

## **Faculty Senate Report on Retirement as of January 16, 2018**

### **Retirement Comparison from the public university systems.**

Many Universities have Defined Benefit Plans. These are pension type plans, have variable employer and employee contributions. The benefit at retirement is calculated using a variety of formulas that include age, years of service, salaries at retirement and more. Many of these plans are state teacher's plans. Comparing one Defined Benefit Plan to another was not possible. There are a few states that only one plan, either a defined benefit plan or a defined contribution plan. Estimates of employer and employee contributions were made to compare. Like Florida, a majority of states had state wide plans. There were a few exceptions.

Almost all universities/states had Defined Contribution Plans. There were general 3 types.

1. Employer contributed 401a, 403b or 401k
2. Employee mandated or optional 403b or 401k
3. Employee voluntary "Optional Retirement Plan"
  - a. Federal limit of \$18000 a year (current limit), plus \$6000 more for over age 50

There were a number of variables between plans. Most were fixed salary percentages. A few used the social security wage base or some proportion to tier employer contributions. Other plans varied contributions by age (U of Washington) and some varied by a variety of matching programs. Where possible, the database uses numbers that maximize the employer contribution. So if the employer contributed a fixed 5% and the 1% for each 1% the employee contributed up to 5%, the data base would have 10% from the employer and 5% from the employee.

#### **Alabama**

- 1) University of Alabama <http://hr.ua.edu/benefits/retirement-benefits/retirement-plans>
  - a) Teachers Retirement System (TRS) defined benefit plan
    - i) Employee contributes 6% hired after 2013
    - ii) Employee contributes 7.5% hired before 2013
    - iii) Employer contributes a varied amount per year, approximately 10%
  - b) ORP if a faculty or staff elects to add to these plans it is in addition to TRS.
    - i) 5% employer match (5% for database, plus 10% from TRS)
    - ii) 5% employee (for data base, plus 7.5% from TRS)
- 2) Auburn University <http://www.auburn.edu/administration/business-finance/peb/index.html>
  - a) Similar to University of Alabama
- 3) University of South Alabama <http://www.southalabama.edu/departments/financialaffairs/hr/>
  - a) Similar plans to Alabama. College of Medicine are not eligible for the TRS program

#### **Alaska**

- 1) University of Alaska <https://www.alaska.edu/benefits/retirement-plans/>
  - a) University of Alaska Retirement Program
    - i) 12% employer (used in database)
    - ii) 8% employee required (used in database)
  - b) State of Alaska Teacher's Retirement System
    - i) 7% employer
    - ii) 8% employee
    - iii) 3% health reimbursement account
  - c) State of Alaska State Employee Retirement System
    - i) 5% employer
    - ii) 8% employee
    - iii) 3% health reimbursement account
  - d) University of Alaska Pension Plan
    - i) 7.65% employer, 3 year vesting (added to employer side of database)

#### **Arizona**

- 1) University of Arizona <https://hr.arizona.edu/employees-affiliates/benefits/retirement-plans>
  - a) Pension plan
    - i) 11.34% from employer and 11.34% from employee
    - ii) Complex set of rules
  - b) Defined Contribution Plan
    - i) 7% from employer and 7% from employee

#### **Arkansas**

- 1) University of Arkansas <https://hr.uark.edu/benefits/retirement/index.php>
  - a) Defined Benefit plan (no pension plan as of 2016)
    - i) 5% from employer if some match by employee
    - ii) 5% additional match
    - iii) 10% employee to get a 10% from employer (10 and 10 used for database)

#### **California** (All California UC schools have the same plan)

- 1) UC Berkeley <https://hr.berkeley.edu/compensation-benefits/benefits/retirement-savings>
  - a) Defined Benefit Plan/Pension
    - i) 8% with, 7% employee required
    - ii) Straight formulaic plan, better for predictable retirement income
  - b) Defined Contribution Plan
    - i) Basic ORP type 403b or 401k plan
    - ii) 8% with, 7% employee required

#### **Colorado**

- 1) University of Colorado <https://www.cu.edu/employee-services/retirement-plans>
  - a) Defined Contribution Plan/401(a) program
    - i) 5% employee required
    - ii) 10% employer match

#### 2) Colorado State

#### **Connecticut**

- 1) University of Connecticut <http://web2.uconn.edu/hrnew/docs/RetPlnCmpChrtHEd.pdf>
  - a) 4 separate options, 3 are defined benefit plans
  - b) Defined contribution plan (used for data base)
    - i) 6.5% employer
    - ii) 6.5% employee match

