

# NASRA Issue Brief: Employee Contributions to Public Pension Plans

September 2022



Unlike in the private sector, nearly all employees of state and local government are required to share in the cost of their retirement benefit. Employee contributions typically are set as a percentage of salary by statute or by the board that oversees the retirement system. Although investment earnings and employer contributions account for a larger portion of total public pension fund revenues (see Figure 1), by providing a consistent and predictable stream of revenue to public pension funds, contributions from employees fill a vital role in financing pension benefits.<sup>i</sup> Reforms made in the wake of the 2008-09 market decline included higher employee contribution rates for many public pension plans. This issue brief examines employee contribution plan designs, policies and recent trends.

## Mandatory Participation & Shared Financing

For the vast majority of employees of state and local government, both participating in a public pension plan and contributing toward the cost of the pension are mandatory terms of employment. Requiring employees to contribute distributes some of the risk of the plan between employers and employees. The primary types of risk in a pension plan pertain to investment, longevity, and inflation. Employees who are required to contribute toward the cost of their pension assume a portion of one or more of these risks, depending on the design of the plan.<sup>ii</sup>

The prevailing model for employees to contribute to their pension plan is for state and local governments to collect contributions as a deduction from employee pay. This amount usually is established as a percentage of an employee's salary and is collected each pay period. As shown in Appendix A, employee contribution rates to pension benefits typically are between four and eight percent of pay and are outside these levels for some plans. In some cases, required employee contributions are subject to change depending on the condition of the plan, the fund's investment performance, or another factor. In some plans, the employee contribution is actually paid by the employer in lieu of a negotiated salary increase or other fiscal offset.

Figure 1: Public pension sources of revenue, 1992-2021

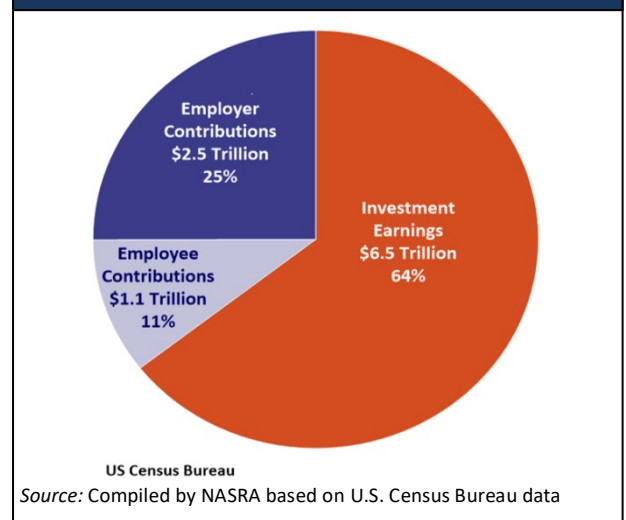
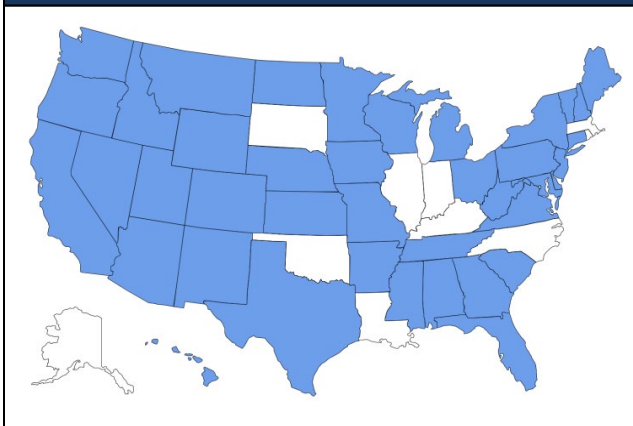


Figure 2: States that increased employee contributions in at least one public pension plan since 2009

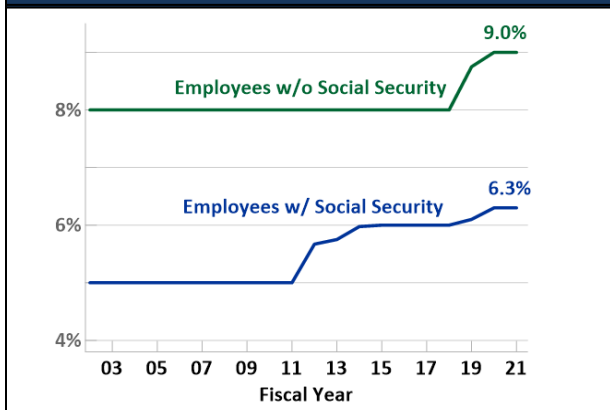


Some 25 to 30 percent of employees of state and local government do not participate in Social Security. In most cases for those outside of Social Security, the pension benefit and required contribution are greater than the typical benefit and required contribution than for those who do participate in Social Security.<sup>iii</sup> Appendix A identifies whether or not most plan members participate in Social Security.

