

## **Appendix A (Available on Request): Notes for Table 1**

<sup>1</sup>The Alabama state CAFR lists several additional plans that are immaterial to the state. The Alabama State Port Authority administers two single-employer pension plans, the Hourly Plan and the Terminal Railway Plan for hourly workers and railway employees. The Peace Officers Annuity and Benefit Fund is a defined benefit plan that provides additional benefits to state and local peace officers beyond benefits paid by the ERS. The Clerks and Registers Supernumerary Fund is a defined benefit plan for circuit clerks and registrars of courts.

<sup>2</sup>The Alaska National Guard and Alaska Naval Militia Retirement System (NGNMRS) opened for members of the Alaska National Guard effective January 1, 1973 and for members of the Alaska Naval Militia effective July 1, 1980.

<sup>3</sup>Effective September 1, 2008, the assets of the Arizona Public Safety Personnel Retirement System (PSPRS), Arizona Corrections Officer Retirement Plan (CORP), and Elected Officials' Retirement Plan (EORP) were unitized by the PSPRS Trust.

<sup>4</sup>The Arizona State Retirement System (ASRS) was established in 1953 to provide defined contribution benefits to state employees, state university employees, and political subdivisions. During calendar year 1954, active teachers voted to join the ASRS and transferred effective January 1, 1955, closing the Teachers' Retirement System. In 1970, the Legislature agreed to enact the current defined benefit structure for ASRS if more than 70 percent of eligible members voted to transfer to the new plan. More than 80 percent of eligible members voted to transfer and the current defined benefit plan became effective July 1, 1971.

<sup>5</sup>The Arkansas Judicial Retirement System (AJRS) is administered by the Arkansas Public Employee Retirement System (APERS), but is not a separate division within APERS.

<sup>6</sup>Effective July 1, 2009, all assets of the Arkansas State Police Retirement System (ASPRS) were transferred to the Arkansas Public Employee Retirement System (APERS). ASPRS is treated as a separate division of APERS.

<sup>7</sup>The Arkansas District Judges Retirement System (ADJRS) was transferred to the Arkansas Public Employee Retirement System (APERS) effective July 1, 2007. At that time, it was treated as a closed system and reported as one of APERS "divisions".

<sup>8</sup>All active higher education employees who work 20 or more hours per week have the option of participating in the Arkansas Public Employee Retirement System (APERS) or several approved defined contribution plans established by the board of trustees of each college or university. The establishment date and default coding listed for these plans pertain to the University of Arkansas Optional Retirement Plan. Prior to July 1, 2011, eligible members also had the option of participating in the Arkansas Teacher Retirement System (ATRS).

<sup>9</sup>The California State Teachers' Retirement System (CalSTRS) administers the State Teachers' Retirement Plan (STRP), a defined benefit pension plan consisting of four programs. The Defined Benefit (DB) Program is the primary retirement plan, requiring mandatory participation from all eligible employees. Members of the DB Program automatically participate in the Defined Benefit Supplement (DBS) Program, which provides supplemental benefits based on the balance of member accounts. CalSTRS also administers the Cash Balance (CB) Benefit Program for part-time public school employees and the Replacement Benefit (RB) program, a qualified excess benefits arrangement for DB benefits in excess of the IRC limit.

<sup>10</sup>The decision to participate in the Statewide Defined Benefit Plan, Statewide Hybrid Plan, or Members' Statewide Money Purchase Plan is made by individual employers. Therefore, there are no defaults coded for this system.

<sup>11</sup>The Defined Benefit System also includes the Colorado Springs New Hire Pension Plans.

<sup>12</sup>The Statewide Defined Benefit Plan became effective January 1, 1980 but applies to eligible employees hired on or after April 9, 1978.

<sup>13</sup>These local plans are individual defined benefit pension plans for local firefighters (including volunteers) and police employees hired before April 8, 1978 that chose to participate in the Colorado Fire and Police and Pension Association (FPPA).

<sup>14</sup>After one year of membership in the Colorado PERA Defined Contribution Retirement Plan (PERAChoice), members may make a one-time irrevocable switch to the defined benefit plan at any time within their first five years of employment.

