



Plan Status Update

Legislative Commission on Pensions & Retirement

January 12, 2018



Financial Status Estimate 2017- 8.0% vs. 7.5% Assumption

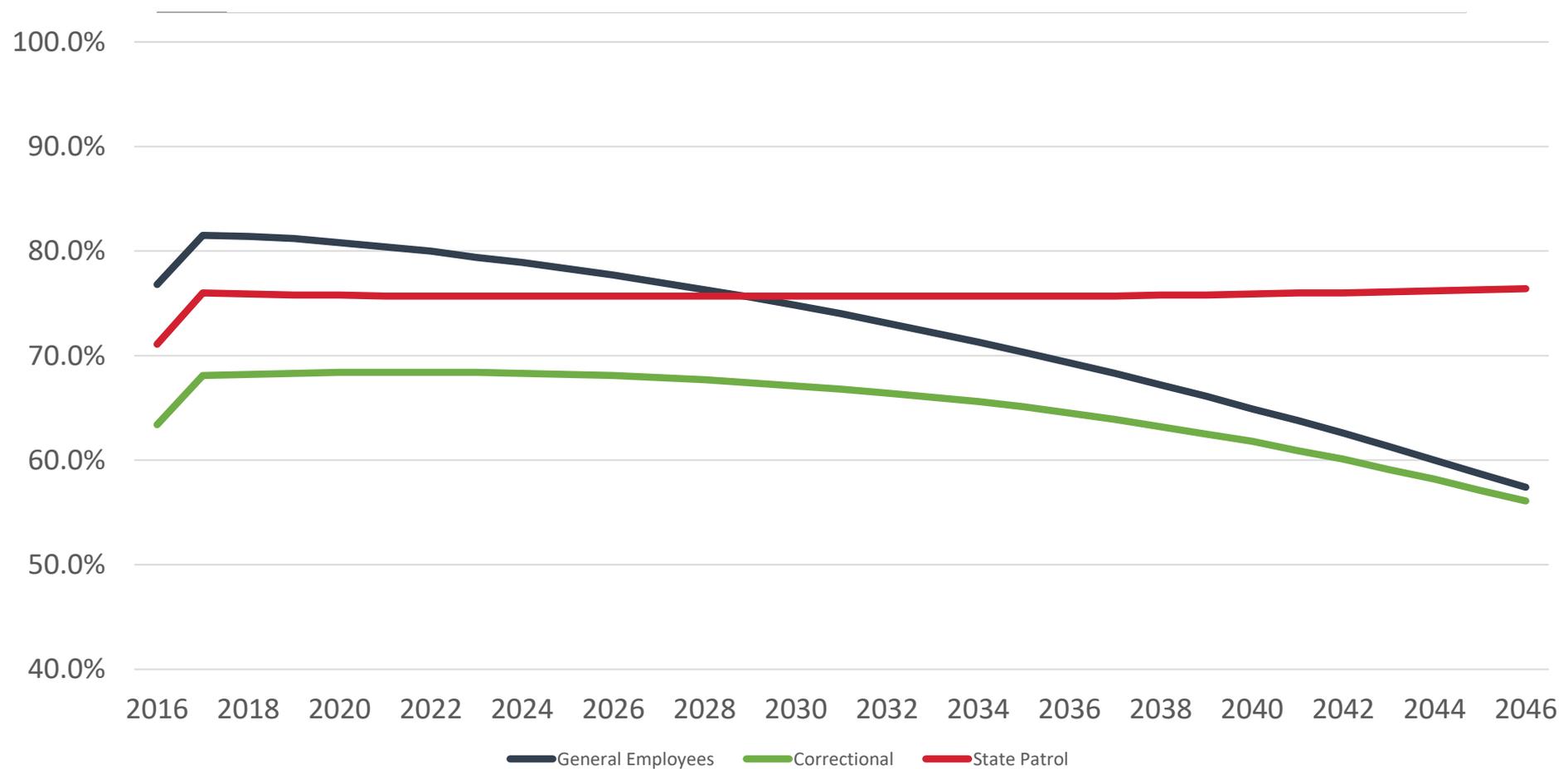
	General Plan		Correctional Plan		State Patrol Plan	
	8.0%	7.5%*	8.0%	7.5%*	8.0%	7.5%*
Total Assets (market value)	\$12.5 billion	\$12.5 billion	\$1,023.8 million	\$1,023.8 million	\$691.6 million	\$691.6 million
Unfunded Liability	\$2.0 billion	\$2.8 billion	\$390.6 million	\$479.1 million	\$189.2 million	\$212.9 million
Funded Ratio (market value)	86.0%	81.5%	72.4%	68.1%	78.5%	76.0%
Employee Contributions	5.5%		9.1%		14.4%	
Employer Contributions	5.5%		12.85%		21.6%	
Contribution Deficiency (market value)	(2.0%)	(4.3%)	(6.15%)	(9.9%)	(4.72%)	(7.2%)**
Contribution Deficiency (actuarial value)	(2.24%)	—	(6.45%)	—	(5.33%)	—
Cost to go to 7.5%	\$800 million 2.3% of pay		\$88.5 million 3.75% of pay		\$23.7 million 2.5% of pay	