## Trends in Employee Contributions

Many states in recent years made changes requiring employees to contribute more toward their retirement benefits: since 2009, 40 states increased required employee contribution rates (see Figure 2). Higher rates in some cases applies only to new hires, and in other cases, the higher rates apply to all active plan participants. As a result of these changes, the median

Figure 3: Median employee contribution rate by Social Security eligibility, FY 02 to FY 21 (non-public safety)



contribution rate paid by employees has increased. Figure 3 shows that the median contribution rate has risen, to 6.3 percent of pay, for employees who also participate in Social Security, and to 9.0 percent for those who do not participate in Social Security. The most recent changes, reflected for FY 21, are a result of incremental increases in rates for a few plans.

### *New Contributions*

Contribution requirements for certain employee groups in some states, such as **Missouri** and **Florida**, which previously did not require some employees to make pension contributions, were established in recent years for newly hired employees, existing workers, or both. Employees hired in **Utah** before July 1, 2011 are not required to contribute to the cost of their pension benefit.

Those hired since must contribute if that cost exceeds 10 percent of pay (14 percent for public safety workers). Because the cost of the plan remains below those thresholds, the Utah Retirement System remains non-contributory for most plan participants.

### *Variable Contributions*

A growing number of states maintain plans in which the employee contribution rate may change, depending on the pension plan's actuarial condition or other factors. NASRA's report, *In-Depth: Risk-Sharing in Public Retirement Plans*, describes a range of variable employee contribution rate arrangements, including those based on the plan's actuarial funding level, normal cost, or a rate that is tied to a percentage of the employer rate. Changes approved in recent years in **Arizona**, **California**, and **Connecticut** require some workers to pay at least one-half of the normal cost of the benefit, which can result in a variable contribution rate. Similarly, recent reforms in **Michigan** require newly hired school teachers to pay one-half of the full cost of the plan. As described previously, the **Utah** plan affecting new hires since July 2011 could become variable, depending on the plan's required cost.

Reforms enacted recently established variable contribution rates for employees participating in the Colorado Public Employees Retirement Association, the Pennsylvania State Employees Retirement System, and the Pennsylvania Public Schools Retirement System. In Colorado, the rates could rise by as much as 0.5 percent per year, up to a maximum of 2.0 percent, if contributions paid to the plan fall short of 98 percent of the actuarially determined contribution level. In Pennsylvania, affected state employees and teachers hired since 2011 could pay higher contributions depending on their respective funds' investment performance.

### *Increased Contributions for Current Plan Participants*

Most employee contribution rate increases approved in recent years affected all workers-current and future. In some states, such as **Virginia** and **Wisconsin**, new and existing employees are now required to pay the contributions that previously were made by employers in lieu of a salary increase.

### *Hybrid Plans*

A growing number of public employees now participate in hybrid retirement plans, which combine elements of defined benefit and defined contribution plans, and that transfer some risk from the employer to the employee. In one type of hybrid plan, known as a combination defined benefit-defined contribution plan, employees in most cases are responsible for contributing all or most of the cost of the defined contribution portion of the plan.

Contribution requirements to the DB component of combination plans vary: some are funded solely by employer contributions, while others require contributions from both employees and employers. As described in NASRA's issue brief, *State Hybrid Retirement Plans*, in most of these cases, employees are also required to contribute toward the cost of the defined contribution portion of their hybrid plan benefit.<sup>iv</sup>

## *Collective Bargaining*

Employee contributions in some cases are set by collective bargaining and can be changed when labor agreements are negotiated. For example, required employee contribution rates for employee groups in **California** and **Connecticut** increased in recent years because of labor agreements in those states.

## *Legal Landscape*

The legality of increasing contributions for current plan participants varies. Some states prohibit an increase in contributions for existing plan participants. For example, a 2012 ruling in **Arizona** found that legislative efforts to increase contributions for existing workers violated a state constitutional protection against impairment of benefits. In other states, however, such as in **Minnesota** and **Mississippi**, higher employee contributions either did not produce a legal challenge, or withstood legal challenges (such as in **New Hampshire**, **New Mexico**, and **Oregon**).

