

Summary of Agreement on Group F COLA/New Members Package

For all Group F employees retiring after effective date of bill (7/1/08/):

- Full COLA on pension benefit; min. 1% - 5% max. – new COLA benefit kicks in the January following 5 years from effective date of bill;
- Employee contribution increase beginning on effective date of bill (7/1/08) will be:
 - 1.75% through FY 2019
 - 1.5% thereafter.
- Amortize unfunded liability created by group F full COLA over a 30 year period beginning July 1, 2008.

For all new Group F hires as of effective date of bill (7/1/08):

- Normal retirement date will be 87 (combination age and service) points or 65 years of age;
- Maximum pension benefit will be 60% of AFC using current multiplier;
- Revised early retirement penalty that rewards length of service as follows:

<u>Years of Service at Retirement</u>	<u>Monthly % reduction from NRD</u>
35+	1/8 th of 1%
30 – 34	1/4 th of 1%
25 – 29	1/3 rd of 1%
20 – 24	5/12 th of 1%
<20	5/9 th of 1%;

For all new hires in all Groups as of effective date of bill (7/1/08):

- Tiered retiree health care reimbursement, based on completed years of service:

5 – 9 yrs	Buy-in
10 -14 yrs	40% State pays
15 -20 yrs	60% State pays
20+	80% State pays;
- With twenty years of service, the ability to recapture (access) subsidized health insurance at 80% upon initiation of retirement benefits in a manner comparable to regular retirements even if employee terminated prior to their early retirement date.

For all existing and new retirees:

- Increase the retired state employee life insurance death benefit from \$5,000 to \$10,000.