<sup>15</sup>The Denver Public Schools Retirement System (DPSRS) merged into the Colorado Public Employees' Retirement Association (PERA) on January 1, 2010 and transferred its assets into the new Denver Public Schools Division Trust Fund.

<sup>16</sup>Newly hired teachers and professional staff in higher education may choose between the Connecticut Alternate Retirement Program (CARP), Tier III of the Connecticut State Employees' Retirement System (SERS), and the Connecticut SERS Hybrid Plan as of July 1, 2011. Certain employees in higher education may also be eligible for the Connecticut Teachers' Retirement System (coded as DB only). Eligible employees who do not make an election within the first 60 days of employment are enrolled in SERS Tier III.

<sup>17</sup>The Connecticut State Employees' Retirement System (SERS) Hybrid plan is a contributory defined benefit plan with a "cash out" option intended to be qualified under section 401(a) of the Internal Revenue Code. Eligible members include teachers and professional staff in higher education. Members selecting the "cash out" option at retirement receive a lump sum in lieu of a lifetime annuity, consisting of their contributions, a five percent employer match and four percent interest.

<sup>18</sup>The Delaware Public Employees' Retirement System (DPERS) also administers the Special Fund, which provides benefits to certain individuals identified through legislation by the General Assembly. There are no active members in the plan.

<sup>19</sup>The Judiciary Pension Plans consist of the Closed Judiciary Pension Plan, covering members of the Delaware Judiciary appointed before July 1, 1980, and the Revised Judiciary Pension Plan, for those appointed on or after July 1, 1980.

<sup>20</sup>The Delaware State Police Pension Plans consist of the Closed State Police Pension Plan, covering state police officers appointed before July 1, 1980, and the New State Police Pension Plan, for those appointed on or after July 1, 1980.

<sup>21</sup>The Florida Retirement System (FRS) was established on December 1, 1970, consolidating and closing the Teachers' Retirement System, the State and County Officers and Employees' Retirement System, and the Highway Patrol Pension Trust Fund. The Judicial Retirement System was closed and consolidated in 1972. As of July 1, 2002, all FRS members may choose between the FRS Pension Plan and the FRS Investment Plan. Members may make a second election between the plans at any point during their career. Members may choose to participate in the FRS Investment Plan Hybrid Option after eight years of service in the FRS Pension Plan or FRS Investment Plan (five years for members hired prior to July 1, 2011).

<sup>22</sup>The Senior Management Service Optional Annuity Program (SMSOAP) was established to create more portability than the Florida Retirement System (FRS), particularly for potential employees that did not expect to vest in the FRS.

<sup>23</sup>The State University System Optional Retirement Program (SUSORP) was established to aid universities in recruiting employees who do not expect to vest in FRS. While the majority of eligible members may choose between SUSORP and the Florida Retirement System (FRS), faculty in a college of medicine with a faculty practice plan are mandatory SUSORP participants.

<sup>24</sup>The Employees' Retirement System of Georgia (ERS System) also administers the Superior Court Judges Retirement Fund (SCJRF) and District Attorneys Retirement Fund (DARF), both closed defined benefit plans with zero remaining active members. Since November 20, 1997, the ERS System has also administered the Supplemental Retirement Benefit Plan of ERS (SRBP-ERS), a qualified excess benefit plan for benefits otherwise limited by the IRC threshold.

<sup>25</sup>Members hired prior to January 1, 2009 that participate in the Employees' Retirement System of Georgia (ERS) Old plan or the ERS New plan have the option to irrevocably change their membership to the Georgia State Employees' Pension and Savings Plan (GSEPS).

<sup>26</sup>The 401(k) component of the Georgia State Employees' Pension and Savings Plan (GSEPS) existed as a supplemental plan prior to the establishment of GSEPS, for certain groups of employees. Beginning on January 1, 2009, newly hired GSEPS members are automatically enrolled in the 401(k) plan, but do have the ability to opt out.