## *Governance Changes*

Traditionally, state legislatures have been responsible for determining employee (and employer) contribution rates for public pensions. A few states in recent years have granted authority, limited in most cases, to retirement system boards to adjust contribution rates for employers and employees. For example, the Arkansas Legislature in 2017 approved legislation authorizing the board of the state Teachers Retirement System to adjust employer and employee contribution rates as necessary “to maintain the actuarial soundness of the plan.” Similarly, in 2020, the Colorado Legislature enacted a bill authorizing the board of the Fire and Police Pension Association to increase the member contribution rate if the rate increase is equal for the member and employer; and the increase is approved by 65 percent of the active members and 50 percent of plan employers. Some boards in other states, including Montana and Ohio, have been granted similar authority in recent years, while in other states, such as Idaho and Iowa, boards have had longstanding authority to modify contribution rates.

## **Conclusion**

Employee contributions are a key component of public pension funding policies. Nearly all employees of state and local government are required to contribute to the cost of their pension benefit, and this number has grown in recent years as most states that previously administered non-contributory plans now require worker contributions. Many employees also are being required to contribute more toward the cost of their retirement benefit. In some cases, this requirement applies to both current and new workers; in other cases, only to new hires. A growing number of states are exposing employee contributions to risk – either by tying the rate to such factors as the plan’s funding condition or cost, or by requiring participation in hybrid or 401k-type plans as a larger component of the employee’s retirement benefit.

## **See Also**

Information is available on public pension contributions at

- [Contributions @NASRA.org](#)
- [Selected Approved Changes to State Public Pensions, 2019-Present](#), NASRA
- [Significant Reforms to State Retirement Systems](#), NASRA, December 2018
- [Public Fund Survey Summary of Findings](#), NASRA

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National Association of State Retirement Administrators, [www.nasra.org](http://www.nasra.org)

<sup>i</sup> NASRA Issue Brief: Public Pension Plan Investment Return Assumptions

<http://www.nasra.org/returnassumptionsbrief>

<sup>ii</sup> In-depth: Risk Sharing in Public Retirement Plans

<http://www.nasra.org/sharedriskpaper>

<sup>iii</sup> [Social\\_Security@NASRA.org](mailto:Social_Security@NASRA.org)

<sup>iv</sup> NASRA Issue Brief: State Hybrid Retirement Plans

<http://www.nasra.org/hybridbrief>

**Appendix A: Employee pension contribution rates**  
*(Unless otherwise specified, information reflects rates in effect as of September 2022)*

State	Plan	Employee Contribution Rate (Percent of Pay)	Social Security Coverage
AK	Alaska PERS	6.75% for general employees and 7.5% for police and fire hired before 7/1/06; those hired on or after 7/1/06 participate in a DC plan with an employee contribution rate of 8.0%	No
AK	Alaska Teachers	8.65% for those hired before 7/1/06; those hired on or after 7/1/06 participate in a DC plan with an employee contribution rate of 8.0%	No
AL	Alabama ERS	State employees hired on or after 1/1/13 contribute 6.0%; those hired before contribute 7.5%. Local government employees contribute 6.0% if hired on or after 1/1/13, or either 5.0% or 7.5% if hired previously, depending on employer election; state police contribute 10.0%; other law enforcement officers, correctional officers, and firefighters contribute 7.0%, if hired on or after 1/1/13, or either 6.0% or 8.5% if hired previously, depending on employer election	Yes
AL	Alabama Teachers	6.2% for those hired on or after 1/1/13; 7.5% for those hired previously	Yes
AR	Arkansas PERS	5.25% for those hired since 7/1/05; increasing annually by 0.25% over an eight-year period beginning FY 23, resulting in an employee contribute rate of 7.0% effective FY 30.	Yes
AR	Arkansas State Highway Employees Retirement Plan	7.0%	Yes
AR	Arkansas Teachers	Most teachers contribute 7.0%. Using authority granted in 2017 to modify employee and employer contribution rates, the TRS board raised the rate by 0.25% each year beginning in FY 20 until reaching 7.0% in FY 2023.	Yes
AZ	Arizona Public Safety Personnel	7.65% for those hired before 7/20/11; 11.65% for those hired since. Public safety officers hired since 7/1/17 may elect to participate in a DC plan with an employee contribution rate of 9.0% or a reduced DB plan with an employee contribution rate equal to one-half of the total plan contribution rate, and participation in a DC plan with an employee contribution of 3.0%. Correctional officers hired beginning 7/1/18 participate in a defined contribution plan only, to which they contribute 7.0%; officers may make a one-time election to contribute less than 7.0% but must contribute at least 5.0%.	Yes
AZ	Arizona SRS	12.17%	Yes

