

Retirement Board

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Memorandum

To: Retirement Liaison Officers

From: Cheryl Price, Operations Officer

Date: May 15, 2019

Re: New Purchase of Service Rates effective July 1, 2019

If you have five years of creditable service, you may purchase up to five years of additional service credit. You must pay the full actuarial cost associated with your age and average compensation at the time of purchase. The cost to purchase service is calculated using the purchase percentage corresponding to the age and average compensation of the member at time of purchase. The cost of purchase varies by the age of each public employee. Rates are also different depending on your hire date.

The cost for active PERS members to buy retirement service credit is changing on July 1, 2019, and public employees need to be aware of the new rate structure. New tables from the Public Employees' Retirement System show the cost for purchase of service increasing in some cases and declining in others depending on age and other factors. Public employees who are considering the purchase of up to five years of service credit should review the current rates and the new rates taking effect July 1 to decide an appropriate course of action.

Tables showing the details of the current rates, along with the new rates starting July 1, 2019, can be found in the attachment.

Members must pay the full actuarial cost of service as determined by an actuary of the System other than purchases pursuant to Policy 6.5. The cost to purchase service is calculated using the purchase percentage corresponding to the age and average compensation of the member at time of purchase. The actuarially developed purchase percentages for regular members are as follows:

Members Hired Prior to 1/1/2010:

<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>
30	16.9	47	29.5	64	31.8
31	17.5	48	30.5	65	31.0
32	18.1	49	31.5	66	30.1
33	18.7	50	32.6	67	29.3
34	19.3	51	33.7	68	28.4
35	19.9	52	34.9	69	27.6
36	20.6	53	36.0	70	26.7
37	21.3	54	37.3	71	25.8
38	22.0	55	38.6	72	24.9
39	22.7	56	37.9	73	24.1
40	23.4	57	37.2	74	23.2
41	24.2	58	36.5	75	22.3
42	<u>25.0</u>	59	35.7	76	21.4
43	25.9	60	35.0	77	20.5
44	26.7	61	34.2	78	19.6
45	27.6	62	33.4	79	18.7
46	28.5	63	32.6	80	17.8

Effective until June 30, 2019.

Members Hired Prior to 1/1/2010:

<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>
30	19.7	47	33.6	64	32.0
31	20.3	48	34.7	65	31.3
32	21.0	49	35.8	66	30.6
33	21.6	50	37.0	67	29.8
34	22.3	51	38.2	68	29.1
35	23.0	52	39.4	69	28.3
36	23.8	53	40.7	70	27.5
37	24.5	54	42.1	71	26.7
38	25.3	55	43.5	72	25.9
39	26.1	56	43.3	73	25.0
40	26.9	57	43.1	74	24.2
41	27.8	58	43.0	75	23.3
42	28.7	59	42.8	76	22.5
43	29.6	60	34.7	77	21.6
44	30.5	61	34.0	78	20.8

45	31.5	62	33.4	79	19.9
46	32.5	63	32.7	80	19.0

Effective July 1, 2019.

Members Hired On or After 1/1/2010:

<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>
30	15.9	47	27.6	64	29.8
31	16.4	48	28.6	65	29.0
32	16.9	49	29.5	66	28.2
33	17.5	50	30.5	67	27.4
34	18.1	51	31.6	68	26.6
35	18.6	52	32.6	69	25.8
36	19.3	53	33.8	70	25.0
37	19.9	54	34.9	71	24.2
38	20.6	55	36.1	72	23.4
39	21.2	56	35.5	73	22.5
40	21.9	57	34.8	74	21.7
41	22.7	58	34.1	75	20.8
42	23.4	59	33.4	76	20.0
43	24.2	60	32.7	77	19.2
44	25.0	61	32.0	78	18.3
45	25.9	62	31.3	79	17.5
46	26.7	63	30.5	80	16.7

Effective until June 30, 2019.

Members Hired Between 1/1/2010 and 6/30/2015:

<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>
30	18.4	47	31.5	64	30.0
31	19.0	48	32.5	65	29.3
32	19.7	49	33.5	66	28.7
33	20.2	50	34.6	67	27.9
34	20.9	51	35.8	68	27.2
35	21.5	52	36.9	69	26.5
36	22.3	53	38.1	70	25.7
37	22.9	54	39.4	71	25.0
38	23.7	55	40.7	72	24.3
39	24.4	56	40.5	73	23.4
40	25.2	57	40.4	74	22.7
41	26.0	58	40.3	75	21.8
42	26.9	59	40.1	76	21.1
43	27.7	60	32.5	77	20.2
44	28.6	61	31.8	78	19.5
45	29.5	62	31.3	79	18.6
46	30.4	63	30.6	80	17.8

Effective July 1, 2019.

Members Hired On or After 7/1/2015:

<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>
30	14.4	47	24.4	64	27.0
31	14.8	48	25.2	65	26.4
32	15.3	49	26.1	66	25.8
33	15.8	50	26.9	67	25.1
34	16.3	51	27.8	68	24.5
35	16.8	52	28.7	69	23.8
36	17.3	53	29.7	70	23.2
37	17.9	54	30.6	71	22.5
38	18.4	55	31.7	72	21.8
39	19.0	56	31.2	73	21.1
40	19.6	57	30.7	74	20.4
41	20.2	58	30.2	75	19.7
42	20.9	59	29.7	76	19.0
43	21.5	60	29.2	77	18.2
44	22.2	61	28.7	78	17.5
45	22.9	62	28.1	79	16.8
46	23.7	63	27.6	80	16.0

Effective July 1, 2019.