<sup>27</sup>The Georgia Public School Employees Retirement System (PSERS) was designed to serve as a source of supplemental retirement income for public school employees not covered by the Teachers Retirement System (TRS) of Georgia (such as school bus drivers and lunchroom personnel). The retirement benefit is based on a specified dollar amount (currently \$14.75) for each year of service as opposed to a percentage of final average salary.

<sup>28</sup>Mandatory members of the Hawaii Employees' Retirement System (ERS) Contributory Plan include police officers, firefighters, judges, elected officials, legislative officers, attorney general investigators,

narcotics enforcement officers, and public safety investigations staff investigators. All non-mandatory members in the Contributory Plan were given the option to switch to the Non-Contributory Plan following its establishment in 1984.

<sup>29</sup>The Hawaii Employees' Retirement System (ERS) Hybrid plan covers most employees of the state hired on or after July 1, 2006, and certain employees hired before this date that chose to switch to the plan. Despite being called a "hybrid" plan, it is not hybrid in the sense that it provides both a defined benefit and defined contribution component. Relative to the Noncontributory Plan, The Hybrid plan provides an enhanced benefit formula and it requires a contribution rate (8%) between that of the Noncontributory (0%) and Contributory Plans (9.8%).

<sup>30</sup>The Idaho College and University Optional Retirement Plan (ORP) was first established in 1990 as an alternative to the Public Employee Retirement System of Idaho (PERSI) for eligible employees in higher education. Effective July 1, 2004, employees eligible for the ORP were excluded from PERSI.

<sup>31</sup>When the Teachers Retirement System of Idaho was abolished, members of that system were integrated into PERSI and future school district employees also became members effective July 1, 1967.

<sup>32</sup>Legislation in 1979 mandated that the Firemen's Retirement Fund (FRF) of Idaho be administered by the Public Employee Retirement System of Idaho (PERSI) effective October 1, 1980. Members hired on or after this date were entitled to PERSI benefits and the FRF became closed to new hires.

<sup>33</sup>The Illinois Municipal Retirement Fund (IMRF) was established by the Illinois State Legislature in 1939 and began administering benefits in 1941. It is separate and apart from the state government and not reported in its financial statements.

<sup>34</sup>Effective January 1, 1998, the Illinois State Universities Retirement System (SURS) began administering the Portable Benefit Option Plan and the Self-Managed Plan, in addition to the Traditional Plan. The Portable Benefit Option Plan provides a defined benefit like the Traditional Plan, but offers an enhanced refund at termination in lieu of the Traditional Plan's survivor benefit package. The Self-Managed Plan is a defined contribution plan. New and existing hires may make an irrevocable choice between the three plan options within the first 6 months of employment. Members that do not make an election are enrolled in the Traditional Plan.

<sup>35</sup>The Indiana Public Retirement System (INPRS) was enacted effective July 1, 2011 to oversee the pre-existing funds previously administered by separate boards of the Indiana Public Employees' Retirement Fund (PERF) and the Indiana Teachers' Retirement Fund (TRF).

<sup>36</sup>The Annuity Savings Account (ASA) was established in 1955, but not allowed to invest in equities until approved by a 1996 amendment to the Indiana Constitution.

<sup>37</sup>Legislation in 2010 consolidated a variety of non-hazardous-duty subplans into the "Regular Employees Plan" and a variety of hazardous-duty plans into the "Hazardous Duty Employees Plan" for new hires effective January 1, 2011. The Judicial Plan also remains as a separate division of the Louisiana State Employees' Retirement System (LASERS).

<sup>38</sup>The Teachers' Retirement System of Louisiana (TRS) also administers the TRSL Excess Benefit Plan, a qualified governmental excess benefit arrangement for members whose benefits exceed the IRC limit.

<sup>39</sup>The Maine Public Employees Retirement System (MainePERS) also administers two pay-as-you-go retirement systems, one for judges who retired prior to the establishment of the Judicial Retirement Program and the other for former governors and their surviving spouses.

<sup>40</sup>The Maine State Employee and Teacher Program (SETP) started as the State Employees Plan in 1942, administered by the Employees Retirement System. Legislation was passed in 1947 merging the existing Teachers retirement plan and the Maine Teachers Retirement Association with the State Employees Plan and Employees Retirement System, creating the SETP.