#### **Delaware**

- 1) University of Delaware <http://www.udel.edu/faculty-staff/human-resources/benefits/primary-403b/>
  - a) Define benefit plan
    - i) Employee contribution is 5%
    - ii) Benefit is calculated on total number of years of service and salary of last 3 years employment. Additional health, dental and prescriptions benefits are part of the package.
  - b) Defined contribution plan
    - i) 11% employer
    - ii) 4% employee match

#### **Florida** (all SUS the same)

- 1) UF <http://hr.ufl.edu/benefits-rewards/retirement/>
  - a) Defined Benefit Plan/State Pension Plan
    - i) State pension plan 7.26% (All eligible except Health Science Faculty)
    - ii) Employee required 3% contribution
  - b) Defined Contribution Plan
    - i) Employer contribution 5.14% into a 403b with few almost no restrictions
    - ii) Employee required 3% contribution

#### **Georgia**

- 1) Georgia Institute of Technology <https://ohr.gatech.edu/retirement-benefits>
  - a) Teacher's retirement system TRS (Defined Benefit Plan)

- i) Employer contribution is 16.81%
    - ii) 10 year vesting and a bunch of rules
    - iii) 6% employee required
  - b) Defined Contribution Plan
    - i) 9.24% employer contribution
    - ii) 6% employee required
- 2) University of Georgia
- a) Same as GA Tech

### **Hawaii**

- 1) University of Hawaii <https://www.hawaii.edu/ohr/benefits-leave/retirement/>
- a) Unable to determine. No clear defined contribution plan.
  - b) 8% employee contribution to retirement plan (used for database)

### **Idaho**

- 1) University of Idaho <http://www.uidaho.edu/human-resources/benefits/plans>
- a) Defined Benefit plan
    - i) 6.79% employee
    - ii) 11.32% employer
  - b) Defined contribution plan (used for database)
    - i) 6.97% employee
    - ii) 9.255% employer

### **Illinois** (SURS State University Retirement System)

- 1) University of Illinois [https://nessie.uihr.uillinois.edu/cf/benefits/index.cfm?Item\\_ID=127&rlink=126](https://nessie.uihr.uillinois.edu/cf/benefits/index.cfm?Item_ID=127&rlink=126)
- a) SURS SMP (Defined Contribution Plan, ORP type)
    - i) Employee 8% required
    - ii) Employer 7.6% required
  - b) SURS, two types of defined benefit or pension type plans

### **Indiana**

- 1) Indiana University <http://hr.iu.edu/benefits/iuret.html>
- a) Defined Contribution style plans
    - i) 10%, 12% or 15% employer contribution depending upon hire.
      - (1) All new employees at 10%
      - (2) No employer mandatory contribution
    - ii) Employer 10%
    - iii) Employee 0%
- 2) Purdue University [https://www.purdue.edu/hr/Benefits/currentEmployees/retirement/retirement\\_plans/P\\_MRS.html](https://www.purdue.edu/hr/Benefits/currentEmployees/retirement/retirement_plans/P_MRS.html)
- a) 403(b) Defined Contribution plan
    - i) Employee none required, 4% match
    - ii) Employer 4% automatic, 4%, match
  - b) Employer 8%
  - c) Employee 4%
- 3) Because the two major state universities have different plans, using an approximation of 9% for employer and 4% for employee

### **Iowa**

- 1) Iowa State University <http://www.hrs.iastate.edu/hrs/node/659/attachment>
- a) IPERS defined benefit plan (pension type)
    - i) Employee 5.95%
    - ii) Employer 8.93% (+/- 1% potential variation)
  - b) Defined Contribution Plan through TIAA-CREF
    - i) Employee 5% required
    - ii) Employer 10%
- 2) University of Iowa <https://hr.uiowa.edu/retirement/plans-comparison>

- a) IPERS defined benefit plan (pension type)
  - i) Employee 5.95%
  - ii) Employer 8.93% (+/- 1% potential variation)
- b) Defined Contribution Plan through TIAA-CREF
  - i) Employee 5% required
  - ii) Employer 10%

#### **Kansas**

- 1) University of Kansas <https://humanresources.ku.edu/kansas-board-regents-plan-kbor>
  - a) Defined Contribution Plan
    - i) Employee required 5.5%
    - ii) Employer 8.5%

#### **Kentucky**

- 1) University of Kentucky <http://www.uky.edu/hr/retirement/uks-retirement-savings-plan-mandatory-403b>
  - a) Mandatory defined contribution plan
    - i) 10% employer (use for database)
    - ii) 5% employee (use for database)
- 2) University of Louisville <http://louisville.edu/hr/benefits/retirementplans>
  - a) 7.5% employer + 2.5% match
  - b) Employee match unclear, but necessary for the extra 2.5%

