul>
41. New Hire Benefits	<ul style="list-style-type: none"> <li>Same benefit structure but increases the employee contribution rate by 1%.</li> </ul>	<ul style="list-style-type: none"> <li>Same as House plan.</li> </ul>	<ul style="list-style-type: none"> <li>Same benefit structure but increases the employee contribution rate by 1%.</li> </ul>

PROPOSED CHANGES ON GOVERNANCE			
RETIREMENT PROVISION	HB 600, AS PASSED BY THE HOUSE	HB 622, SENATE COMMITTEE SUBSTITUTE	PROPOSED LEGISLATIVE AGREEMENT
42. Retirement Systems Board of Trustees	<ul style="list-style-type: none"> <li>Establish requirements for additional pension board trustee education and increase transparency regarding board meetings, investments, and board actions. Limit board members to 3-four year terms.</li> </ul>	<ul style="list-style-type: none"> <li>Same as House plan.</li> </ul>	<ul style="list-style-type: none"> <li>Establish requirements for additional pension board trustee education and increase transparency regarding board meetings, investments, and board actions. Limit board members to 3-four year terms.</li> </ul>

**FUNDING**

HB 600: AS PASSED BY THE HOUSE	HB 622: SENATE COMMITTEE SUBSTITUTE	PROPOSED LEGISLATIVE AGREEMENT																																																																																																																
<ul style="list-style-type: none"> <li>Sets CERS employer contribution rates at 2009-2010 recommende d rates for both years of the biennium at 15.58% and 31.99% for non-hazardous and hazardous respectively. HB 600 (as passed by the House) and requires the Public Pension Financing Advisory Commission to establish a plan to fully pay ARC by 2020.</li> </ul>	<ul style="list-style-type: none"> <li>Sets CERS &amp; LGERS employer contribution rates for both years of the biennium at 13.50% and 29.50% for non-hazardous and hazardous respectively. Allow the KRS Board the authority to establish employer rates it deems necessary for adequate funding of LGERS.</li> </ul> <table border="1"> <thead> <tr> <th>FY Ended</th> <th>KERS Non-hazardous</th> <th>KERS Hazardous</th> <th>SPRS</th> </tr> </thead> <tbody> <tr><td>2011</td><td>44%</td><td>76%</td><td>60%</td></tr> <tr><td>2012</td><td>48%</td><td>79%</td><td>65%</td></tr> <tr><td>2013</td><td>53%</td><td>83%</td><td>70%</td></tr> <tr><td>2014</td><td>57%</td><td>86%</td><td>75%</td></tr> <tr><td>2015</td><td>61%</td><td>89%</td><td>80%</td></tr> <tr><td>2016</td><td>65%</td><td>92%</td><td>85%</td></tr> <tr><td>2017</td><td>69%</td><td>95%</td><td>90%</td></tr> <tr><td>2018</td><td>73%</td><td></td><td>95%</td></tr> <tr><td>2019</td><td>77%</td><td></td><td></td></tr> <tr><td>2020</td><td>81%</td><td></td><td></td></tr> <tr><td>2021</td><td>85%</td><td></td><td></td></tr> </tbody> </table>	FY Ended	KERS Non-hazardous	KERS Hazardous	SPRS	2011	44%	76%	60%	2012	48%	79%	65%	2013	53%	83%	70%	2014	57%	86%	75%	2015	61%	89%	80%	2016	65%	92%	85%	2017	69%	95%	90%	2018	73%		95%	2019	77%			2020	81%			2021	85%			<ul style="list-style-type: none"> <li>Sets CERS employer contribution rates at 13.50% and 29.50% for non-hazardous and hazardous respectively for FY 2008-2009.</li> </ul> <table border="1"> <thead> <tr> <th>FY Ended</th> <th>KERS Non-hazardous</th> <th>KERS Hazardous</th> <th>SPRS</th> </tr> </thead> <tbody> <tr><td>2011</td><td>44%</td><td>76%</td><td>60%</td></tr> <tr><td>2012</td><td>48%</td><td>79%</td><td>65%</td></tr> <tr><td>2013</td><td>53%</td><td>83%</td><td>70%</td></tr> <tr><td>2014</td><td>57%</td><td>86%</td><td>75%</td></tr> <tr><td>2015</td><td>61%</td><td>89%</td><td>80%</td></tr> <tr><td>2016</td><td>65%</td><td>92%</td><td>85%</td></tr> <tr><td>2017</td><td>69%</td><td>95%</td><td>90%</td></tr> <tr><td>2018</td><td>73%</td><td></td><td>95%</td></tr> <tr><td>2019</td><td>77%</td><td></td><td>98%</td></tr> <tr><td>2020</td><td>81%</td><td></td><td>98%</td></tr> <tr><td>2021</td><td>85%</td><td></td><td>98%</td></tr> <tr><td>2022</td><td>89%</td><td></td><td>98%</td></tr> <tr><td>2023</td><td>93%</td><td></td><td>98%</td></tr> <tr><td>2024</td><td>97%</td><td></td><td>98%</td></tr> <tr><td>2025</td><td>100%</td><td></td><td>100%</td></tr> </tbody> </table>	FY Ended	KERS Non-hazardous	KERS Hazardous	SPRS	2011	44%	76%	60%	2012	48%	79%	65%	2013	53%	83%	70%	2014	57%	86%	75%	2015	61%	89%	80%	2016	65%	92%	85%	2017	69%	95%	90%	2018	73%		95%	2019	77%		98%	2020	81%		98%	2021	85%		98%	2022	89%		98%	2023	93%		98%	2024	97%		98%	2025	100%		100%
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**TECHNICAL CHANGES**

HB 600: AS PASSED BY THE HOUSE	HB 622: SENATE COMMITTEE SUBSTITUTE	PROPOSED LEGISLATIVE AGREEMENT
<p>Technical changes</p>	<p>Technical changes addressed in both HB 622 SCS and HB 600 GA will be included.</p>	<p>Technical changes addressed in both HB 622 SCS and HB 600 GA will be included.</p>