* 7.5% numbers are estimated based on FY17 Results

**Includes \$1 million annual state contribution

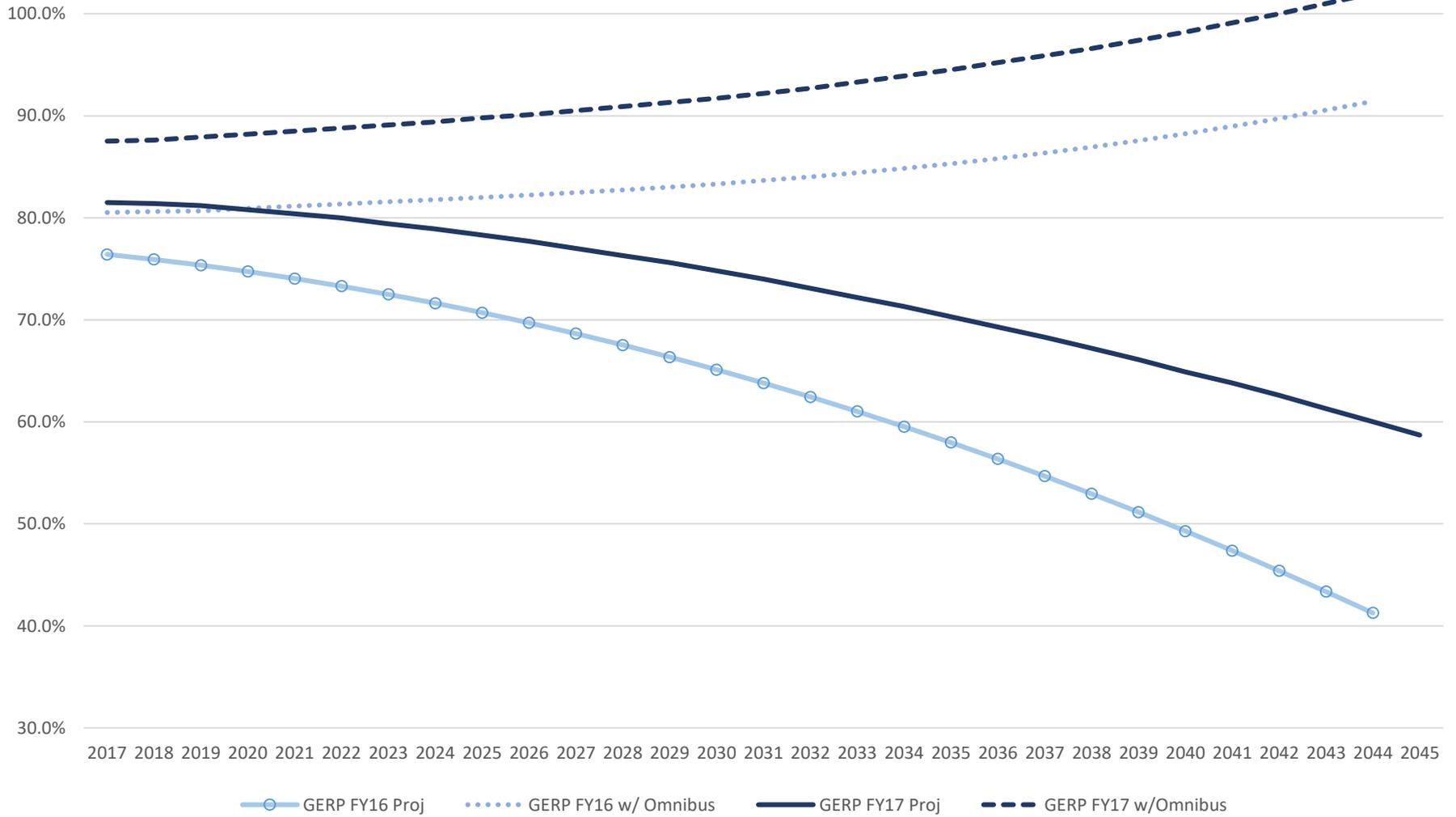
Plan Funding Projections

7.5% assumption after 15.1% return



General Plan – 2017 Omnibus Bill

2017 Omnibus Bill	Impact/Savings as % of Pay	Impact / Savings \$ (millions per year)
Re – amortize from 26 years to 30 years (2047)	0.4%	\$11.6 per year
Remove COLA Trigger	Minimal short term impact	
Reduce COLA to 1.0% for 5 years; 1.5% thereafter	2.3%	\$66.5
Phase in increase of EE contributions from 5.5% to 6.0% +0.25% YR 1 +0.25% YR 2	0.50%	\$14.4
Phase in increase of ER contributions from 5.5% to 6.25% +0.375% YR 1 +0.375% YR 2	0.75%	\$21.7
Eliminate Future Deferred Augmentation & Reduce Refund Interest Effective 12/31/2017	0.4%	\$5.7
Remove Deferred Augmentation from Early Retirement Factors & Delay COLA until FRA	0.4%	\$17.3



Correctional Plan – 2017 Omnibus Bill

2017 Omnibus Bill	Impact/Savings % of pay	Impact/Savings* \$ (millions per year)
Re-amortize from 22 years to 30 years (2047)	2.1%	\$5.4 million per year
Reduce COLA to 1.5% (immediately reduces liability by \$76 million)	3.0%	\$7.7
Removal of COLA triggers	Minimal Short Term Impact	
Increase employer contributions to 14.4%	1.55% (YR 1)	\$4.0
Increase employee contributions to 9.6%	0.5% (YR 1)	\$1.3
Add state additional contribution of 4.45% 1.45% YR 3 1.50% YR 4 1.50% YR 5	4.45%	\$11.5 after full phase-in
Eliminate Future Deferred Augmentation Effective 12/31/2017	< 0.1%**	