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CA	California PERF	Most state employees contribute 8.0%; state safety, firefighters, and police contribute 9% to 11%, depending on the benefits offered; school employees contribute 7.0%; most local agency miscellaneous, firefighters and police officers contribute between 7% and 9% depending on the benefits offered. Members hired since 1/1/13 must contribute at least one-half of the plan's normal cost, and contribute between 4.0% and 15.25%, depending on the employee classification and benefits offered.	Both
CA	California Teachers	For members first hired before 2013, 10.25%. Members first hired after 2012 must contribute at least one-half of the plan's normal cost, and currently contribute 10.205%.	No
CA	Los Angeles City Employees	11.0%; members first hired after 2012 must contribute at least one-half of the plan's normal cost.	No
CA	Orange County ERS	Employee contribution rates vary based on plan and member age at time of entry into the system. General employee rates range between 5.10% and 25.25%. Public safety employee rates range between 7.71% and 24.18%. Employee rates for some employer plans may include reverse pickup employee rates up to 8.63%. Contribution rates fluctuate each year based on the results of the actuarial valuation.	No
CA	University of California	8%, minus \$19/month, for those hired before 7/1/13 (1976 Tier); 7% for those hired on or after 7/1/13 (2013 Tier, 2016 Tier); 9% for safety members and employees in certain unions (2013 Modified Tier and 1976 Tier). Members who elect to participate in the Savings Choice DC plan in lieu of the UCRP/Pension contribute 7%.	Yes (except safety members)
CO	Colorado Affiliated Local	Varies by plan; most employees contribute between 5% and 10% of pay.	No
CO	Colorado Fire & Police Statewide	12.0%	No
CO	Colorado Local Government	9.0%; 13.0% for members with the state trooper benefit structure. Legislation approved in 2018 established risk-sharing plan provisions, including employee contribution rates that may rise or fall by up to 0.5% depending on the employer's contribution effort. The state trooper benefit structure was approved for certain other safety officers hired on or after 1/1/20 within the Local Government division.	Mostly No
CO	Colorado School and Colorado State	Contribution rates for School and State plan members are 11.0%; 13.0% for state troopers in the State division. Legislation approved in 2018 established risk-sharing plan provisions, including employee contribution rates that may rise or fall by up to 0.5% depending on the employer's contribution effort.	No

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CT	Connecticut SERS	4.0%; 7.0% for public safety personnel. If the plan's investment returns fall below the assumed rate of 6.9%, and the employer normal cost increases, employees may be required to make an additional contribution of one-half of the amount of the normal cost increase, not to exceed 2.0%. Employees hired after 6/30/17 participate in a new hybrid plan that requires employees to contribute 5.0% and potentially more, based on the risk-sharing provision described above, plus 1.0% to the DC portion of the plan.	Yes
CT	Connecticut Teachers	7.0%	No
DC	DC Police & Fire	8.0%	No
DC	DC Teachers	8.0%	No
DE	Delaware State Employees	3.0% of pay above \$6,000; employees hired since 1/1/12 contribute 5.0% of pay above \$6,000	Yes
FL	Florida RS	3.0%	Yes
GA	Georgia ERS	1.25% to the DB plan. Workers hired since 2009 participate in a hybrid plan. The default employee contribution to the DC component of the hybrid plan for those hired from 2009 until 6/30/14 is 1.0%, and 5.0% for those hired since 7/1/14. All hybrid plan participants may increase or decrease their level of contribution to the DC plan, and new hires may opt-out of the DC plan within the first 90 days of hiring.	Yes
GA	Georgia Teachers	6.0%	Mostly Yes
HI	Hawaii ERS	Between 6.0% and 9.75% for general employees and teachers, and 12.2% for public safety officers hired before 7/1/12; between 8.0% and 11.75% for general employees and teachers, and 14.2% for public safety officers hired on or after 7/1/12.	Yes
IA	Iowa PERS	6.29% for regular employees; 6.21% for protection occupations; 8.76% for sheriffs. The IPERS board has authority to adjust rates by up to one percent in a given year.	Yes
IA	Municipal Fire & Police RS	9.4%	No
ID	Idaho PERS	The employee contribution rate is set by statute at 60% of the employer rate, and 72% of the employer rate for public safety personnel. The current rate for general employees and teachers is 7.16%, and 9.13% for public safety personnel	Yes
IL	Illinois Municipal	3.75% for general employees; 6.75% for law enforcement personnel. All members contribute an additional 0.75% for survivor's pension benefits, for	Yes

