

This version (House version - Pages 1-2 of this document) is the most current. House version does not address some of the provisions addressed by the Senate (see Page 3, items 16-21, from the Senate's table).

Chairman White

H. 4967 Retirement Reform Bill

House Bill <i>as passed March 22, 2012</i>	Senate Amendment <i>as passed May 17, 2012</i>	House Amendment <i>as passed May 30, 2012</i>
Benefit Adjustment: Not be granted unless certain revenue triggers are met. Percentage not to exceed 2.5%. *7.5% rate of return must be met based on 5 year average	Benefit Adjustment: 1% of annual annuity up to a maximum of \$500. Effective July 1, 2012. Not tied to any triggers.	Benefit Adjustment: 7.5% rate of return must be met based on 5 year average beginning in 2014 not to exceed 2.0%. Guaranteed 1% for 2012 and 2013 for SCRS and PORS.
Retirement Age and Service: SCRS new employees must have 30 years of service to receive full benefits. PORS 25 years.	Retirement Age and Service: SCRS new employees apply Rule of 90. PORS new employees 27 years.	Retirement Age and Service: Amend to House version with effective date of July 1, 2012
AFC: Computed using 5 highest years rather than 3 highest years. Applies to new and current employees.	AFC: Computed using 5 highest years rather than 3 highest years for new employees. Current employees remain at 3 highest years.	AFC: Computed using 5 highest years rather than 3 highest years for new employees. Current employees remain at 3 highest years. Effective date of July 1, 2012
Leave: Sick leave (SL) will no longer be used to add additional service credit. Annual leave (AL) will no longer be added to the AFC. Applies to new and current employees.	Leave: Application of AL & SL changes to new employees only.	Leave: Application of AL & SL changes to new employees only. Effective date of July 1, 2012
Service Purchase: Require actuarially neutral service purchase. Applies to new and current employees.	Service Purchase: Require actuarially neutral service purchase. Applies to new and current employees.	Service Purchase: Same in both versions with effective date of January 1, 2013.
Employee Contribution Rates: Increase the employee contribution rate by 1%. Phase in over 2 years.	Employee Contribution Rates: Increase 1/2% for 3 years and then maintain differential established under PEBA. Differential=2.9% SCRS and 5.0% under PORS.	Employee Contribution Rates: Amend to House version with effective date of July 1, 2012.
Employer Contribution Rates: Increase the employer contribution rate by 1%. As adopted by the B&CB on November 3, 2011. Set the floor at 10.6%	Employer Contribution Rates: Modified PEBA	Employer Contribution Rates: Amend to House version with effective date of July 1, 2012.
Earnable Compensation: SCRS members will no longer be allowed to use overtime, unless mandated by the employer, and special pay as earnable compensation. Applies to new and current employees.	Earnable Compensation: SCRS members will no longer be allowed to use overtime, unless mandated by the employer, and special pay as earnable compensation. Applies to new and current employees.	Earnable Compensation: Same in both versions with effective date of January 1, 2013.

TERI: Closed to new employees.	TERI: Closed to new employees. Phase out for existing employees in a 5-4-3-2-1 format. TERI program terminated June 30, 2018.	TERI: Amend to House version with effective date of July 1, 2012.
Inactive Accounts: Interest will not accrue on inactive accounts.	Inactive Accounts: Interest will not accrue on inactive accounts.	Inactive Accounts: Same in both versions with effective date of July 1, 2012.
GARS: 1% contribution rate increase. Eliminate ability for newly elected serving Members of General Assembly to draw retirement benefits as well as salary during service.	GARS: 1% contribution rate increase. Closed to new Members. Newly elected members of General Assembly will be eligible for participation in SCRS/ORP. Task State OHR with contracting for a study of constitutional officer and legislator salaries.	GARS: Amend to House version with effective date of January 31, 2013.
Disability Retirement: No action	Disability Retirement: No action	Disability Retirement: To qualify for disability one must show proof of qualification for Social Security. Effective date of January 1, 2013. SCRS and PORS
Vesting: No action	Vesting: SCRS and PORS 8 years for new employees	Vesting: Amend to House version. No change in vesting years.
Return to Work: No action	Return to Work: SCRS & PORS: Limitation of \$10,000 per year with a 15 day break-in-service. This excludes an individual who retires at age 62 for SCRS and age 57 for PORS.	Return to Work: SCRS & PORS: Limitation of \$10,000 per year with a 60 day break-in-service. This excludes an individual who retires at age 62 for SCRS and age 57 for PORS and those who have "Returned to Work" prior to January 1. Effective date of January 1, 2013.
Public Employee Benefits Authority: No action	Public Employee Benefits Authority: Include language from H. 3066 conforming employee and employer rates to final agreement-maintaining differential of 2.9% for SCRS and 5.0% for PORS.	Public Employee Benefits Authority: Amend to House version.
Beneficiary Language: No action	Beneficiary Language: No action	Beneficiary Language: Amend to include survivor my elect to receive allowance for life in lieu of lump-sum payment with effective date of July 1, 2012.

Items addressed in Senate version but not addressed in House version.

Item	Current Statute	House Bill	SFC Recommendations
Additional components not included in House Bill:			
12	Disability Retirement - occupation/job specific		Do not include any changes to disability provisions.
13	Vesting - 5 years		SCRS and PORS - for new employees vesting will be 8 years.
14	Return to Work - No earnings limitation		SCRS & PORS - Limitation of \$10,000 per year with a 15 day break in service. This excludes an individual who retires at age 62 for SCRS and age 57 for PORS who would be subject to no limitation.
15	Public Employee Benefits Authority - currently B&C Bd		Include language from H3066 conforming employee and employer rates to final agreement - maintaining differential of 2.9% for SCRS and 5.0% for PORS. (The differentials include the Incidental Death Benefit Increment)
16	RSIC		Include language from H3066 amendment - excluding any changes related to the Treasurer
17	Severability Clause		Add Severability Clause and Section 1 of Findings
18	Spiking		Direct SCRS to study and issue report
19	Magistrates		1) RTW conditions do not apply if individual elected by citizens or appointment is confirmed by the Senate. 2) Include educational qualifications language to grandfather
20	EMS Workers		Transition from SCRS to PORS Needs further study
21	Intercept Language - Member Entities not remitting contributions		Additional language/authority needed above current statute Not necessary - per SCRS