

Key Elements of State Hybrid Retirement Plans

National Association of State Retirement Administrators



	Georgia ERS	Indiana PERF and TRF	Michigan PSRS	Ohio PERS	Ohio STRS	Oregon PERS	Washington DRS	Utah RS
Applicable Groups	Mandatory for all new members 1/1/09 and after. Current membership may opt-in any time. Participants may opt out of the DC plan.	Mandatory for all participants	Mandatory for all new hires after 7/1/2010	Optional for new hires and non-vested workers since 2002	Optional for new hires and non-vested workers since 2001	Mandatory for new hires since August 2003	Optional	New hires as of 7/1/11 can choose hybrid or DC plan
Normal retirement age/yrs of service	60/10; any/30; early (reduced) any/25; certain law enforcement 55/10	65/10, 60/15, Rule of 85 at age 55	60/10	60/5, 55/25, any/30	60/5	65/any, 58/30; 60/any, 53/25 for public safety	65/5	65/4; 60/20; 62/10; any/35; any/25 for public safety
DB plan multiplier	1.00%	1.10%	1.50%	1.0%; 1.5% for years in excess of 30	1.00%	1.5%; 1.8% for public safety	1.00%	1.5%; 2.0% for public safety
Employer funds DB plan benefit?	Employee contributes 1.25%; employer funds remainder	Yes for PERF and new TRF hires since '96; no for pre-'96 TRF hires	Yes	Employer contributes to DB, D&D and retiree health care. 5-yr vesting period for ER contributions	Yes	Yes	Yes	Up to 10%; 12% for public safety, plus 5% to amortize the DB plan unfunded liability
Social security?	Yes	Yes	Yes	No	No	Yes	Yes	Both
Employer contributes to DC plan	100% match on employees' 1st 1% of salary; 50% match on next 4% of salary	Employers may elect to make EE contributions, which vest immediately. The State makes contributions for its employees.	50% match up to 2% of salary	ER contributions are divided among DB, DC, D&D and retiree health care. Five-year vesting period for ER contributions	ER contributions are divided among DB portion, DB UAAL, and retiree health care. 5-year vesting period for ER contributions	Employers may elect to make employees' contribution	No	Up to 10% (12% for public safety), less the amount contributed to the DB plan, plus 5% to amortize the DB plan unfunded liability

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Employee DC plan contribution	Minimum 1.0%	3.00%	2% auto enrollment	10.0% minus 0.1% admin fee	10.00%	6.00%	5% to 15%, depending on EE	Non-contributory
DC plan investment options	13 options ranging from conservative to aggressive, plus 5 lifecycle funds.	Seven options administered by the fund, ranging from conservative to aggressive, and 10 target date funds.	Three investment options	Six OPERS-sponsored options ranging from conservative to aggressive.	Eight STRSOH-sponsored options ranging from conservative to aggressive and a guaranteed return option	All DC plan contributions are invested in the DB plan fund	Either the Total Allocation Portfolio, which mirrors DB plan fund, or 10 self-directed funds ranging from conservative to aggressive plus balanced funds	Eleven investment options
Default DC plan investment options	Lifecycle funds based on age.	The Guaranteed Fund, which earns a rate established annually by the Board. The current rate for the Guaranteed Fund is 6.0%.	SSgA Target Retirement Fund that matches the year the participant will be eligible to retire	Target date fund closest to the year the participant will turn 65	Money market fund	DB plan fund	Total Allocation Portfolio, which mirrors the DB plan fund	Medium Horizon Fund generally balanced between stocks and bonds

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DC plan withdrawal options	Rollover, annuity, lump-sum, partial lump-sum, installments	Annuity, rollover, partial lump sum and annuity, deferral until age 70 ½	Lump sum, consolidation from other plans, direct rollover to an IRA, periodic distribution	Annuity, including PLOP; partial distributions; payments for a guaranteed period; monthly payments of a designated amount; deferral until age 70½	Annuity, including PLOP; lump sum and rollover	Lump-sum payment or in equal installments over a 5, 10, 15, or 20-year period.	DB plan fund: lump sum, direct rollover, scheduled payments and a personalized payment schedule. Self-Directed: same as DB plan fund, plus annuity purchase	After four-year vesting period: lump sum, partial balance, periodic distribution, direct rollover, direct rollover to an IRA
Info online	www.ersga.org	www.in.gov/perf and www.in.gov/trf	https://stateofmi.in.gplans.com/portal/welcome.do	www.opers.org	www.strsoh.org	oregon.gov/PERS (Click on OPSRP & IAP)	www.drs.wa.gov (Go to “my plan 3 account”)	http://www.urs.org/

See also:

Hybrid and defined contribution plans as the primary or optional state retirement benefit, NASRA <www.nasra.org/resources/hybriddc.pdf>

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