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State	Plan	Employee Contribution Rate (Percent of Pay)	Social Security Coverage
		total contribution rates of 4.50% and 7.50%, respectively	
IL	Illinois SERS	3.5% for general employees and 8.0% for public safety members covered by Social Security, plus 0.5% for survivor's pension benefits, 7.0% for general employees and 11.5% for public safety members not covered, plus 1.0% for survivor's pension benefit	Yes
IL	Illinois Teachers	9.0%, allocated as follows: 7.5% for retirement; 0.5% for post-retirement increases; and 1% for death benefits	No
IL	Illinois Universities	8.0%; public safety personnel contribute 9.5%	No
IN	Indiana PERF and Indiana Teachers	3.0%, which is paid to employees' individual account in the DC component of the DB-DC hybrid plan	Yes
KS	Kansas PERS	6.0%; public safety employees contribute 7.15%	Yes, except some public safety employees do not participate
KY	Kentucky County	5.0%, and 8.0% for public safety workers; those hired since 9/1/08 must contribute an additional 1.0% for retiree health care	Yes
KY	Kentucky ERS	5.0%, and 8.0% for public safety workers; those hired since 9/1/08 must contribute an additional 1.0% for retiree health care	Yes
KY	Kentucky Teachers	Non-university members contribute 9.105% and university members (participating in Social Security) contribute 5.41%, plus a contribution for retiree health care. Members hired on or after 1/1/22 participate in a hybrid plan with non-university members contributing 11.0% and university members (participating in Social Security) contributing 7.0%, plus a contribution for retiree health care.	No, except university members, who account for around five percent of all members.
LA	Louisiana Parochial Employees	9.5% for members covered by Social Security; 3.0% for members not covered by Social Security	No, for approximately 85% of members
LA	Louisiana SERS	8.0% for regular employees hired as of 7/1/06; hazardous duty members contribute 9.5%; different contribution rates apply for other specialty plans	No
LA	Louisiana Teachers	8.0%	No
MA	Massachusetts SERS	5% - 9% of annual compensation depending on date of membership. State police contribute 12%.	No
MA	Massachusetts Teachers	5% to 11%, depending on member's date of entry; those hired after 6/30/01 and participants in the Retirement Plus benefit tier pay 11.0%	No
MD	Maryland PERS	7.0%	Yes
MD	Maryland Teachers	7.0%	Yes

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State	Plan	Employee Contribution Rate (Percent of Pay)	Social Security Coverage
ME	Maine Local	4.1% to 9.7%, depending on employer election; contribution rates for employers and members of the Participating Local District (PLD) Consolidated Retirement Plan are determined by a methodology that shares risk between employers and members of the plan. Contribution rates are subject to change each year based on a 58%/42% employer/member split. The aggregate employer rate is capped at 12.5% and the aggregate member rate is capped at 9.0%.	Yes, for approximately half of participants
ME	Maine State and Teacher	7.65%; 8.65% for law enforcement officers	No
MI	Michigan Municipal	Required employee contributions vary by plan and employer (typically between 0% and 20%)  Active DB members hired prior to 7/1/10 contribute based on their designated plan type, ranging from zero to 7.0%. Employees hired from 7/1/10 until 1/31/18 choose between a hybrid plan with a graded contribution structure (3.0% of first \$5,000, 3.6% of next \$10,000, and 6.4% over \$15,000) for the DB component and a zero to 2.0% optional contribution to the DC component (employees may contribute more, but receive only a 1:2 employer match on the first 2%), or a DC plan with required employee contributions of 4.0% (with matching employer contributions up to another 3.0% of optional employee contributions, for a maximum employer contribution of 7.0%). New hires on or after 2/1/18 choose from either: a) a default defined contribution plan with required employer contributions of 4.0% (with matching employer contributions up to another 3.0% of optional employee contributions (for a maximum employer contribution of 7.0%); or b) a hybrid plan with required employee contributions equal to 50% of the total plan contribution rate. A contribution rate of 12.4% is shared equally by employees and employers.	Both; varies by plan
MI	Michigan Public Schools	Employees hired since 3/1/97 are enrolled in a DC plan with an optional contribution rate of zero to 3.0%; (active DB plan members, who are those hired before 3/1/97, contribute 4.0%)	Yes
MI	Michigan SERS	Employees hired since 3/1/97 are enrolled in a DC plan with an optional contribution rate of zero to 3.0%; (active DB plan members, who are those hired before 3/1/97, contribute 4.0%)	Yes
MN	Minnesota PERA	6.5%; 11.8% for police and fire; 5.83% for correctional officers.	Yes, except police and fire
MN	Minnesota State Employees	6.0%; 15.4% for state patrol officers; 9.6% for correctional officers	Yes, except state patrol
MN	Minnesota Teachers	7.5%, increasing to 7.75% effective 7/1/23	Yes
MO	Missouri DOT and Highway Patrol	4.0% for those hired after 12/31/10; non-contributory for those hired previously	Yes



