

## HPA Straw Proposal: STRS Pension Benefit Changes

**Retirement Eligibility :** Phase in change in retirement eligibility from 30 years of service to 35 years of service according to the following schedule:

30 YOS until 8/1/15

31 YOS 8/15 through 7/31/17

32 YOS 8/17 through 7/31/19

33 YOS 8/19 through 7/31/21

34 YOS 8/21 through 7/31/23

35 YOS 8/23 and beyond

Allow early retirement at 30 YOS at any age, subject to an actuarially reduced benefit.

**COLA:** No tiering of COLA benefit. Beginning in 2011, current retirees receive 2% annual COLA. New retirees receive 2% COLA—deferred for 36 months and must be at least 60 years old.

**FAS:** Write legislation to grant the STRS Board authority to determine basis for final average salary (three, four or five years) based on the funding status of the system.

**Contributions:** No change to STRS proposal.

**Benefit Formula:** No change to STRS proposal.

**Health Care Contribution:** Set contribution to health care at no less than 1% of payroll.

If possible, calculate the solvency period of the health care plan assuming the changes in eligibility and 1% contribution. Also, calculate the contribution necessary to have a ten-year solvency period for health care.