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</table>
| **City of Atlanta General Employees’ Pension Fund** | For current active members, effective 11/1/11:  
- Increased employee contributions from 7.0% to 12.0% (for those without a designated beneficiary), or from 8.0% to 13.0% (for those with a designated beneficiary).  
Established a new DB-DC hybrid plan for those hired on or after 11/1/11:  
- Employees are required to contribute 8.0% to the DB plan. Employer contributions to the DB plan are actuarially determined.  
- Employees and employers are required to contribute 3.75% to the DC plan. Employees may contribute an additional 4.25%, which is matched by the city, for a maximum total contribution rate of 16.0%. | For current active members hired between 7/1/10 and 10/31/11:  
- Increased the vesting period from 10 to 15 years.  
- Reduced the pension multiplier from 2.5% to 2.0%.  
Established a new DB-DC hybrid plan for those hired on or after 11/1/11:  
- Reduced pension multiplier from 2.0% to 1.0%.  
- Increased required age to retire with 15 years of service, from age 60 to 62.  
- Established a minimum age of 52 (47 for police officers) to retire with an actuarially reduced pension benefit with 15 years of service.  
- Increased the reduction for early retirement, from \( \frac{1}{3} \) of 1.0% per month for the first 60 months, and by \( \frac{1}{6} \) of 1.0% for the remaining months before age 60, to \( \frac{1}{3} \) of 1.0% per month before age 62.  
- Lengthened the period used to calculate final average salary, from the highest consecutive 36 months to the highest consecutive 120 months of salary.  
- Reduced COLA from CPI up to 3.0% to CPI up to 1.0%. | | Changes approved by the City Council in June 2011 |
| **City of Atlanta Police Pension Fund** | For current active members, effective 9/1/11:  
- Increased employee contributions from 7.0% to 12.0% (for those without a designated beneficiary), or from 8.0% to 13.0% (for those with a designated beneficiary).  
Established a new DB-DC hybrid plan for those hired on or after 9/1/11:  
- Employees are required to contribute 8.0% to the DB plan. Employer contributions to the DB plan are actuarially determined.  
- Employees and employers are required to contribute 3.75% to the DC plan. Employees may contribute an additional 4.25%, which is matched by the city, for a maximum total contribution rate of 16.0%. | For current active members hired between 7/1/10 and 8/31/11:  
- Increased the vesting period from 10 to 15 years.  
- Reduced the pension multiplier from 3.0% to 2.5%.  
Established a new DB-DC hybrid plan for those hired on or after 9/1/11:  
- Reduced pension multiplier from 2.5% to 1.0%.  
- Increased requirements for normal retirement eligibility, from 55/15 to 57/15 or 65/5.  
- Established a minimum age of 47 to retire with an actuarially reduced pension benefit with 15 years of service.  
- Increased the reduction for early retirement, from \( \frac{1}{3} \) of 1.0% per month for the first 60 months, and by \( \frac{1}{6} \) of 1.0% for the remaining months before normal retirement age, to \( \frac{1}{3} \) of 1.0% per month before normal retirement age.  
- Lengthened the period used to calculate final average salary, from the highest consecutive 36 months to the highest consecutive 120 months of salary.  
- Reduced COLA from CPI up to 3.0% to CPI up to 1.0%. | | Changes approved by the City Council in June 2011 |
## Selected Approved Changes to Selected Local Public Pensions