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State	Plan	Employee Contribution Rate (Percent of Pay)	Social Security Coverage
MO	Missouri Local	Participating employers may elect to require employee contributions of 0%, 2%, 4%, or 6%; most plans do not require employees to contribute	Yes (with few exceptions, as elected by the employer)
MO	Missouri PEERS	6.86%	Yes
MO	Missouri State Employees	4.0% for those hired after 12/31/10; non-contributory for those hired previously	Yes
MO	Missouri Teachers	14.50%	No
MS	Mississippi PERS	9.0%; Highway Patrol Officers contribute 7.25%	Yes
MT	Montana PERS	7.90%; the rate will drop to 6.9% when the plan's amortization period falls below 25 years and is projected to remain below that threshold based on the lower rate	Yes
MT	Montana Teachers	8.15%, which can be increased by the board by up to 1.0% based on designated triggers	Yes
NC	North Carolina Local Government	6.0%	Yes
NC	North Carolina Teachers and State Employees	6.0%	Yes
ND	North Dakota PERS	7.0%; 5.5% for law enforcement	Yes
ND	North Dakota Teachers	11.75%; once the plan achieves full-funding status, the employee contribution rate will drop to 7.75%	Yes
NE	Nebraska County	4.5%	Yes
NE	Nebraska Schools	9.78%	Yes
NE	Nebraska State	4.8%	Yes
NH	New Hampshire Retirement System	7.0% for general employees and teachers; 11.8% for firefighters; 11.55% for police officers.	Yes, for general employees and teachers; No for public safety
NJ	New Jersey PERS	7.50%	Yes
NJ	New Jersey Police & Fire	10.0%	Yes
NJ	New Jersey Teachers	7.50%	Yes
NM	New Mexico PERA	For state general members with a salary above \$25,000, 10.42%, rising to 11.92% 7/1/23. 7.42% for state general members with a salary below \$25,000. Rates vary for other employee groups. Legislation approved in 2020 increases employee and employer contribution rates by 2.0%, in increments of 0.5 percent over 4 years beginning 7/1/20 for state general members and 7/1/22 for all municipal employee groups. This legislation also	Yes

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State	Plan	Employee Contribution Rate (Percent of Pay)	Social Security Coverage
		establishes a mechanism for reducing employee contribution rates based on improvements to the plan's funding condition.	
NM	New Mexico Teachers	7.9% for those with a salary of \$24,000 or less; 10.7% for those with a salary above \$24,000	Yes
NV	Nevada Police Officer and Firefighter	22.0%	No
NV	Nevada Regular Employees	15.25%	No
NY	New York State Teachers	Those hired before 1/1/10 contribute 3.0% if <10 years of service, 0% if 10+ years of service; those hired on or after 1/1/10 but before 4/1/12 contribute 3.5% throughout membership; those hired on or after 4/1/12 contribute 3.0% to 6.0% throughout their membership, depending on salary.	Yes
NY	New York State & Local ERS	Those hired before 1/1/10 contribute 3.0% if <10 years of service, 0% if 10+ years of service; Those hired on or after 1/1/10 but before 4/1/12 contribute 3.0%; Those hired on or after 4/1/12 contribute 3.0% to 6.0% depending on salary	Yes
NY	New York State & Local Police & Fire	Those hired between 7/1/09 through 1/8/10 contribute 3.0%; most participants hired since 1/9/10 contribute 3%-6% based on annual salary sliding scale.	Yes
OH	Ohio PERS	10% for general members; public safety division members contribute 12% and law enforcement members contribute 13%; rates apply to all plan options: the DB, hybrid, and DC plans.	No
OH	Ohio Police & Fire	12.25%	No
OH	Ohio School Employees	10.0%	No
OH	Ohio Teachers	14.0%; rates apply to all plan options: the DB, hybrid, and DC plans.	No
OK	Oklahoma PERS	3.5% for state employees; 3.5% to 8.5% for employees of county and local agencies; hazardous duty members pay 8.0%. State employees hired since 1/1/15 participate only in a DC plan to which they are required to contribute a minimum of 4.5% and may contribute more to increase the employer matching contribution.	Yes
OK	Oklahoma Teachers	7.0%	Yes
OR	Oregon PERS	0.75% to the DB plan for those hired on or after 8/28/03 and whose monthly salary is at least \$3,333 in 2022, indexed for inflation (plus 5.25% to the DC plan). For those hired before 8/28/03, 2.5% to the DB plan and 3.5% to the DC plan. Contributions to the DB plan are in effect when the DB plan is less than 90% funded.	Yes (with a few exceptions as elected by the employer)

