



Pension Adequacy and Retirement Readiness

Select Committee on Pension Policy
December 10, 2013

Presented by Department of Retirement Systems:
Dave Nelsen



Agenda

- Plan 3 Data
- Pension Design Projection
- Deferred Compensation Program Data
- Retirement Readiness Activities

Plan 3 Data

- Merged Plan 3 account balance information with contribution rate and years of service
- Difficult to draw firm conclusions since number of long service members and retirees are small

Plan 3 Members Rate Choice

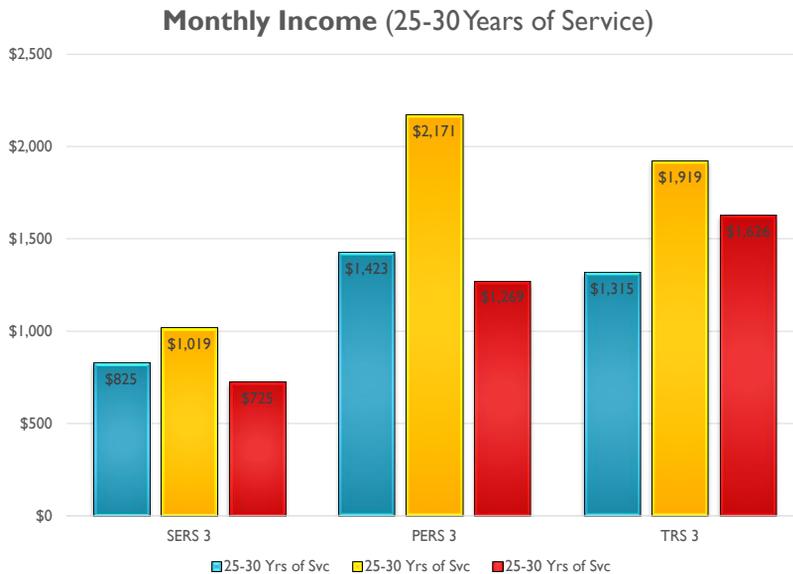
Contr. Rate	SERS 3		PERS 3		TRS 3		Grand Total	
5%	19,811	63%	18,444	62%	20,338	39%	58,593	51%
5/6/7.5%	2,551	8%	3,281	11%	6,470	12%	12,302	11%
6/7.5/8.5%	1,613	5%	2,455	8%	7,392	14%	11,460	10%
7%	2,621	8%	1,851	6%	6,123	12%	10,595	9%
10%	3,126	10%	2,368	8%	6,902	13%	12,396	11%
15%	1,886	6%	1,588	5%	5,464	10%	8,938	8%
Grand Total	31,608	100%	29,987	100%	52,689	100%	114,284	100%