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<tr>
<td><strong>Dallas Police &amp; Fire Pension Fund</strong></td>
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<td>The changes, which required the approval of the Texas legislature, were approved in May 2017. The legislation also addressed the composition of the system board, which increases from 8 (all service) trustees to 11, six of which are to be appointed by the Mayor of Dallas. Stipulated that all future member contribution increases, benefit reductions, equitable adjustments, and alternative investments require a 2/3 vote by the Board. Added a requirement for a one-time actuarial analysis by an independent actuary before 7/1/24.</td>
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<td><strong>Fort Worth Employees’ Retirement Fund</strong></td>
<td>Increased employee and city contribution rates effective 7/20/19:</td>
<td>For current active members and new hires:</td>
<td>Changes approved by City Council in February 2019. The proposal also required the approval of over 50 percent of city employees to pass, which was achieved in a March 2019 vote.</td>
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| | • For general employees hired on or after 7/1/11, from 8.25% to 9.35% | • Converted COLA for service through 7/19/19 to a variable COLA based on fund performance, with an exception for those who retire or enter DROP by 1/1/21.  
  o The maximum COLA may not exceed 4.0% annually.  
  • Eliminated COLA for future service effective 7/20/19. |
| | • For general employees hired before 7/1/11, from 8.25% to 10.05% | | |
| | • For police officers, from 8.73% to 10.53%, and further to 12.53% on 7/20/20, and to 13.13% on 7/20/21 | | |
| | • For firefighters, from 8.25% to 10.05% | | |
| | For active members: | • Increased the employee contribution rate from 8.5% (or 4% for Active DROP participants) to 13.5% effective 9/1/17.  
  • Increased the employer contribution rate from 27.5% to 34.5%, effective 9/1/17, with a floor for 7 years, plus $13 million per year until 2024. | | |
| | | • Suspended distribution of ad hoc COLA, and capped COLA at 4%, until system funding level reaches 70%, at which time COLA provision is subject to Board approval and dependent on reaching certain financial benchmarks.  
  For active members:  
  • Reduced maximum benefit from 96% to 90% of final salary  
  • Reduced multiplier for service after 9/1/17, from a sliding scale ranging from 2%-3% depending on service, to 2.5%.  
  • Increased the period used to calculate final average salary for service after 9/1/17, from 36 to 60 months.  
  • Reduced the interest rate credited to Active DROP accounts, from 5% effective 10/1/17 to zero. Upon retirement, balances in Active DROP as of 9/1/17 will earn interest over the annuity period based on the member’s life expectancy upon retirement, based on a Treasury-based interest rate determined by the Board.  
  • Prohibits benefit increases if the plan’s amortization period is greater than 25 years.  
  • Reduced the vesting period from 10 to 5 years  
  • Increased the normal retirement age from 50, if hired before 3/1/11, or 55, if hired on or after 3/1/11, to 58.  
  • Beginning on 9/1/17, increased the early retirement age for those hired on or after 3/1/11, from 45 to 53.  
  • Limited the length of participation in Active DROP to 10 years and eliminated Retiree Drop. There was no previous limit on the length of participation. | | |

Compiled by NASRA| May 2019  
See: www.nasra.org/pensionreform  
Contact: Keith Brainard keith@nasra.org or Alex Brown alex@nasra.org
### Houston Firefighters’ Relief & Retirement Fund

**For active members, effective 7/1/17:**
- Increased employee contribution rate from 9.0% to 10.5%.
- Established a “corridor” cost management mechanism that identifies a minimum, midpoint, and maximum city contribution rate. The corridor midpoint is based on an initial 31-year projection of city contribution rates. The minimum and maximum for each year are set by reference to the midpoint.
- If the city contribution rate is outside (below or above) the established corridor, system adjustments are required to bring the rate back within the corridor.
- If the city contribution rate is inside the corridor, and above or below the established midpoint, the city contribution rate will depend on the system’s funded status and the actuarially determined contribution rate needed to fully fund the system.

**For retirees, effective 7/1/17:**
- Suspended COLA for retirees under 70 years of age, for 3 years, after which time COLA is equal to the most recent 5-year smoothed return, as determined by the fund actuary, minus 47 basis points, and increased the onset of COLA eligibility to age 55.

**For active members, effective 7/1/17:**
- For those hired before the effective date: Reduced multiplier for prospective service from 2.5% for service years 1-20 and 3.0% for service years 20+ to 2.75% for service years 1-20 and 2.0% for service years 20+.
- For those hired or rehired on or after the effective date: Multiplier of 2.25% for service years 1-20 and 2.0% for service years 20+ with an 80% max.

For DROP participants, effective 7/1/17:
- Closed DROP to new hires, and limited DROP eligibility to 20 years of service for members hired before 7/1/17.
- Eliminated the COLA and member contributions credited to DROP accounts.
- Reduced DROP interest credit from 5-year average investment return, with a minimum of 5% and a maximum of 10%, to 65% of 5-year compound average return, with a minimum of 2.5%.