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State	Plan	Employee Contribution Rate (Percent of Pay)	Social Security Coverage
PA	Pennsylvania School Employees	<p>Between 5.25% and 10.8%, depending on date of hire and plan selection. Rates for employees hired since 7/1/11 are subject to a limited graduating scale based on investment performance and the plan's funding level. New hires on or after 7/1/19 are required to select from one of three plan options: a) a default hybrid plan with employee contributions of 6.25% to the DB plan and 2.75% to the DC plan; an alternative hybrid plan with employee contributions of 5.25% to the DB plan and 3.0% to the DC plan; or a defined contribution plan with employee contributions of 7.5%. Hybrid plan members also are subject to a "shared-risk" or "shared-gain" provision to be calculated every 3 years comparing PSERS' actual and assumed rate of return for the past 10 years. For each percentage point in earnings realized in excess of or below the assumed rate of return, the EE contribution rate will be increased or reduced by 0.75%, not to exceed a maximum of 3.0% above or below the basic contribution rate.</p>	Yes
PA	Pennsylvania State ERS	<p>Between 5.0% and 9.3%, depending on date of hire and plan selection. Rates for those hired since 1/1/11 are subject to a limited graduating scale based on investment performance and the plan's funding level. New hires on or after 1/1/19 are required to select from one of three plan options: a) a default hybrid plan with employee contributions of 5.0% to the DB plan and 3.25% to the DC plan; b) an alternative hybrid plan with employee contributions of 4.0% to the DB plan and 3.5% to the DC plan; or c) a defined contribution plan with employee contributions of 7.5%. Hybrid plan members are subject to "shared-risk" or "shared-gain" provision to be calculated every 3 years comparing PennSERS' actual and assumed rate of return for the past 10 years. For each percentage point in earnings realized above or below the assumed rate or return, the EE contribution rate will be increased or reduced by 0.75%, not to exceed a maximum of 3.0% above or below the basic contribution rate.</p>	Yes (except state police officers)
PR	Puerto Rico Government Employees	<p>Act 106-2017 closed participation in Puerto Rico's defined benefit plans to new hires on or after 7/1/17, and moved prospective accruals for all current active members to a defined contribution plan with an 8.5% mandatory contribution rate for all public employees, with voluntary contributions up to 20.0%. Judges, teachers, and police officers participating in Social Security contribute 2.3% (with the difference of 6.2% directed to Social Security).</p>	Yes (except some police officers, judges, and teachers above age 45 who opted out)
RI	Rhode Island ERS	<p>State employees and teachers contribute 3.75% to the DB plan plus 5% to the DC plan; teachers who do not participate in Social Security contribute 7% to the DC</p>	Yes, but no for many teachers