*Savings based on FY16 data

**Estimated based on General Plan analysis

State Patrol Plan – 2017 Omnibus Bill

2017 Omnibus Bill	Impact/Savings % of pay	Impact/Savings* \$ (millions per year)
Re-amortize from 22 years to 30 years (2047)	4.2%	\$3.0 million per year
Removal of triggers	Minimal Impact – short term	
YR 1- Contribution Increases Employer to 22.35% Employee to 14.9%	1.25% Total (0.75% ER) (0.5% EE)	\$0.9 Total (\$0.5 ER) (\$0.4 EE)
YR 2 - Contribution Increases Employer to 23.1% Employee to 15.4%	1.25% (0.75% ER) (0.5% EE)	\$0.9 Total (\$0.5 ER) (\$0.4 EE)
Add state additional contribution of 7% +1.75% YR 1 +1.25% YR 2 +2.00% YR 3 +2.00% YR 4	7.0%	\$5.1 after full phase-in
Eliminate Future Deferred Augmentation Effective 12/31/2017	~ 0.0%	

Projected Impact if 2017 Omnibus Bill had become law

Projected Funded
Ratio in 2047*

All Plans
exceed
100%
Funded

Contribution
Impact

Contribution
Sufficiency

Fewer Years of
Supplemental
Contributions for
Public Safety Plans

Total Reduction in
Benefits/Liabilities

More than
\$1.2 Billion

Impact of 2017 Session without Pension Bill

- COLA for General & Correctional Retirees
 - General Plan about \$7 million
(2% instead of 1%)
 - Correctional Plan \$900,000
(2% instead of 1.5%)
- Foregone revenue from contributions
 - 8.8 million from employees
 - 16.4 million from employer
- Contribution deficiencies remain for all plans
- Long-term projections flat or down