The changes, which required the approval of the Texas legislature, were approved in May 2017.

The legislation also reduced the assumed rate of return, from 8.5 to 7 percent and capped the payroll growth assumption at 3.0%.

If the HFRRF funding ratio falls below 65 percent any time after 6/30/21, the plan must switch to a cash balance plan for new hires.

The system must contract with an investment consultant to perform an investment audit at least once every three years and conduct actuarial experience studies once every four years.
### Houston Police Officers’ Pension System

For active members, effective 7/1/17:
- Increased employee contribution rate from 9.0%, if sworn in prior to 10/9/04, or 10.20% if sworn in on or after 10/9/04, to 10.5%.

Established a “corridor” cost management mechanism that identifies a minimum, midpoint, and maximum city contribution rate. The corridor midpoint is based on an initial 31-year projection of city contribution rates. The minimum and maximum for each year are set by reference to the midpoint.
- If the city contribution rate is outside (below or above) the established corridor, system adjustments are required to bring the rate back within the corridor.
- If the city contribution rate is inside the corridor, and above or below the established midpoint, the city contribution rate will depend on the system’s funded status and the actuarially determined contribution rate needed to fully fund the system.

For retirees, effective 7/1/17:
- Reduced COLA from 80% of CPI-U, with a minimum of 2.4% and a maximum of 8.0%, compounded, to a COLA equal to 100% of the 5-year smoothed return minus 5%, not less than 0% or greater than 4%.
- Suspended COLA for 3 years for retirees less than 70 years old, and subjected COLAs thereafter to the provisions described above, beginning at age 55.

### Houston Municipal Employees’ RS

For active members, effective 7/1/17:
- Increased employee contribution rate from 5%, for Group A, or 0%, for Group B and Group D, to 8% (with a 2%/1% 2-year phase-in) for Group A, 4% (with a 2%/2% 2-year phase-in) for Group B, and 2% for Group D.
- Added a cash balance component for Group D members requiring employee contribution of 1%.

Established a “corridor” cost management mechanism that identifies a minimum, midpoint, and maximum city contribution rate. The corridor midpoint is based on an initial 31-year projection of city contribution rates. The minimum and maximum for each year are set by reference to the midpoint.
- If the city contribution rate is outside (below or above) the established corridor, system adjustments are required to bring the rate back within the corridor.
- If the city contribution rate is inside the corridor, and above or below the established midpoint, the city contribution rate will depend on the system’s funded status and the actuarially determined contribution rate needed to fully fund the system.

For retirees, effective 7/1/17:
- Effective 2/1/18, reduced COLA for Groups A/B, from 3%, simple, if hired before 2005, or 2%, simple, if hired after 2005, to 50% of the rolling 5-year net investment return minus 2% less than the assumed rate of return, not less than 0% or greater than 2%.

For active members, effective 1/1/18:
- Established a cash balance component for Group D members with an interest crediting rate equal to one-half of the rolling 5-year investment return with a minimum of 2.5% and a maximum of 7.5%.

For DROP participants, effective 7/1/17:
- Future DROP eligibility limited to members with 20 years of service, sworn in prior to 10/9/04, and who elect to enter DROP on or before 6/30/27.
- Limited DROP participation to 20 years.
- COLA and member contributions no longer credited to DROP accounts.
- Reduced DROP interest credit from 5-year average investment return, with a minimum of 3% and a maximum of 7%, to 65% of 5-year compound average return, not less than 2.5%.
- Increased normal retirement eligibility from 55/10 to Rule of 70.

For new hires on or after 7/1/17:
- Increased normal retirement eligibility from any/20 to Rule of 70.

### Governance / Reporting

- If the MERS funding ratio falls below 65 percent any time after 6/30/21, the plan must switch to a cash balance plan for new hires.

- The system must contract with an investment consultant to perform an investment audit at least once every three years and conduct actuarial experience studies once every four years.

- The legislation also reduced the assumed rate of return, from 8.0 to 7 percent and capped the payroll growth assumption at 3.0%.

### Notes

- The changes, which required the approval of the Texas legislature, were approved in May 2017.