These percentages apply even if service is purchased at time of retirement. Any and all service credit purchased after January 1, 2010, may only be credited to the tier in which it was purchased.

- 286.300 11.23 The member must pay the full actuarial cost to purchase service as determined by an actuary of the System. The cost to purchase service is calculated using the purchase percentage corresponding to the age and average compensation of the member at time of purchase. The actuarially developed purchase percentages for **police/fire members** are as follows:

Members Hired Prior to 1/1/2010:

<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>
30	24.5	47	38.9	64	33.0
31	25.2	48	40.0	65	32.2
32	25.8	49	41.2	66	31.3
33	26.5	50	42.4	67	30.5
34	27.3	51	41.8	68	29.7
35	28.0	52	41.3	69	28.8
36	28.8	53	40.7	70	28.0
37	29.6	54	40.1	71	27.1
38	30.4	55	39.4	72	26.2
39	31.2	56	38.8	73	25.3
40	32.1	57	38.1	74	24.4
41	32.9	58	37.4	75	23.4
42	33.9	59	36.7	76	22.5

43	34.8	60	36.0	77	21.6
44	35.8	61	35.3	78	20.7
45	36.8	62	34.5	79	19.8
46	37.8	63	33.7	80	18.9

Effective until June 30, 2019.

Members Hired Prior to 1/1/2010:

<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>
30	32.2	47	52.4	64	34.0
31	33.1	48	53.9	65	33.3
32	34.1	49	55.5	66	32.6
33	35.1	50	57.2	67	31.9
34	36.1	51	56.8	68	31.1
35	37.1	52	56.5	69	30.4
36	38.2	53	56.1	70	29.6
37	39.3	54	55.7	71	28.8
38	40.4	55	39.2	72	28.0
39	41.6	56	38.7	73	27.2
40	42.8	57	38.2	74	26.4
41	44.0	58	37.6	75	25.5
42	45.3	59	37.1	76	24.7
43	46.6	60	36.5	77	23.8
44	48.0	61	35.9	78	22.9
45	49.4	62	35.3	79	22.0
46	50.9	63	34.6	80	21.1

Effective July 1, 2019.

Members Hired On or After 1/1/2010:

<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>
30	22.9	47	36.4	64	30.9
31	23.6	48	37.5	65	30.1
32	24.2	49	38.6	66	29.4
33	24.8	50	39.7	67	28.6
34	25.5	51	39.2	68	27.8
35	26.2	52	38.6	69	27.0
36	26.9	53	38.1	70	26.2
37	27.7	54	37.5	71	25.4
38	28.4	55	36.9	72	24.5
39	29.2	56	36.3	73	23.7
40	30.0	57	35.7	74	22.8
41	30.9	58	35.0	75	22.0
42	31.7	59	34.4	76	21.1
43	32.6	60	33.7	77	20.2
44	33.5	61	33.0	78	19.4

45	34.4	62	32.3	79	18.5
46	35.4	63	31.6	80	17.7

Effective until June 30, 2019.

Members Hired Between 1/1/2010 and 6/30/2015:

<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>
30	30.1	47	49.1	64	31.8
31	31.0	48	50.5	65	31.2
32	31.9	49	52.0	66	30.5
33	32.9	50	53.6	67	29.9
34	33.8	51	53.2	68	29.1
35	34.7	52	52.9	69	28.5
36	35.8	53	52.5	70	27.7
37	36.8	54	52.2	71	27.0
38	37.8	55	36.7	72	26.2
39	39.0	56	36.2	73	25.5
40	40.1	57	35.8	74	24.7
41	41.2	58	35.2	75	23.9
42	42.4	59	34.7	76	23.1
43	43.6	60	34.2	77	22.3
44	44.9	61	33.6	78	21.4
45	46.3	62	33.1	79	20.6
46	47.7	63	32.4	80	19.8

Effective July 1, 2019.

Members Hired On or After 7/1/2015:

<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>
30	21.9	47	35.6	64	31.8
31	22.5	48	36.7	65	31.2
32	23.2	49	37.8	66	30.5
33	23.9	50	38.9	67	29.9
34	24.5	51	38.5	68	29.1
35	25.3	52	38.1	69	28.5
36	26.0	53	37.6	70	27.7
37	26.7	54	37.2	71	27.0
38	27.5	55	36.7	72	26.2
39	28.3	56	36.2	73	25.5
40	29.1	57	35.8	74	24.7
41	30.0	58	35.2	75	23.9
42	30.8	59	34.7	76	23.1
43	31.7	60	34.2	77	22.3
44	32.7	61	33.6	78	21.4
45	33.6	62	33.1	79	20.6
46	34.6	63	32.4	80	19.8

Effective July 1, 2019.

These percentages apply even if service is purchased at time of retirement. Any and all service credit purchased after January 1, 2010, may only be credited to the tier in which it was purchased.