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State	Plan	Employee Contribution Rate (Percent of Pay)	Social Security Coverage
		plan (approximately one-half of teachers do not participate in Social Security)	
		State employees with 20 or more years of service as of 6/30/12 contribute 11% to the DB plan only.	
		1.0% to 2.0% for general employees; 9.0% to 10.0% for public safety personnel; general employees contribute 5% to the DC plan if covered by Social Security, or 7% if not covered; public safety personnel who do not participate in Social Security contribute 3% to the DC plan. General employees with 20 or more years of service as of 6/30/12 contribute 8.25% to 9.25% to the DB plan only.	Mostly Yes
RI	Rhode Island Municipal		
SC	South Carolina Police	9.75%	Yes
SC	South Carolina RS	9.0%	Yes
SD	South Dakota PERS	6.0%; public safety personnel contribute 8.0%; judicial members contribute 9%	Yes
TN	Tennessee Political Subdivisions	Participating employers may elect to require employee contributions of 0% or 5%; local government employees of employers that have selected the hybrid plan hired since 7/1/14 contribute 5% to the DB plan and 2% to the DC plan; participants may opt out of DC plan contributions.	Yes
TN	Tennessee State and Teachers	Non-contributory for most state and higher education employees; 5% for teachers. Employees hired since 7/1/14 participate in a hybrid plan with mandatory contribution rates of 5% to the DB plan and 2% to the DC plan; participants may opt out of DC plan contributions.	Yes
TX	Texas County & District	Employers set the employee contribution rate in a range from 4.0% to 7.0%	Both; varies by plan
TX	Texas ERS	9.5% for those hired before 9/1/22; Those hired on or after 9/1/22 participate in a cash balance plan with required employee contributions of 6.0%. Employees hired before 9/1/22 are allowed to switch to the cash balance plan.	Yes
TX	Texas LECOS	LECOS is a supplementary plan to the Texas ERS, for law enforcement and custodial officers; participants hired before 9/1/22 contribute 0.5% plus the ERS contribution. Those hired on and after 9/1/22 contribute 6.0% to their ERS cash balance plan account and an additional 2.0% to a LECOS cash balance plan account.	Yes
TX	Texas Municipal	5%, 6%, or 7%, depending on ER election	Both; varies by plan
TX	Texas Teachers	8.0%, rising to 8.25% effective 9/1/23.	No

**Appendix A: Employee pension contribution rates**  
*(Unless otherwise specified, information reflects rates in effect as of September 2022)*

State	Plan	Employee Contribution Rate (Percent of Pay)	Social Security Coverage
UT	Utah Noncontributory	Non-contributory for employees hired before 7/1/11; employees hired after that date may elect to participate in a hybrid plan or a DC plan. Employee contributions in the hybrid plan are required when the costs of the DB portion of the plan exceed 10% (12% for public safety). DC plan contributions are optional.	Yes
VA	Richmond Retirement System	Most non-public safety hires may participate only in a DC plan which is non-contributory for employees. Public safety DB plan participants contribute 1.5% and general employee DB plan participants (who are top management employees) contribute 1.0%. DB plan participants may elect the enhanced option, featuring a higher retirement multiplier; the employee contribution rate for the enhanced option is 3.57%.	Yes
VA	Virginia Retirement System	5.0% for participants hired prior to 1/1/14 and all participants with enhanced hazardous duty benefits; employees in non-hazardous duty positions hired since 1/1/14 participate in a hybrid plan with mandatory contributions of 4% to the DB plan and 1% to the DC plan.	Yes
VT	Vermont State Employees and Teachers	Pursuant to pension reform legislation approved in 2022, contribution rates for most state employees will increase gradually from 7.15% in FY 23 to 9.15% in FY 27. Contribution rates for most teachers will grow from 6.0% in FY 23 to a sliding scale based on salary, ranging from 6.1% for those earning less than \$40,000 annually to 7.25% in FY 24 for those earning more than \$100,000.	Yes
WA	Washington LEOFF Plan 1	0%	Yes
WA	Washington LEOFF Plan 2	8.59%	Yes
WA	Washington PERS 1	6.0%	Yes
WA	Washington PERS 2/3	7.90% for Plan 2 members; Plan 3 members contribute only to their defined contribution plan at between 5% and 15%	Yes
WA	Washington School Employees Plan 2/3	8.25% for Plan 2 members; Plan 3 members contribute only to their defined contribution plan at between 5% and 15%	Yes
WA	Washington Teachers Plan 1	6.0%	Yes
WA	Washington Teachers Plan 2/3	7.77% for Plan 2 members; Plan 3 members contribute only to their defined contribution plan at between 5% and 15%	Yes
WA	Washington Public Safety Employees Plan	7.20%	Yes

**Appendix A: Employee pension contribution rates**  
*(Unless otherwise specified, information reflects rates in effect as of September 2022)*

State	Plan	Employee Contribution Rate (Percent of Pay)	Social Security Coverage
WI	Wisconsin Retirement System	For all plan participants, including general employees, teachers, and public safety personnel: 6.5% in 2022 and 6.8% in 2023.	Yes
WV	West Virginia PERS	4.5% for those hired before 7/1/15; 6.0% for those hired on or after 7/1/15	Yes
WV	West Virginia Teachers	6.0%	Yes
WY	Wyoming Public Employees	9.25%; law enforcement personnel contribute 8.6%	Yes