<sup>41</sup>Also listed in Maryland's state CAFR is the Maryland Transit Administration Pension Plan, a defined benefit plan administered by the Maryland Transit Authority.

<sup>42</sup>Eligible higher education employees may choose to participate in the Optional Retirement Program (ORP) as an alternative to the Maryland State Retirement and Pension System (SRPS). Employees that do not make an election are defaulted to the Employees' Pension System or the Teachers' Pension System.

<sup>43</sup>The state of Michigan also administers the Military Retirement Plan (MRP), a pay-as-you-go plan that provides a flat annual benefit of \$600. The state's universities, component units of the government, also participate in the Teachers' Insurance and Annuity Association College Retirement Equities Fund (TIAA-CREF).

<sup>44</sup>The Municipal Employees' Retirement System of Michigan (MERS) was established in 1945 by the Michigan Legislature as a voluntary defined benefit plan for participating municipal employers. Frustrated

by the lack of retirement options (particularly defined contribution options) and ultimate control of the system's viability, the Municipal Employees' Retirement Board pushed for more than a decade to establish independence from the state. On August 15, 1996, the Board received full administrative authority for MERS and it officially became an independent, non-profit public organization. In October 1996, the Board established the current Defined Contribution Plan and in October 2006, the Hybrid Plan. Participating municipal employers may choose from these primary plans.

<sup>45</sup>The JRS was established in 1992, consolidating the former Judges' Retirement System (established in 1974) and the Probate Judges' Retirement System (established in 1976).

<sup>46</sup>The Minnesota State Retirement System (MSRS) also administers the Fire Marshals Plan, the Military Affairs Plan, and the Transportation Pilots Plan (all defined benefit plans) for certain eligible members of the Departments of Fire Marshals, Military Affairs, and Transportation. MSRS also provides recordkeeping services for the Hennepin County Supplemental Retirement Fund, a closed defined contribution fund as of April 14, 1982.

<sup>47</sup>Certain members in the Unclassified Retirement Plan have the option to switch to the Minnesota State Retirement System (MSRS) General Employees Retirement Plan within their first seven years of service (one year of service if hired before July 1, 2010). Elected officials including legislators, judges, and constitutional officers are required to participate in the Unclassified Retirement Plan.

<sup>48</sup>Legislation in May 2010 made the Minneapolis Employees Retirement Fund (MERF) a separate division of the Public Employees Retirement Association of Minnesota (PERA), effective June 30, 2010. MERF has been closed to new members since 1979.

<sup>49</sup>For elected government officials and ambulance service personnel, the Public Employees Defined Contribution Plan (PEDCP) is the only primary retirement option and participation is completely voluntary. Physicians and city managers have 90 days to make an irrevocable election between the PEDCP and the General Employees Retirement Fund (GERF), with the latter serving as the default.

<sup>50</sup>The Statewide Volunteer Firefighter Retirement Plan (SVF) is a lump-sum defined benefit plan added to the Public Employees Retirement Association of Minnesota (PERA) effective January 2010.

<sup>51</sup>The Public Employees' Retirement System of Mississippi also administers the Supplemental Legislative Retirement Plan, designed to provide supplemental defined benefits to elected officials of the State Legislature and the president of the Senate.

<sup>52</sup>The University of Missouri, a component unit of the state, offers the University of Missouri Retirement, Disability, and Death Benefit Plan. The retirement plan was established in 1958 as a defined benefit plan but will be closed to new hires effective October 1, 2012 and replaced with a hybrid plan.

<sup>53</sup>The Missouri County Employees' Retirement Fund (CERF) consists of the Pension Plan, a defined benefit plan, and the Savings Plan, a defined contribution plan designed to provide additional retirement benefits. Effective January 1, 2000, members of the CERF Pension Plan who are not members of LAGERS are required to contribute 0.7 percent of gross compensation to the Savings Plan. Every year, the Board of Directors determines a matching contribution (if any), up to specified plan limits. Therefore, CERF essentially serves as a hybrid plan for certain employees.

