

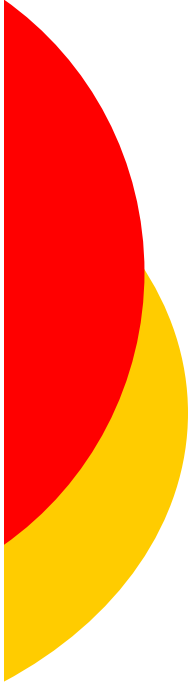


Recent Changes and Comparisons to Pension Funds Across the Country

Presented to the Finance Sub-Committee on Pensions

June 29, 2011

Commissioner Bridget Gainer, Chair



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Recent Changes New Jersey Pension Fund

- Retirement Age increased for all future employees to 65. Current retirement age is either 60 or 62 depending on date of hire.
- EE Contribution: Increase 1% now and a 1% increase over the next 7 years. State Employees currently paying 5.5%.
- Benefit Formula
 - Current Employees: 65% of Final Average Salary, plus 1% for every year over 25 years of service and under 30 years of service.
 - Future Employees: 60% of Final Average Salary, plus 1% for every year over 25 years and under 30 years of service.
- ER Contribution: In 2018 beings a 30 year amortization plan.
- COLA: No additional COLA for current retirees, Eliminates COLA for all future retirees.
- Reported to save \$300 Million next year and over \$3 Billion in the next 10 years.



Recent Changes New York Pension Fund

- Creates a Tier VI for employees that are hired after the passage of the bill.
- Retirement Age: Increased to 65, currently 62 for most and 57 for teachers.
- Vesting: Increased to 12 years from 10.
- EE Contribution: Increases to 6% from 3%
- ER Contribution: Actuarially Required Contribution.
- Reported to save \$93 Billion over the next 30 years.



Recent Changes Atlanta Pension Fund

- Current Employees can remain in their current plan, but contributions will increase from 8% to 13% of Salary.
- New Employees now participate in a Hybrid Plan
 - 1% Defined Benefit Multiplier for every year of service
 - Employees contribute 8% for their Defined Benefit Portion
 - Employees contribute a minimum of 3.75% to a Defined Contribution, 401(k) style plan. Employees can opt to contribute an additional 4.25%.
 - ER matches the Employee Defined Contribution 100%.
 - 15 years to vest in Defined Benefit Portion, 5 years to vest in Defined Contribution Portion
 - Retirement age for police and fire is increased to 57 from 55
 - Retirement age for other employees is increased to 62 from 60.
- Reported to save the city \$25 million over the first year and over \$300 million over the next 30 years.



Recent Changes Florida Pension Fund

- Current Employees
 - No COLA increase after July 1, 2011, was 3% annually.
 - Contribution increased to 3% from 0%

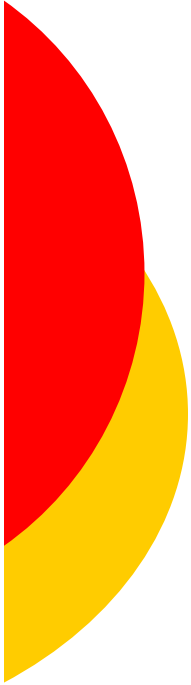
- Future Employees
 - Same changes as current Employees
 - Vesting increased to 8 years, from 6 years
 - Final Average Salary determination is 8 highest fiscal years average, was the 5 highest average.
 - Normal Retirement age is 65 for most employees, 60 for special risk employees (police, fire, etc.)

