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<tr>
<td><strong>Arkansas State Highway ERS</strong></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>
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<td>Changes approved in March 2019</td>
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<tr>
<td></td>
<td>Increased employer contributions from 12.9% to 14.9% effective 7/1/19.</td>
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| **Alabama ERS**                             | For local government employers:  
- Permitted local government employers to make an irrevocable election by 5/8/21 to provide Tier I benefits to Tier II members, who were hired on or after 1/1/13. Those Tier II members will make contributions equal to the Tier I rates of 7.5% for regular employees and 8.5% for police officers and firefighters.  
- Local government employers that elect this option will pay an increased employer contribution rate as determined by the plan’s actuary. | For local government employers:  
- Permitted local government employers to elect to provide Tier I benefits to Tier II members, who were hired on or after 1/1/13. Tier I members are eligible to retire at any age with 25 years of service or age 60 with 10 years of service, with a retirement factor of 2.0125%; Tier II permits retirement at age 62 with 10 years of service, with a retirement factor of 1.65%. |             | Changes approved in May 2019 in response to local government employers who expressed concern that reforms enacted in 2012 impaired their ability to attract and retain qualified workers.  
The ERS Board may deny an employer’s election based on a staff review of the employer’s historical compliance with ERS requirements and the employer’s financial stability. |
| **Arkansas TRS**                             | 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. |                                                                                                                                                                                                           |             | Changes approved in October 2019                                                                                                                                                                   |

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See: www.nasra.org/pensionreform
Contact: Keith Brainard keith@nasra.org or Alex Brown alex@nasra.org
## Colorado FPPA

**Effective FY 21, increased the employer contribution rate from 8.0 to 12.0 percent, implemented over eight years with annual increases of 0.5 percent per year.**

**Effective FY 21, Increased the employer contribution rate by an additional 1.0 percent, implemented over two years with annual increases of 0.5 percent per year, to finance the retirement eligibility change described in the eligibility section.**

**Authorizes the FPPA Board to increase the member contribution rate if:**
- The rate increase is equal for the member and employer
- The increase is approved by 65 percent of the active members and 50 percent of the employers of the plan.

**For current active members, effective FY 21:**
- Permits a member to retire with an unreduced benefit upon attainment of Rule of 80 with a minimum age of 50. Under current law a member with this level of age and service is available for early retirement with a reduced benefit.

Changes approved in April 2020.

## New Mexico ERB

**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%.**

**Increased the statutory employer contribution rate, from 13.9% to 14.15% beginning 7/1/19.**

**For new hires on or after 7/1/19:**
- Changed the multiplier from 2.35% to a graded multiplier based on years of service:
  - 1.35% applied to the first 10 years of service
  - 2.35% for years 10 through 20
  - 3.35% for years 20 through 30
  - 2.40% for years in excess of 30

**For members who retire on or after 7/1/19, and whose annual salary is greater than $60,000:**
- The five-year period used to determine final average salary shall be adjusted to exclude any salary increase in excess of 30%.

**Adjustment of final average salary only applies to portions of five-year periods earned after 7/1/19. On 7/1/20 and each July 1 thereafter the salary threshold is adjusted for inflation based on the change in CPI.**

**For those hired on or after 7/1/19:**
- Increased the minimum age a member may retire with 30 years of service with an unreduced benefit, from 55 to 58.

Changes approved in April 2019.

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.
## 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 new hires on or after 1/1/20:

- Reduced the multiplier from 2.0% to 1.75%

Changes approved in March and April 2019.
## 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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| 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. |             | 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. |
| 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. |

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