<sup>54</sup>The Public Education Employee Retirement System of Missouri (PEERS) was established October 13, 1965 as the "Non-Teacher School Employee Retirement System of Missouri (NTRS)". In August 2005, the plan adopted its current name to more positively represent members.

<sup>55</sup>Prior to July 1, 1993, the Optional Retirement Plan (ORP) was optional for eligible employees. Effective as of this date, participation became mandatory as a condition of employment for eligible employees in the Montana University System. Employees of the Montana University System who are employed in positions covered by PERS have the choice between PERS-DB, PERS-DC and a version of the University System's ORP Plan that started in 2002. This is a different plan from the ORP plan that faculty and staff participate in.

<sup>56</sup>The Nebraska State Employees Cash Balance Plan and Nebraska County Employees Cash Balance Plan were added on April 18, 2002 and became the only plan options for eligible new hires beginning January 1, 2003. Upon establishing the Cash Balance Plans, members in the Defined Contribution Plans were given the option to transfer.

<sup>57</sup>The state of New Jersey also sponsors and administers two closed defined benefit plans with zero remaining active members. The Consolidated Police and Firemen's Pension Fund (CPFPF) was established in 1952 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944. The Prison Officers' Pension Fund was established in 1941 to provide coverage to various employees of the state penal institutions who were appointed prior to January 1, 1960. Members previously eligible for these

plans now participate in the Police and Firemen's Retirement System (PFRS). The state also administers the Central Pension Fund, a defined benefit plan for special groups of employees who are not included in other state-administered systems.

<sup>58</sup>The New Jersey Defined Contribution Retirement Program (DCRP) was established in 2007 to provide a defined contribution retirement benefit for state or local officials and Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) members with salaries in excess of the Social Security annual maximum wage contribution base. State or local officials hired on or after July 1, 2007 are only eligible for the DCRP and may no longer participate in PERS. For PERS, TPAF, PFRS, and SPRS members, only compensation exceeding the Social Security wage base is eligible for the DCRP.

<sup>59</sup>The New Mexico Educational Retirement Board's (ERB's) roots can be traced back to a 1925 act that set pension benefits for certain university faculty members. In the 1930's, benefits were established for public school teachers and in 1957, the ERB itself was established. Beginning July 1, 1991, certain faculty and staff of the state's six institutions of higher education had the option to participate in the Alternate Retirement Plan (ARP in lieu of the Educational Employees' Retirement System (EERS) Defined Benefit Plan. Faculty and staff of the state's eight community colleges became eligible on July 1, 1999.

<sup>60</sup>New York City public employees and teachers participate in the New York City Employees' Retirement System (NYCERS) and New York City Teachers Retirement System (TRS). They do not participate in the state-sponsored retirement systems.

<sup>61</sup>The Consolidated Judicial Retirement System (CJRS) was created by the 1983 session of the General Assembly (effective January 1, 1985), combining the previously existing Uniform Judicial, Uniform Solicitorial, and Uniform Clerks of Superior Court Retirement Systems.

<sup>62</sup>The Local Governmental Employees' Retirement System (LGERS) was established in 1939 but did not begin acquiring members until 1945.

<sup>63</sup>The enrollment date (1979) represents the year the National Guard Pension Plan was transferred to the Department of State Treasurer for payment of monthly benefits.

<sup>64</sup>Eligible members may choose this plan in lieu of TSERS. (see pg. 145:

[http://www.ncosc.net/financial/11cafr/2011\\_Comprehensive\\_Annual\\_Financial\\_Report.pdf](http://www.ncosc.net/financial/11cafr/2011_Comprehensive_Annual_Financial_Report.pdf))

<sup>65</sup>The North Dakota Public Employees Retirement System also administers the Old-Age and Survivor Insurance System (OASIS), a defined benefit plan that closed in 1957 and has zero remaining beneficiaries as of 2011.

<sup>66</sup>The North Dakota Public Employees' Retirement System (PERS) was established July 1, 1966 as a defined contribution plan but converted to a defined benefit plan in 1977.

