



Effect of SB 1049 on Career Employee Retirement Packages

Note: PERS Target at 30 years = 50% of Final Average Salary (FAS) before Social Security

CURRENT

	Pension % of FAS*	IAP % of FAS	Total before Social Security % of FAS	Soc Sec % of FAS**	Total with Social Security % of FAS
Tier 1/2 <i>Assumes 5 yrs before IAP, 25 yrs w/IAP @ 6%</i>	53%	13%	66%	25%	91%
OPSRP Current <i>Assumes 30 years w/IAP @ 6%</i>	45%	14%	59%	25%	84%
OPSRP New Hires <i>Assumes 30 years w/IAP @ 6%</i>	45%	14%	59%	25%	84%

PROPOSED UNDER SB 1049

For employees >\$30,000 and <\$195,000/year

	Pension % of FAS	IAP % of FAS	Total before Social Security % of FAS	Soc Sec % of FAS	Total with Social Security % of FAS
Tier 1/2 <i>Assumes 5 yrs before IAP, 15 yrs w/IAP @ 6.0% and 10 years w/IAP @ 3.5%</i>	53%	11%	64%	25%	89%
OPSRP Current <i>Assumes 15 yrs w/IAP @ 6% and 15 yrs w/IAP @ 5.25%</i>	45%	13%	58%	25%	83%
OPSRP New Hires <i>Assumes 30 yrs w/IAP @ 5.25%</i>	45%	12%	57%	25%	82%

*Pension = % of FAS (highest three years), but note that Tier 1/2 may increase FAS with unused sick leave & vacation
53% was average FAS benefit for 30-year Tier 1/2 employees in 2017

**Social Security benefits range from 20% to 40%, with the higher amounts awarded to those with lower incomes