

History of TFFR Retirement Plan Changes

July 1	Plan Changes	Benefit Formula	Retiree Benefit Increase	\$ Average Increase	% Average Increase	Average Monthly Benefit
2009	Effective 7-01-10 <ul style="list-style-type: none"> Increase employer contributions from 8.25% to 8.75% on active and retired members' salaries until TFFR reaches 90% funded level. 	No Change	One time supplemental retiree payment based on formula: \$20 per year of service credit + \$15 per year of retirement (capped at greater of 10% of annual annuity or \$750). Average supplemental payment - \$723.	-0-	-0-	*2009-\$1514 2008-\$1477
2007	Effective 7-01-08 <ul style="list-style-type: none"> Increase employer contributions from 7.75% to 8.25% on active and retired members' salaries (until TFFR reaches 90% funded level). Create new tier of reduced member benefits: <ul style="list-style-type: none"> Tier 1 – Rule of 85, 3 yr vesting, 3 yr FAS Tier 2 – Rule of 90, 5 yr vesting, 5 yr FAS Effective 7-01-07 <ul style="list-style-type: none"> Require employer contributions of 7.75% on re-employed retirees. 	No Change	No Increase	-0-	-0-	2007-\$1434 2006-\$1383
2005	• None.	No Change	No Increase	-0-	-0-	2005-\$1309 2004-\$1255
2003	<ul style="list-style-type: none"> Clarified definition of salary. Updated dual membership guidelines. Added 20 year term certain and partial lump sum distribution (PLSO) options. Expanded refund & rollover options to purchase service credit. Allow employers to purchase service credit on behalf of members. 	No Change	No Increase	-0-	-0-	2003-\$1203 2002-\$1152
2001	<ul style="list-style-type: none"> Modified retiree employment provisions by adding exceptions for critical shortage areas and educational foundation donations, and improved recalculation of retiree benefits after returning to teach. 	Multiplier increased to 2.00% FAS X 2.00% X years of service	Increase equal to \$2 month X member's years of service credit + \$1 month X number of years since member's retirement plus 0.75% annual adjustment for 7-1-01 and 7-1-02.	\$78.00	7.8%	2001-\$995 2000-\$970
1999	<ul style="list-style-type: none"> Vesting and eligibility for benefits reduced from 5 to 3 years. Early retirement reduction changed from age 65 to earlier of age 65 or Rule of 85. Purchase of service credit modified; air time and leave of absence added. Member's spouse required to be beneficiary and spousal consent to choice of benefit option. 	Multiplier increased to 1.88% FAS X 1.88% X years of service	Increase equal to \$2 month X member's years of service credit + \$1 month X number of years since member's retirement.	\$70.00	8.5%	1999-\$833 1998-\$810
1997	<ul style="list-style-type: none"> Employer and employee contributions increased to 7.75%. Allow rollovers to purchase service credit. Expand TFFR Board to 7 members. 	Multiplier increased to 1.75% FAS X 1.75% X years of service	\$30 month increase.	\$30.00	4.1%	1997-\$729 1996-\$719

*Preliminary 2009 data

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1995	<ul style="list-style-type: none"> Allow members to rollover refunds from TFFR to IRA or qualified plan. 	No Change	No Increase	-0-	-0-	1995-\$690 1994-\$663
1993	<ul style="list-style-type: none"> Disability retirement formula changed to coincide with retirement formula. 	Multiplier increased to 1.55% FAS X 1.55% X years of service	Greater of 10% of current benefit or leveling benefit increase based on retirement date and years of service. (Maximum of \$100/mo)	\$75.00	13.80%	1993-\$547 1992-\$549
1991	<ul style="list-style-type: none"> Provisions for military service credit under Veterans' Reemployment Rights Act (VRRA) added. 	Multiplier increased to 1.39% FAS X 1.39% X years of service	Greater of 10% of current benefit or leveling benefit increase based on retirement date and years of service. (Maximum of \$75/mo)	\$63.24	14.66%	1991-\$513 1990-\$415
1989	<ul style="list-style-type: none"> "Pop-up" to single life annuity for joint and survivor options. Level income with Social Security. "Rule of 85" replaced the "Rule of 90." Employer and employee contributions increased to 6.75%. 	Multiplier increased to 1.275% FAS x 1.275% X years of service	Increase equal to \$.05 X years of service X number of years since member's retirement.	\$18.30	5.2%	1989-\$361 1988-\$352
1987	<ul style="list-style-type: none"> Eligibility for disability benefits changed to one year of service and disability benefit improved. Vesting for retirement benefits reduced from 10 to 5 years. 	Multiplier increased to 1.22% FAS X 1.22% X years of service	\$1.50/mo increase for every year since member's retirement. Members receiving benefits under 1967 & 1969 formulas rec'd \$15/mo bonus (Max \$75/mo)	\$27.25	9.1%	1987-\$327 1986-\$312
1985	<ul style="list-style-type: none"> Partial retirement possible at age 62. Dual membership for vesting of benefits for members under TFFR, PERS, and Highway Patrol Retirement System. 	Multiplier increased to 1.15% FAS X 1.15% X years of service	1% increase in benefits for every year since member's retirement, up to 10%. (Max \$40)	\$17.88	7.39%	1985-\$269 1984-\$242
1983	<ul style="list-style-type: none"> "Rule of 90" (age + service = 90) approved. Employer payment of member assessments allowed. School day for TFFR purposes set at 4 duty hours. FAS changed to high 3 years of career. 	Multiplier increased to 1.05% FAS X 1.05% X years of service	Greater of 15% increase in current benefit or \$1 per month for every year of service. (Max of \$45/mo)	\$29.78	15.93%	1983-\$221 1982-\$187
1981	<ul style="list-style-type: none"> Early retirement age reduced to age 55. Eligibility for disability benefits reduced from 15 to 10 years. 	No Change	No Increase	-0-	-0-	1981-\$182 1980-\$174
1979	<ul style="list-style-type: none"> New benefit formula using multiplier, years of service and final average salary (high 5 of last 10 years). Normal retirement @ 65 w/10 yrs or age 60 w/35 yrs service Employee and employer contribution rate increased from 5% to 6.25% each. 	Established multiplier of 1.0% FAS X 1.0% X years of service	*Certain "pre 1971" retirees received benefit increase based on \$6-\$7.50 minimum benefit formula	*Unknown	*Unknown	1979-\$171 1978-\$165
1977	<ul style="list-style-type: none"> \$14.5 mil transfer from General Fund to TFFR to reduce unfunded liability caused by 1965-75 retiree benefit improvements. Employee and employer contribution rate increased from 4% to 5%-\$500 cap on school district annual contributions removed. Created interim legislative committee on public employee retirement programs. 	1977 minimum benefit formula option: \$6 per month for service up to 25 years + \$7.50 per month for service over 25 years (or 1971 formula)	*Certain "post 1971" retirees received benefit increase based on \$6/\$7.50 minimum benefit formula	*Unknown	*Unknown	1977-\$164