

PSERS Unreduced Retirement Age

Issue

Should the Public Safety Employees' Retirement System (PSERS) members receive earlier unreduced retirement (in line with the 2008 Early Retirement Factors [ERFs] for the Plans 2/3)?

Background

Senate Bill (SB) 6370 was introduced in the 2018 Legislative Session. It did not receive a hearing, but the bill sponsor requested that the SCPP study it during the 2018 Interim.

The intent section of SB 6370 expressly states that it intended to provide a three-year unreduced retirement option to members of PSERS that is similar to what the Public Employees' Retirement System (PERS) Plan 2 members receive.

This refers to the "2008 ERFs" which allow members of PERS 2, and in fact all Plans 2/3, to retire up to three years early with no reduction in benefits if they:

- ❖ Were hired prior to May 1, 2013;
- ❖ Have at least 30 years of service credit; and
- ❖ Affirmatively select that option.

The normal retirement age for PSERS is the same as in PERS (age 65), but PSERS has an option for unreduced benefits at age 60 if the member has at least ten years of service in PSERS (as opposed to five years of service in any plan).

Highlights

- ❖ Under the original SB 6370, PSERS members could retire up to three years earlier (age 57) with no reduction in benefits if they:
 - ◇ Were hired prior to May 1, 2013; and
 - ◇ Have at least ten years of PSERS service credit.
- ❖ Under the amended version, PSERS members could retire early under the same conditions, except:
 - ◇ They must have at least thirty years of PSERS service, instead of ten; and
 - ◇ They would not receive a COLA until age 61 (the age that they would receive a COLA if they retired at age 60 under current law).

Committee Activity

The SCPP studied this issue in May and December, and the Executive Committee studied it in July. No recommendation was made.

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