<sup>67</sup>Newly hired employees eligible for the Alternative Retirement Plan (ARP) have 120 days to make an election. For those that do not choose to participate in the ARP, staff members may choose from any of the 3 Ohio Public Employees Retirement System (OPERS) plans and faculty members may choose from any of the 3 State Teachers Retirement System (STRS) of Ohio plans. If no election is made after an additional 60 days (day 180), staff members are defaulted into the OPERS Traditional Plan and faculty members are defaulted into the STRS Defined Benefit Plan.

<sup>68</sup>The Ohio Public Employees Retirement System (OPERS) was created in 1933 and began operations effective January 1, 1935 as a defined benefit plan. Effective January 1, 2003, all new hires of the system have 180 days to choose between the Traditional Pension Plan (DB), the Member-Directed Plan (DC), and the Combined Plan (Hybrid). Existing PERS members with less than 5 years of service as of this date were also allowed to choose between the three plans.

<sup>69</sup>The State Teachers Retirement System of Ohio (STRS) was established in 1919 as an alternative defined benefit plan to separate, often unstable local school district plans. Effective July 1, 2001 all new hires of the system have 180 days to choose between the Defined Benefit Plan, the Defined Contribution Plan, and the Combined Plan (Hybrid). Existing STRS members with less than 5 years of service as of this date were also allowed to choose between the three plans.

<sup>70</sup>The Department of Wildlife Conservation, part of Oklahoma's primary government, administers the Wildlife Conservation Retirement Plan, a defined benefit plan covering employees of the Department of Wildlife Conservation hired prior to July 1, 2010. Department of Wildlife Conservation employees hired on or after July 1, 2010 participate in a defined contribution plan. The Oklahoma Housing Finance Agency contributes to the Oklahoma Housing Finance Agency Retirement Plan, a defined contribution plan closed to new hires as of June 30, 1997. New employees as of that date are required to participate in the Oklahoma Public Employees Retirement System (OPERS).

<sup>71</sup>The Optional Retirement Plan (ORP) was established for faculty and staff of the Oregon University System as a defined contribution alternative to the Oregon Public Employees Retirement System (PERS). When the ORP became effective in 1996, it closed the existing Teacher's Insurance and Annuity Association and College Retirement Equities Fund. Eligible ORP employees hired before August 29, 2003 that do not elect to participate in the ORP within the first six months of employment are defaulted into Oregon PERS Tier 1 or Tier 2. Those hired on or after August 29, 2003 that do not elect to participate are defaulted into the Oregon Public Service Retirement Plan (OPSRP). To avoid confusion, only the OPSRP is listed as being the "choice" default.

<sup>72</sup>The Oregon Health and Science University (OHSU), a component unit of the state, administers the University Pension Plan (UPP), a defined contribution plan that is available to employees as an alternative to the Oregon Public Employees Retirement System (PERS).

<sup>73</sup>The Oregon Public Employees Retirement System (PERS) was signed into law on March 26, 1945 and began operations on July 1, 1946 as a money match retirement plan. In 1967, the plan adopted a defined benefit formula. In 2003, the Oregon Legislature enacted a bill that created the Oregon Public Service Retirement Plan (OPSRP), a hybrid plan consisting of the defined benefit Pension Program and the defined contribution Individual Account Program (IAP). Public employees hired on or after August 29, 2003 are required to participate in the hybrid plan. Beginning January 1, 2004, Tier 1 and Tier 2 Defined Benefit Plan members were also required to become members of the IAP and all employee contributions have since been placed in this account.

<sup>74</sup>All Oregon PERS members (including Tier 1 and Tier 2 members) participate in the Individual Account Program (IAP). It is listed under the Oregon Public Service Retirement Plan (OPSRP) for illustration purposes, not because it is restricted to OPSRP members.

<sup>75</sup>The Rhode Island Public Transit Authority, a component unit of the state, also has a defined benefit plan for all employees.

<sup>76</sup>The South Carolina State Optional Retirement Program (State ORP) is a defined contribution plan offered as an alternative to the South Carolina Retirement System (SCRS). The plan was first established as the Optional Retirement Program for Higher Education in 1987. Effective July 1, 2000, legislation was enacted giving the State ORP its current name and expanding membership to certain public school (K-12) employees hired as of that date. Legislation in 2001, expanded eligibility in the plan to include full-time employees of South Carolina public school districts hired after June 30, 2001, full-time employees of South Carolina state-supported colleges, universities, and technical colleges hired after June 30, 2002, all full-time employees of the state hired after June 30, 2002, and certain part-time and temporary employees hired after June 30, 2003.