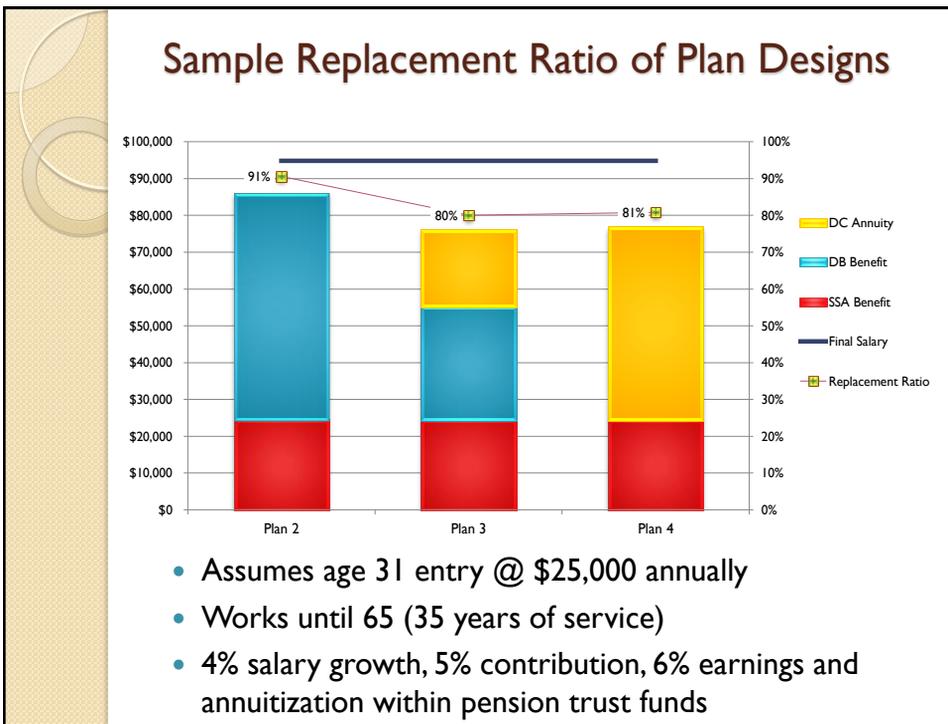
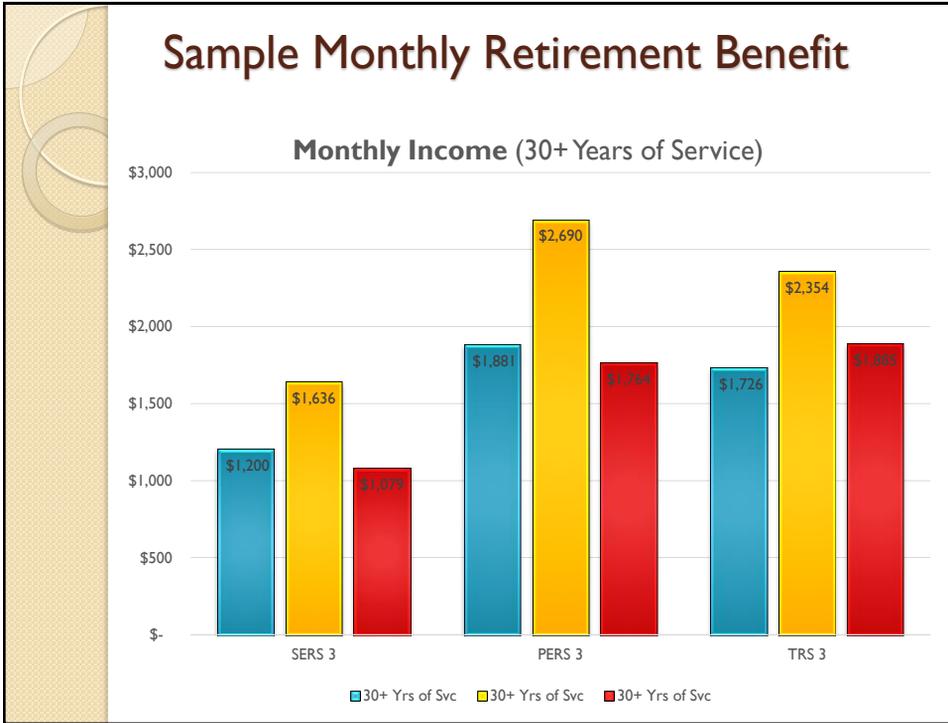
Plan 3 Account Balances

Rate	5%		15%	
Yrs of Svc	25-30	30+	25-30	30+
SERS 3	\$131,519	\$191,338	\$162,600	\$260,891
PERS 3	\$219,245	\$289,795	\$334,450	\$415,655
TRS 3	\$210,310	\$276,158	\$307,010	\$376,630

- Only includes members who transferred
 - Rate shown only reflects contribution level since transfer

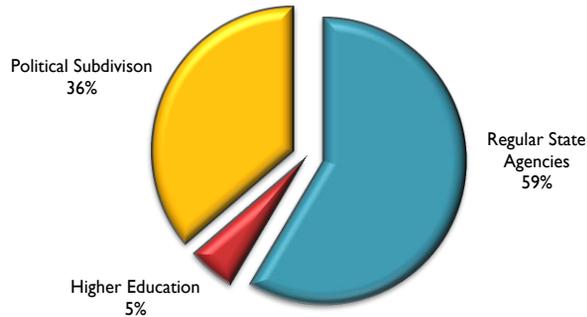
Sample Monthly Retirement Benefit





State Deferred Compensation Program

Who participates?



- 30,997 Active Participants
- 917 Participating Employers
- \$3.3 Billion in Assets

Summary

- For Plan 3 members, 5% is most common rate
- For the few long-term Plan 3 members currently:
 - Account balances would appear to provide equivalent value to 1% guaranteed benefit
 - Greater rate provides additional value
- Most DCP participants from state agencies