<table>
<thead>
<tr>
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</tr>
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<tbody>
<tr>
<td>Arkansas State</td>
<td>Increased employee contributions from 6.0% over a two-year period, to 6.5% effective 7/1/19 and to 7.0% effective 7/1/20.</td>
<td>Ineligible members are no longer eligible for retiree benefits.</td>
<td></td>
<td>Changes approved in March 2019</td>
</tr>
<tr>
<td>Highway ERS</td>
<td>Increased employer contributions from 12.9% to 14.9% effective 7/1/19.</td>
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<tr>
<td>Arkansas TRS</td>
<td>Using authority granted in 2017 to modify employee and employer contribution rates, the board voted to increase the rate charged to employers from 14.0% to 14.25% in FY 2020, and then increase by 0.25% per year in each of the next three fiscal years until the rate reaches 15.0% in fiscal 2023. Also, raised the rate charged to active members from 6.0% to 6.25% in fiscal 2020 and then by 0.25% each year until it reaches 7.0% in FY 2023.</td>
<td>Ineligible members are no longer eligible for retiree benefits.</td>
<td></td>
<td>Changes approved in October 2019</td>
</tr>
<tr>
<td>New Mexico ERB</td>
<td>Increased the annual salary threshold for determining employee contribution rates, from $20,000 to $24,000. Employees whose salary is greater than the threshold will contribute 10.7%, and employees whose salary is at or below the threshold will contribute 7.9%.</td>
<td>For new hires on or after 7/1/19:</td>
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<td>Changes approved in April 2019</td>
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<td></td>
<td>Increased the statutory employer contribution rate, from 13.9% to 14.15% beginning 7/1/19.</td>
<td>• Changed the multiplier from 2.35% to a graded multiplier based on years of service:</td>
<td></td>
<td>The law eliminated an exemption to the break-in-service requirement for rehired annuitants who earn the greater of $15,000 or 0.25 percent of the salary for the full-time equivalency (FTE) of the position rehired to. Effective 7/1/19 all retirees who return to work must complete a RTW application which, if approved, will permit a retiree to return to work for a system employer following a 12-month break-in-service and at 0.25 percent of the hours for FTE of the job they are rehired to. Effective 7/1/20 all RTW retirees and their employers must make contributions, even if they are working 0.25 percent of full-time equivalent or less.</td>
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Compiled by NASRA| Updated March 2020
See: www.nasra.org/pensionreform
Contact: Keith Brainard keith@nasra.org or Alex Brown alex@nasra.org
## Selected Approved Changes to State Public Pensions, 2019-Present

For reform details prior to 2019, see [https://www.nasra.org/reforms](https://www.nasra.org/reforms)

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| **New Mexico PERA** | Effective FY 21, increased employee and employer contributions, which vary by employee group and coverage plan, by 2.0% over four years, in annual increments of 0.5%, with the following exceptions:  
  - State police officers and adult corrections officers  
  - Those earning annual salaries less than $25,000 (up from $20,000)  
  - Increased contributions for local government employees and employers will not begin until FY 23  
  The law creates automatic triggers to reduce the next fiscal year’s employee and employer contribution rates – with a floor equal to the rates in place as of 6/30/20 – depending on the funding ratio of each coverage plan:  
  1) If the plan funding ratio is between 80-90%, contribution rates are reduced by 0.5%  
  2) If the plan funding ratio is between 90-100%, contribution rates are reduced by 1.0%  
  3) If the plan funding ratio is at least 100%, contribution rates are reduced by 2.0%  
  The law also directs the state to contribute an additional $55 million from the general fund to offset the estimated cost of the three-year non-compounding COLA described in the next column. | For current retirees:  
  - Replaced the current 2.0% compound COLA with an annual 2.0% simple COLA for 2021, 2022, and 2023.  
  - Reduced the COLA waiting period from 7 years to 2 years.  
  - Effective 7/1/23, the annual COLA will be based on the system funding ratio and smoothed investment rate of return:  
    - The annual COLA will be determined as an amount equal to the smoothed investment rate of return less the actuarially determined COLA hurdle rate (i.e. the investment rate of return required to fund a COLA in excess of 0.5%), and then multiplied by the greater of the funded ratio as of 6/30 of the preceding calendar year or 0.5%.  
    - The minimum annual COLA is 0.5%. The maximum annual COLA is either 3.0%, if the system is less than 100% funded, or 5.0%, if the system is 100% funded or greater.  
    - An annual COLA of 2.5% is provided to the following groups: those who retire with at least 25 years of service and an annual pension benefit below $25,000; those who retire on disability; retirees who have attained at least age 75 prior to 7/1/20. | For Tier 2 participants (hired after 6/30/13):  
  - Reduced the vesting period from 8 to 5 years. | Changes approved in February 2020. |
| **North Dakota PERS** | Eliminated the Retiree Health Insurance Credit (RHIC) benefit for those hired on or after 1/1/20 and redirects the employer contribution of 1.14% of salary to the retirement plans. | For those retiring effective 1/1/20 and after:  
  - Modified the methodology used to calculate final average salary to include the three highest 12-month consecutive periods instead of the 36 highest salaries out of the last 180 months of service. Current active participants will receive a benefit based on the higher of FAS calculated under either the new methodology or old methodology as of 12/31/19. For new hires on or after 1/1/20:  
    - Reduced the multiplier from 2.0% to 1.75% | | Changes approved in March and April 2019. |

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## Oregon PERS

Effective 1/1/20 for those who earn $2,500/month or more, redirects a portion of the 6.0% employee contribution, which was previously committed to the DC portion of the DB-DC hybrid plan, to the DB plan. The DB plan was previously noncontributory.

- Those hired before 8/28/03 will contribute 2.5% to the DB plan and 3.5% to the DC plan.
- Those hired on or after 8/28/03 will contribute 0.75% to the DB plan and 5.25% to the DC plan.

Effective 1/1/20, establishes a cap on pensionable salary, for all current active members, of $195,000, indexed annually to the change in CPI.

## Texas TRS

Increased contribution rates for employees, school districts, and the state:

- For employees, from 7.7% to 8.0% effective 9/1/21, and to 8.25% effective 9/1/23.
- For school districts, from 1.5% to 2.0% by 9/1/24 in increments of 10 basis points per year.
- For the state, from 6.8% to 8.25% over the next 5 yrs

The law, which was approved in June 2019, also provided retired teachers a one-time postretirement cost-of-living increase of $2,000.

Other provisions of the law, which was approved in June 2019, include:

- Effective 1/1/20, an option for participants to exercise discretion to allocate investments in their IAP accounts, versus the age-based target date funds they are currently invested in.
- An extension of PERS’s amortization period, from 20 to 22 years.
- A one-time, $100 million contribution by the State to an incentive fund that will provide a 25% match on any extra contributions employers make to the pension fund.
- Removal of hourly limits on postretirement employment for calendar years 2020-2024, with a requirement that employers make full contributions on salary of rehired retirees.