<sup>77</sup>Employees of the South Dakota Department of Labor hired prior to July 1, 1980 had the option to participate in the South Dakota Retirement System (SDRS) or the Department of Labor Employment Security Retirement Plan. This defined benefit plan has been closed to new hires since July 1, 1980 and has 32 remaining active participants as of June 30, 2011.

<sup>78</sup>Legislation in 2010 transferred responsibility for the South Dakota Cement Plant Retirement Fund (CPRF) to the South Dakota Retirement System effective July 1, 2010. All six defined benefit plans within the South Dakota CPRF have been frozen since March 16, 2001. The South Dakota Retirement System (SDRS) classifies itself as a "hybrid defined benefit plan," because it combines features of both defined benefit and defined contribution plans. The Portable Retirement Option, established in 1995, provides short-term employees with the ability to carry their plan from job to job, a typical benefit of defined contribution plans. It offers this portability by giving members a choice between withdrawing employee and employer contributions, plus interest, in lieu of an SDRS annuity. SDRS also indexes the benefits of vested, terminated members who choose not to withdraw their benefits, an uncommon feature in traditional defined benefit plans. Employer and employee contributions also remain relatively fixed, like a defined contribution plan, because it has been the practice of SDRS to reduce future liabilities if events were to threaten its financial viability. Meanwhile, SDRS benefits for long-term employees are better than those typically received in a defined contribution plan.

<sup>79</sup>The Tennessee Consolidated Retirement System (TCRS) was established in 1972, consolidating 7 superseded systems. The pre-existing Tennessee Teachers' Retirement System and Tennessee State Retirement System were established on July 1, 1945 and July 1, 1947, respectively.

<sup>80</sup>The Texas Guaranteed Student Loan Corporation (TGSLC), a component unit of the state, also administers its own defined contribution plan, the TGSLC Money Purchase Pension Plan and Trust. The plan covers substantially all employees of the TGSLC and had 701 participants as of June 30, 2011.

<sup>81</sup>The Texas Emergency Services Retirement System (TESRS) was established in 1977 as the Statewide Volunteer Fire Fighters' Retirement Act and given its current name in 2005, eight years after EMS personnel became eligible to participate in the plan. The plan was established by statutory authority but is administered by the Fire Fighters' Pension Commissioner.

<sup>82</sup>The Utah Tier 2 Public Safety and Firefighters Retirement system was established by legislation in 2010 and applies to newly hired employees as of July 1, 2011. Newly hired Tier 2 members have one year to choose between the Hybrid Retirement System and the Defined Contribution Plan, with the Hybrid Retirement System serving as the default if no election is made. Effective July 1, 2011, the Firefighters Retirement System and Public Safety Retirement System were closed to new hires and new members that would have been eligible for these systems enter the Tier 2 Public Safety and Firefighters Retirement System.

<sup>83</sup>Membership in the Utah Public Employees Retirement System can be traced back to 1937 when the first statewide teachers retirement system was established and 1947 when the first statewide retirement system for public employees was established. In 1961, the Public Employees Retirement System was created but the separate school and public retirement systems were not consolidated until 1967, the enrollment date listed.

<sup>84</sup>The Utah Tier 2 Public Employees Contributory Retirement System was established by legislation in 2010 and applies to newly hired employees as of July 1, 2011. Newly hired Tier 2 members have one year to choose between the Hybrid Retirement System and the Defined Contribution Plan, with the Hybrid Retirement System serving as the default if no election is made. The Tier 1 Public Employees Contributory Retirement System and Tier 1 Public Employees Noncontributory Retirement System defined benefit plans have been closed to new hires since July 1, 2011, and replaced by the Tier 2 Public Employees Contributory Retirement System.

