

Act 5 Quick Reference Charts on Rates and Class Changes

Membership Classes

Class	Rules for Eligibility
Class T-C (Act 1975-96)	Members who first qualified for membership prior to July 1, 2001, and did not elect to convert to Class T-D via the provisions of Act 2001-9 and who have not returned after a break in service.
Class T-D (Act 2001-9)	Members who first qualified for membership prior to July 1, 2001 and elected to convert from Class T-C to Class T-D via the provisions of Act 2001-9. Members who first qualified for membership between July 1, 2001 and June 30, 2011, or returned on or after July 1, 2001, after a break service.
Class T-E (Act 2010-120)	Members who first qualified for membership on or after July 1, 2011, and did not elect to convert to Class T-F via the provisions of Act 2010-120.
Class T-F (Act 2010-120)	Members who first qualified for membership on or after July 1, 2011, and elected to convert from Class T-E to Class T-F via the provisions of Act 2010-120.
Class T-G (Act 2017-5)	Members who first qualify for membership on or after July 1, 2019, and do not elect to convert to Class T-H or Class DC via the provisions of Act 2017-05.
Class T-H (Act 2017-5)	Members who first qualify for membership on or after July 1, 2019, and elect to convert to Class T-H via the provisions of Act 2017-05.
Class DC (Act 2017-5)	Members who first qualify for membership on or after July 1, 2019, and elect to convert to Class DC via the provisions of Act 2017-05.

Member Contribution Rates

Membership Class	Continuous Employment	DB Rate	Shared Risk/Gain
T-C	Prior to July 22, 1983	5.25%	No
T-C	On or after July 22, 1983	6.25%	No
T-D	Prior to July 22, 1983	6.50%	No
T-D	On or after July 22, 1983	7.50%	No
T-E	On or after July 1, 2011	7.50%	0.5% increments: Not less than 5.5%, nor more than 9.5%
T-F	On or after July 1, 2011 (elected)	10.30%	0.5% increments: Not less than 8.3%, nor more than 12.3%
T-G	On or after July 1, 2019	5.5%	0.75% increments: Not less than 2.5%, nor more than 8.5%
T-H	On or after July 1, 2019 (elected)	4.5%	0.75% increments: Not less than 1.5%, nor more than 7.5%
DC	On or after July 1, 2019 (elected)	0%	No

Contribution Rate Snapshot

	Employer Contribution to DB	Member Contribution to DC	Member Contribution to DB	Total Member Contribution	Employer Contribution to DC	Total Current Member & Employer DC Contribution*
Class T-G (default)	34.29% <i>less</i> employer contribution already paid to DC	2.75%	+ 5.50%	= 8.25%	+ 2.25%	= 10.50%
Class T-H (elective)	34.29% <i>less</i> employer contribution already paid to DC	3.00%	+ 4.50%	= 7.50%	+ 2.00%	= 9.50%
DC Only (elective)	34.29% <i>less</i> employer contribution already paid to DC	7.50%	+ 0.00%	= 7.50%	+ 2.00%	= 9.50%

- The actual employer contribution rate will be blended so it is the same per member/participant, regardless of their Membership Class, and it is applied across total payroll.
- Member contribution rates (DB) can fluctuate due to shared risk/shared gain.

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Here's a cheat sheet of the contribution rates. Member contribution rates are highlighted in yellow for each of the different classes. You can see that Class T-G has the highest rates with 8.25% member contributions and 2.25% employer contributions.

The DC member and DC employer contributions on the chart will be paid at the time of DC File submission, which are per pay cycle for your school. These payments will be reported to PSERS and you will see this as a credit toward your overall employer contribution due at the end of each quarter.

We are a cost sharing plan so PSERS uses a blended employer contribution rate to fund current benefits, unfunded liability and the DC plan. Rates set by actuary. The rate will be blended and based on % of total payroll. It doesn't matter if you have all Class T-D members or Class DC members, you will be paying the same contribution rate.

Superannuation Eligibility and Calculation

Class	Eligibility	Amount
T-C	<ul style="list-style-type: none"> Age 62, or Age 60 with 30 years of service, or 35 years of service regardless of age. 	2% of final average salary times total years of service.
T-D	<ul style="list-style-type: none"> Same as Class T-C. 	2.5% of final average salary times years of school service and intervening military service, plus 2% of final average salary for non-school service.
T-E	<ul style="list-style-type: none"> Age 65 with a minimum of three years of service credit, or Any combination of age and service that totals 92 with at least 35 years of credited service. 	Same as Class T-C, but limited to 100% of final average salary.
T-F	<ul style="list-style-type: none"> Same as Class T-E. 	2.5% of final average salary times total years of service, limited to 100% of final average salary.
T-G	<ul style="list-style-type: none"> Age 67 with a minimum of three years of service credit, or <u>Any combination of age and service that totals 97 with at least 35 years of credited service.</u> 	<u>1.25%</u> of final average salary times total years of service.
T-H	<ul style="list-style-type: none"> Age 67 with a minimum of three years of service credit. 	<u>1.00%</u> of final average salary times total years of service.

Early Retirement Penalty

Class	Eligibility	Amount
T-C	5 years of service.	The superannuation annuity is reduced by an early retirement factor so that the "present value" of the account is actuarially equivalent. The reduction correlates to how far away the member is from superannuation age. In effect, the member receives less each month since the benefit will be received over a longer period of time.
T-D	Same as Class T-C.	Same as above.
T-E	10 years of service.	Same as above.
T-F	Same as Class T-E.	Same as above.
T-G	Same as Class T-E.	(1) One factor for a benefit received between age 62-67; and (2) A second factor for a benefit received prior to age 62.
T-H	Same as Class T-E.	Same as Class T-G.

Special Early Retirement

Class	Eligibility	Amount
T-C	Age 55 with 25 years of service.	Early retirement factor is limited to ¼% per month from superannuation age. This is less than what the true, actuarially equivalent reduction factor would be.
T-D	Same as Class T-C.	Same as Class T-C.
T-E	Same as Class T-C.	Same as Class T-C, but since superannuation age is further away for Class T-E and Class T-F members, the value of this benefit is not as great as is it for Class T-C and Class T-D members.
T-F	Same as Class T-C.	Same as Class T-E.
T-G	Age 57 with 25 years of service.	Same as Class <u>T-E</u> .
T-H	Same as Class <u>T-C</u>	Same as Class <u>T-E</u> .

Disability Annuity

Class	Eligibility	Amount
T-C	5 years of service and medical eligibility.	The PSERS disability retirement benefit calculation and the factors used in the calculation provide the member with at least one-third of the salary he was receiving while an active employee.
T-D	Same as Class T-C.	The PSERS disability retirement benefit calculation and the factors used in the calculation provide the member with at least 40% of the salary he was receiving while an active employee.
T-E	Same as Class T-C.	Same as Class T-C.
T-F	Same as Class T-C.	Same as Class T-D.
T-G	Same as Class T-C.	2% times FAS times years of service not to be less than \$100 per full year of service.
T-H	Same as Class T-C.	Same as Class T-G.