- All employees will continue to participate in the Social Security System

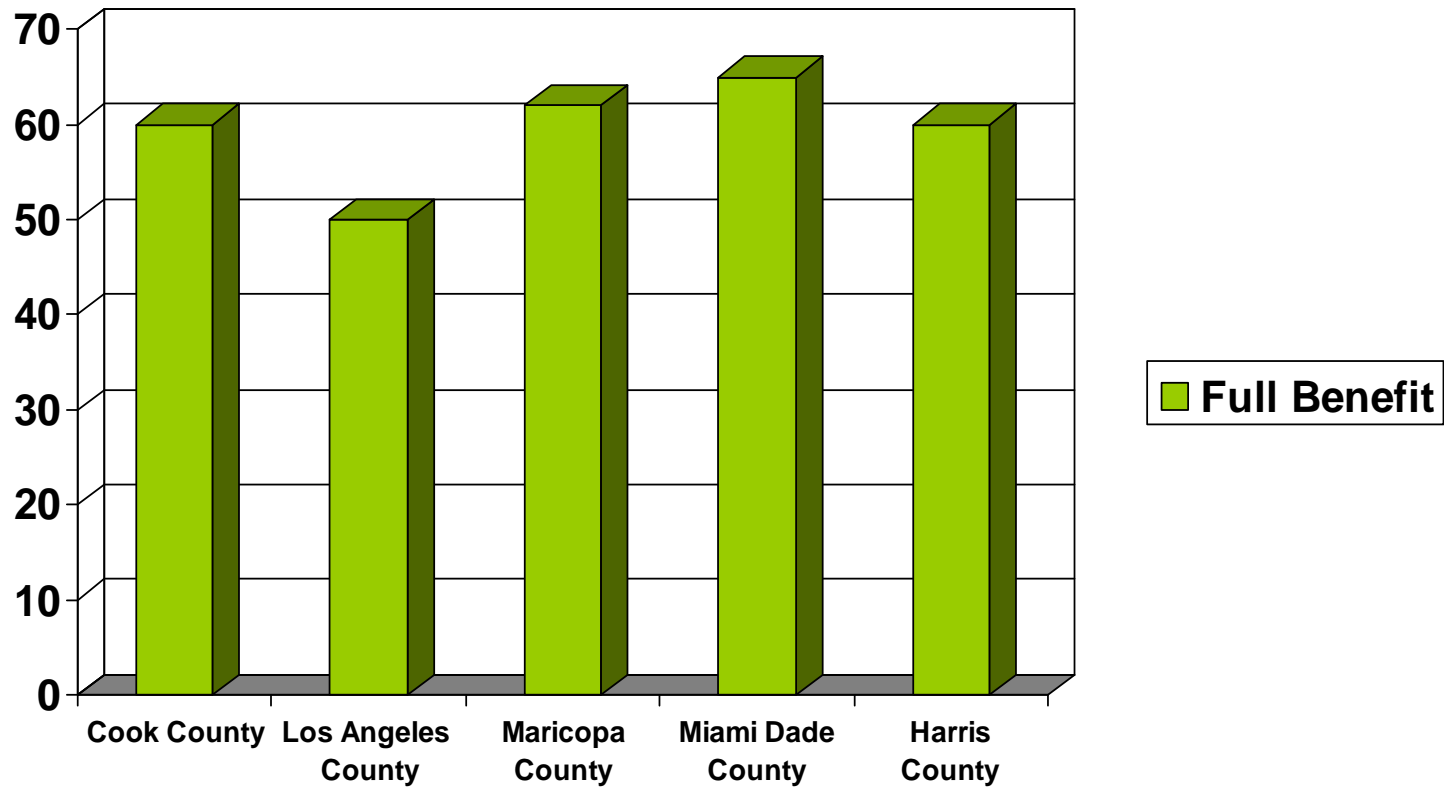


County Comparison

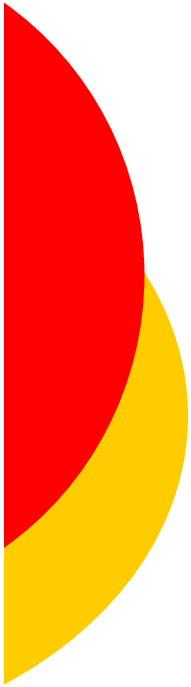
- The following charts outline a Comparison between the Cook County Pension Fund and the following Counties:
 - Los Angeles County CA
 - Maricopa County AZ, A member of the Arizona Retirement System
 - Miami Dade County FL, A member of the Florida Retirement System
 - Harris County TX, A member of the Texas County and District Retirement System
- Cook County and Los Angeles County do not participate in Social Security, the other funds do participate in Social Security