<sup>85</sup>In 1981, the Vermont State Employees' Retirement System (VSERS) and the Vermont State Teachers Retirement System (STRS) created non-contributory systems and allowed members of the existing contributory systems to transfer. For members that chose to transfer, the Single Deposit Investment Account (a defined contribution plan) was established to invest their accumulated contributions and interest from the contributory systems. In 1990, the legislature mandated a return to a contributory system effective January 1, 1991. No new monies have been invested in the Single Deposit Investment Account since then.

<sup>86</sup>It was not clear for this plan whether eligible employees have the option to participate in another plan, and if so, which plan is the default.

<sup>87</sup>A number of component units of Virginia's government administer their own retirement plans, including the Virginia Housing Development Authority, the Virginia Outdoors Foundation, and the Virginia Port Authority.

<sup>88</sup>Virginia Retirement System (VRS) members hired on or after July 1, 2010 participate in Plan 2, a reformed version of Plan 1 with increased retirement ages, longer averaging periods to calculate final average salary, and a reduced cost-of-living adjustment.

<sup>89</sup>In 2012, legislation was passed to implement a mandatory hybrid system for state and local employees and teachers hired on or after January 1, 2014. These changes will close the VRS Plan 2 defined benefit plan to new hires. Existing members in this plan as of December 31, 2013 will have an option to switch to the hybrid plan.

<sup>90</sup>As of July 1, 2011, newly hired employees of higher education institutions have 30 days to choose between their school's Higher Education Retirement Plan (HERP) or a Washington Department of Retirement Services (WDRS) plan (Teachers' Retirement System (TRS) Plan 3 for faculty and Public Employees' Retirement System (PERS) Plan 3 for staff). Members that do not elect a plan during this period are defaulted into the WDRS plan.

<sup>91</sup>Washington Public Employees Retirement System (PERS) participants joining the system on or after March 1, 2002, for state and higher education employees, or September 1, 2002, for local government employees, have the irrevocable option of choosing membership in PERS Plan 2 or PERS Plan 3. Newly hired members have 90 days to make an election between these plans, with Plan 3 serving as the default. Existing members of Plan 2 were also provided an option to transfer their membership to Plan 3 following its implementation.

<sup>92</sup>The Washington School Employees' Retirement System (SERS) began operations effective September 1, 2000, when classified school employees in the Public Employees' Retirement System (PERS) Plan 2 were transferred to SERS Plan 2. Participants joining the system on or after this date became members of Plan 3. Effective July 1, 2007, newly hired members have 90 days to make an irrevocable election between Plan 2

and Plan 3, with Plan 3 serving as the default. Existing members in Plan 2 as of this date were also given the option to transfer their membership to Plan 3.

<sup>93</sup>Teachers' Retirement System (TRS) participants who joined the system on or after July 1, 1996 became Plan 3 members. Effective July 1, 2007, newly hired members have 90 days to make an irrevocable election between Plan 2 and Plan 3, with Plan 3 serving as the default. Existing members in Plan 2 as of this date were also given the option to transfer their membership to Plan 3.

<sup>94</sup>Effective July 1, 1991, the Teachers' Retirement System (TRS) of West Virginia became closed and new members enrolled in the Teachers' Defined Contribution Retirement System (TDCRS). The TDCRS became closed effective July 1, 2005 and TRS once again began enrolling newly hired members. Active members in the TDCRS were given the option to transfer to TRS effective July 1, 2008.

<sup>95</sup>Effective January 1, 2003, newly hired faculty and staff of state colleges and universities may choose between the TIAA-CREF plan and the Great-West Retirement Services - New Educators Money Plan. Participation in one of the two plans is mandatory, although it is unclear which plan serves as the default. Prior to 1991, higher education employees were able to participate in the Teachers' Retirement System (TRS).

<sup>96</sup>The Wisconsin Retirement System (WRS) was established January 1, 1982, but pension coverage for local government employees dates back to 1891. By the mid 1940's, approximately 75 separate employee retirement systems existed in Wisconsin, causing concern among members of the legislature, taxpayer groups, and pension experts. Years of consolidation efforts by the legislature eventually culminated in the establishment of WRS, now the only statewide employee retirement system in Wisconsin.