

		<b>H.4967 Free Conference Report</b> <i>Adopted June 21, 2012</i>														
<b>1</b>	<b>Retirement Allowance Adjustment</b>	SCRS & PORS Retirement Allowance Adjustment = 1% of annual annuity up to a maximum of \$500. Effective July 1, 2012. Annual Adjustment														
<b>2</b>	<b>Retirement Age and Service with Full Benefits</b>	SCRS No change for current employees. New employees apply Rule of 90. PORS No change for current employees. New employees eligible with 27 years. Effective July 1, 2012 Class Three members														
<b>3</b>	<b>Average Final Compensation (AFC)</b>	SCRS & PORS - Application of 5 year averaging to new employees only. Effective July 1, 2012 Class Three members														
<b>4</b>	<b>Annual and Sick Leave</b>	SCRS & PORS Sick leave no longer added for additional service credit and payments for unused annual leave no longer added to the AFC. Applies to new employees only. Effective July 1, 2012 Class Three members														
<b>5</b>	<b>Service purchase</b>	Require actuarially neutral service purchase. Applies to new and current employees. Effective January 2, 2013														
<b>6</b>	<b>Employee contribution rates</b>	<p style="text-align: center;">SCRS &amp; PORS</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Fiscal Year</th> <th style="text-align: left;">Employee</th> </tr> </thead> <tbody> <tr> <td>2012-13</td> <td>7.0</td> </tr> <tr> <td>2013-14</td> <td>7.5</td> </tr> <tr> <td>2014-15 and after</td> <td>8.0</td> </tr> </tbody> </table> <p>Employee rate increase 1/2% for three years beginning July 1, 2012 and then maintain differential established under PEBA. Differential = 2.9% SCRS and 5.0% under PORS. (The differential includes the Incidental Death Benefit)</p>	Fiscal Year	Employee	2012-13	7.0	2013-14	7.5	2014-15 and after	8.0						
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<b>8</b>	<b>Earnable compensation</b>	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 for work performed after December 31, 2012.														
<b>9</b>	<b>TERI</b>	TERI program will be terminated June 30, 2018. Phase out for existing employees in a 5-4-3-2-1 format.														
<b>10</b>	<b>Inactive Accounts</b>	Interest will not accrue on inactive accounts. Effective July 1, 2012														
<b>11</b>	<b>GARS Retirement Benefits and Salary</b>	Additional 1% increase in member contribution rate. GARS is closed to new members (individuals first elected to serve in the General Assembly at or after the November 2012). Newly elected members of the General Assembly will be eligible for participation in SCRS/ORP. Require State OHR to contract for a study of constitutional officer and legislator salaries.														
<b>12</b>	<b>Disability Retirement</b>	Requires determination of disability by Social Security Administration to be eligible for SCRS or PORS disability. Delayed implementation - applications for disability received after December 31, 2013. SCRS to conduct a study on revisions to eligibility for disability and provide report to SFC & W&M by December 1, 2012. Chairmen of SFC and W&M to appoint a joint committee to consider the report and make recommendations.														
<b>13</b>	<b>Vesting</b>	SCRS and PORS - for new employees vesting will be 8 years. Class Three effective July 1, 2012														

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<b>14</b>	<b>Return to Work (RTW)</b>	SCRS & PORS = Limitation of \$10,000 per year with 30 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. <i>(this is an irrevocable election)</i> RTW conditions do not apply if individual elected by citizens, General Assembly, or appointment is confirmed by the Senate. Effective January 2, 2013
<b>15</b>	<b>Public Employee Benefits Authority (PEBA)</b>	PEBA 11 members; 4 must be sector representatives; all members serve at-will; B&C Bd or successor agency up/down vote of policy determinations. Co-trustees PEBA and the B&C Board (or successor agency). PEBA consists of the Employee Insurance Program and the Retirement Division.
<b>16</b>	<b>Death Benefit</b>	Clarifies if member dies prior to retirement, but was eligible to retire at the time of death, the member's beneficiary may elect a retirement allowance in lieu of lump-sum return of contributions.
<b>17</b>	<b>Retirement Systems Investment Commission</b>	Increase membership from 6 to 7 (adds the PEBA director with no voting rights). Allows the retired member to have voting rights. Strengthen qualifications of members. Directs Inspector General to conduct fiduciary audit by private audit firm.
<b>18</b>	<b>Spiking</b>	Direct PEBA to study the impact of costs to SCRS and PORS of compensation spiking on the calculation of average final compensation. Report to be complete by April 15, 2013.
<b>19</b>	<b>Magistrates</b>	Grandfather provision for educational qualifications.

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