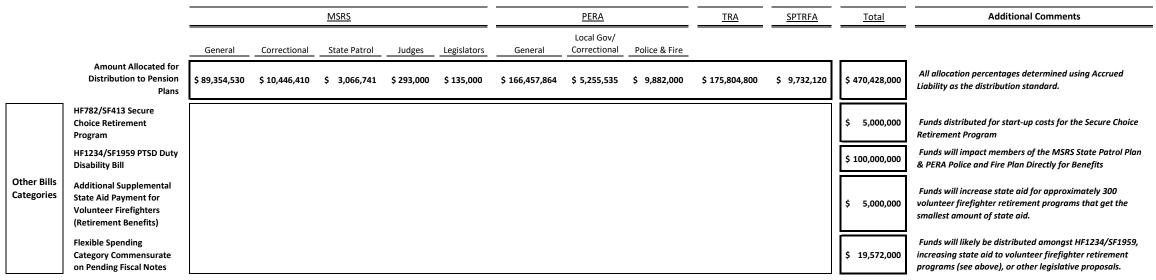
Draft 2023 Pensions Budget Omnibus Proposal, 3/25/2023

*All benefit increase estimates calculated using 7% Rate of Return Assumption and Amortization End Date of 2048.

| | | MSRS | | | | PERA | | | TRA | <u>SPTRFA</u> | Total | Additional Comments | |
|-----------------|---|---------------|---------------|---------------|------------|-------------|----------------|----------------------------|---------------|----------------|--------------|---------------------|---|
| | | General | Correctional | State Patrol | Judges | Legislators | General | Local Gov/ Correctional | Police & Fire | | | | |
| | Amount Allocated for Distribution to Pension Plans | \$ 89,354,530 | \$ 10,446,410 | \$ 3,066,741 | \$ 293,000 | \$ 135,000 | \$ 166,457,864 | \$ 5,255,535 | \$ 9,882,000 | \$ 175,804,800 | \$ 9,732,120 | \$ 470,428,000 | All allocation percentages determined using Accrued Liability as the distribution standard. |
| | Governor's Cost of Living Adjustment | \$ 15,085,000 | \$ 911,000 | \$ 1,003,000 | \$ 293,000 | \$ 135,000 | \$ 18,169,000 | | \$ 9,882,000 | \$ 30,758,000 | \$ 1,883,000 | \$ 78,119,000 | If there is a Social Security Tax or Basic Pension Tax decrease, those receiving the elimination would not receive a COLA increase and that money would be given to Direct State Aids for the impacted member's plan. |
| | Buydown of Employee Contributions 0.5% Buydown for 2 Years (FY24 & FY25) | \$ 34,300,000 | | | | | | | | | | \$ 34,300,000 | Benefits active members. |
| MSRS | One-Time Cash Infusion for State Patrol Plan | (\$7,936,259) | | \$ 10,000,000 | | | | | | | | \$ 10,000,000 | Requested lump sum payment to shore up State Patrol Plan Duty Disability incurred liabilities. |
| | \$10,000,000 for Duty Disability MSRS Increase of Direct State Aids | \$ 32,033,271 | \$ 9,535,410 | | | | | | | | | \$ 41,568,681 | Pays down general liabilities. |
| | One-Time Lump Sum Payment | | | | | | | | | | | | |
| PERA | PERA Increase of Direct State Aids | | | | | | \$ 148,288,864 | \$ 5,255,535 | | | | \$ 153,544,399 | Pays down general liabilities. |
| | One-Time Lump Sum Payment | | | | | | | | | | | | |
| | TRA & SPTRFA Scenario #1 | | | | | | | | | | | | |
| | Rule of 90 Adjustment Age 62 and 30 Year & NRA 65 | | | | | | | | | \$ 145,046,800 | \$ 7,849,120 | \$ 152,895,920 | Increases Employee Contribution Rate for Benefit Improvement Costs. 1.91% ongoing employee increase for TRA and a roughly commensurate ongoing employee increase for SPTRFA. Lump sum payments will be delivered to offset Employer/State Funding increases for year one. |
| TRA & SPTRFA | | | | | | | | | | | | | |
| | TRA & SPTRFA Scenario #2 | | | | | | | | | | | | |
| | Buy-Down of Employee Contributions | | | | | | | | | | | | Numbers assume a 3% expected payroll increase on 2023 |
| | 1.30% (TRA & SPTRFA) Buydown for 2 Years (FY24 & FY25) | | | | | | | | | \$ 145,046,800 | \$ 7,849,120 | \$ 152,895,920 | payroll of \$5.94 Billion (TRA) & \$304 Million (SPTRFA) . |
| | TRA & SPTRFA Scenario #3 | | | | | | | | | | | | |
| | Increase of Direct State Aids | | | | | | | | | \$ 145,046,800 | \$ 7,849,120 | \$ 152,895,920 | Pays down general liabilities. |
| | One-Time Lump Sum Payment | | | | | | | | | | | | |

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No Cost or Absorbable Cost, Fiscal-Related Benefit Improvements:

*Adjustment to 7% Rate-of-Return Assumption for All Pensions Plans

*Remove Delay in Start of COLAs Scheduled to Begin on January 1st, 2024 for All Pensions Plans *Extend Sunset Date by 2-3 Years for Supplemental Contributions to the MSRS Correctional Plan, State Patrol Plan, and Judges Plan

*Revise COLA for PERA Correctional Plan to Restore the 2.5% Cap if the Funded Status Improves *Reduce vesting from 5 years to 3 years to match the teacher plans for MSRS General Plan and PERA General Plan

*Reduce vesting from incremental 5 to 10 years to 3 year cliff like the teacher plans for MSRS Correctional Plan and PERA Correctional Plan