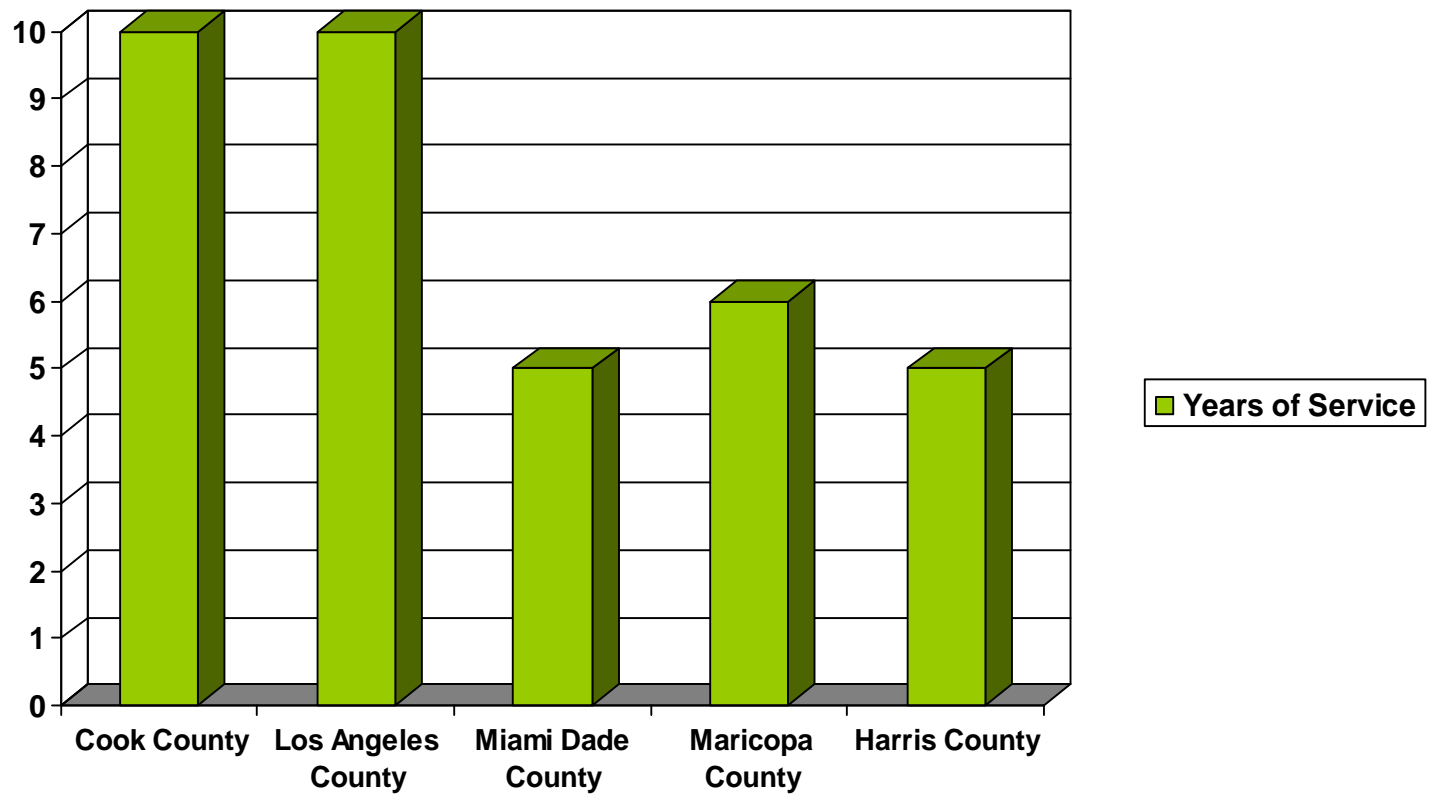
County Comparison Retirement Age



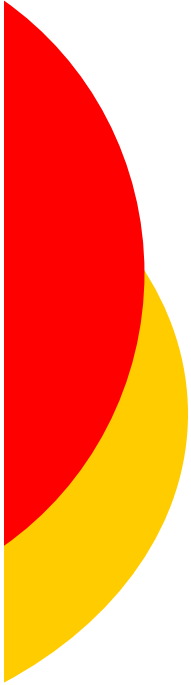
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County Comparison Vesting



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County Comparison Multiplier and Final Average Salary (FAS)

Multiplier

- Cook County: 2.4%
- Los Angeles County: Between 11.82% of FAS and 100% depending on years of service when retired
- Miami Dade County: 1.6%
- Maricopa County: 2.1% to 2.3% depending on years of service
- Harris County Texas: Not a DB plan

Final Average Salary

- Cook County: 48 Highest consecutive months in the last 10 years
- Los Angeles County: Highest Monthly average of any 12 consecutive months
- Miami Dade County: Average of five highest years of creditable service
- Maricopa County: Highest 36 months of last 10 years
- Harris County: Not applicable



County Comparison Healthcare

- Cook County: Retiree pays 45%, Fund pays 55% of premium
- Los Angeles County: Less than 10 years retiree pays 100%. After 10 years 4% is covered for every year up until 25 years, when 100% of the premium is covered.
- Miami Dade County: $\$5 \times \text{Total years of service} = \text{Monthly Subsidy}$. 30 years is the maximum allotment or \$150 dollar monthly subsidy. Allows retirees the option to purchase health insurance through current employee health plan.
- Maricopa County: A supplement is given to employees with more than 10 years of service
- Harris County: Does not offer retiree healthcare



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