- The legislation also reduced the assumed rate of return, from 8.0 to 7 percent and capped the payroll growth assumption at 3.0%.

- If the MERS funding ratio falls below 60 percent any time after May 2019, the plan must switch to a cash balance plan for new hires.

- The legislation also reduced the assumed rate of return, from 8.0 to 7 percent and capped the payroll growth assumption at 3.0%.

Compiled by NASRA| May 2019

See: [www.nasra.org/pensionreform](http://www.nasra.org/pensionreform)

Contact: Keith Brainard keith@nasra.org or Alex Brown alex@nasra.org
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<td><strong>Michigan local governments that offer a defined benefit pension and/or a retiree health plan</strong></td>
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<td>6/30/17, the plan must switch to a cash balance plan for new hires. The system must contract with an investment consultant to perform an investment audit at least once every three years and conduct actuarial experience studies once every four years.</td>
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<td><strong>Effective 7/1/18, all local governments are required to fund the normal cost for employees first hired on or after 6/30/18 and any retiree health premiums that are due for retiree health plans.</strong></td>
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| **Lexington-Fayette Urban County Government Policemen’s & Firefighters’ Retirement Fund** | Effective 7/1/13, increased the employee contribution rate from 11.0% to 12.0%. Established a minimum annual country contribution of $20 million (unless the plan is 100% funded). | For retirees:  
- Modified COLA, from 2.0-5.0% compounded annually, and established a lower COLA, tiered to retirees’ annual pension income as follows, which shall persist until the plan is 85% funded, at which point the COLA will revert back to the previous amount:  
  - Above $75,000: 1.0%  
  - $40,000-$74,999: 1.5%  
  - Under $30,000-$39,999: 2.0%  
- Delayed COLA for retirees with a pension over $100,000 until 1/1/16. For current active participants hired before 7/1/13:  
  - Established a minimum age of 41 that must be attained to retire with 20 years of service. Previously employees could retire at any age with 20 years of service.  
  - For new hires on or after 7/1/13:  
    - Increased requirements for normal retirement eligibility, from 41/20 to 50/25.  
    - Reduced the retirement multiplier from 2.5% to 2.25%. | Changes transferred control of the plan’s funding and benefits policy from the Board of Trustees to the state legislature. | Changes approved by the state legislature in 2013. |
| **City of Memphis RS** | Established a new plan design for those with fewer than 7.5 years of service on or after 7/1/16 based on a hybrid cash balance/defined contribution plan:  
  - Employees are required to contribute 2.0% to their cash balance account. Employers are required to contribute to employee cash balance accounts on a schedule that accounts for years of service:  
    - 0-4.99 years: 5.0% (8.0% for police & fire)  
    - 5.0-9.99 years: 7.0% (10.0% for police & fire)  
    - 10.0-14.99 years: 9.0% (12.0% for police & fire)  
    - 15.0-19.99 years: 12.0% (15.0% for police & fire)  
    - 20.0+ years: 15.0% (18.0% for police & fire)  
  - Employees are required to contribute 6.0% of salary to the DC plan; employers contribute 1.5%. | Established a new plan design for those with fewer than 7.5 years of service on or after 7/1/16 based on a hybrid cash balance/defined contribution plan.  
  - Cash balance accounts earn an interest rate equal to the plan’s assumed rate of investment return minus 1.0%.  
  - Investments in the DC plan are participant-directed and earnings accrue to individual DC accounts. | Changes approved in December 2014 | |
| **Seattle City Employees’ RS** | For those hired on or after 1/1/17:  
  - Reduced the employee contribution rate from 10.03% to 7.0%. | For those hired on or after 1/1/17:  
  - Lengthened the period used to determine final average salary, from the highest 24 consecutive months to the highest 60.  
  - Increased requirements for normal retirement eligibility, from any/30, | Changes approved in late 2015 as part of an agreement between city officials and the Coalition of City Unions. The agreement also | |
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<td></td>
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<td>52/20, 57/10, or 62/5 to 55/20, 57/10, or 60/5.</td>
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<td>included annual wage increases for most workers.</td>
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<td></td>
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<td>● Reduced the retirement multiplier from 2.0% to 1.75%</td>
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