#### **Louisiana**

- 1) Louisiana State University [http://www.lsu.edu/hrm/employees/benefits/retirement/Retirement\\_item58227.php](http://www.lsu.edu/hrm/employees/benefits/retirement/Retirement_item58227.php)
  - a) Defined Benefit Plan TRSL (Teacher's Retirement System of Louisiana)
    - i) 8% employee
    - ii) 5-7% employer
  - b) ORP
    - i) 8% employee (minus 0.05% admin fee) (database)
    - ii) Employer contribution varies by institution, LSU contributes 5.95% (database)

#### **Maine**

- 1) University of Maine System <https://www.maine.edu/about-the-system/system-office/human-resources/labor-relations/>
  - a) Most faculty and staff are represented by some form of collective bargaining unit. For all the faculty and staff (two separate contracts) in the system
    - i) 10% employer
    - ii) 4% employee

#### **Maryland**

- 1) University of Maryland <https://uhr.umd.edu/benefits/retirement-benefits/retirement-plans-at-a-glance/>
  - a) State retirement and pension plan 7% employee contribution required
  - b) Defined Contribution Plan
    - i) Employee required 0%
    - ii) Employer 7.5%

#### **Massachusetts**

- 1) System wide plan, two options ORP and SERS (defined benefit plan). Each plan has multiple additional benefits including retirement health, life and disability. 11% and 5% used for database.
  - a) Defined benefit plan
    - i) 9% or 11% employee contribution (Above or below \$30k salary)
    - ii) 10 year vestment and fully funded commitment
  - b) ORP plan
    - i) 9% or 11% employee contribution (Above or below \$30k salary)
    - ii) 5% employer

#### **Michigan**

- 1) University of Michigan <https://hr.umich.edu/benefits-wellness/financial/retirement-savings-plans>
  - a) Defined Contribution Plan
    - i) 10% employer contribution after 12 month waiting period
      - (1) 9% employer contribution for all Michigan Medicine
      - (2) Medical school faculty and staff in the 10% group
      - (3) Employees must contribute 5% or 4.5% (Michigan medicine)
- 2) Michigan State University <https://www.hr.msu.edu/benefits/retirement/plans.html>
  - a) Defined Contribution Plan through TIAA-CREF or Fidelity
    - i) Employee 5% required
    - ii) Employer 10% required
- 3) 10/5% used for Database

#### **Minnesota**

- 1) University of Minnesota <https://humanresources.umn.edu/retirement-savings/faculty-pa-retirement-plan>
  - a) Employee 5.5%
  - b) Employer 10%

#### **Mississippi**

- 1) University of Mississippi <https://hr.olemiss.edu/benefits/retirement/>
  - a) Defined benefit state plan for staff
    - i) Employee 9%
    - ii) Employer 15.75%
  - b) Defined benefit ORP for administrators and faculty
    - i) Employee 9% (for database)
    - ii) Employer 13.12% (There is some confusing detail and admin fees)(Database)

#### **Missouri**

- 1) University of Missouri <http://extension.missouri.edu/hr/retirementplans.aspx#gsc.tab=0> Unusual as faculty get BOTH plans
  - a) Defined benefit plan
    - i) Employee 1-2% (over \$100,000 2%)
    - ii) Pension formula
  - b) Defined contribution plan
    - i) Employee 2% required
    - ii) Employer 2% automatic, with 3% elective match
  - c) Employer 5% used in database
  - d) Employee 7% used in database

#### **Montana**

- 1) Montana University System <http://www.choices.mus.edu/MUSRPlan.asp>
  - a) Defined contribution plan
    - i) Employer 5.956%
    - ii) Employee 7.044%

#### **Nebraska**

- 1) University of Nebraska [https://nebraska.edu/docs/benefits/retirement\\_401a.pdf](https://nebraska.edu/docs/benefits/retirement_401a.pdf)
  - a) Defined contribution plan
    - i) 2 tier plan in a 401a plan
      - (1) Tier 1 employee 3.5% employer 6.5%
      - (2) Tier 2 employee 5.5% employer 8.0% (used for database)

#### **Nevada**

- 1) University of Nevada system
  - a) Mandatory retirement plan. This is in lieu of social security.
    - i) 14.5% by employee
    - ii) 14.5% by employer
  - b) Normal social security is 6.2% from employee and employer up to a limit of \$128,000
  - c) 14.5% - 6.2% = 8.3% used in database

## **New Hampshire**

- 1) University of New Hampshire [https://www.usnh.edu/hr/benefits/pdf/USNH\\_403\(b\)Summary\\_Plan\\_Provisions\\_July\\_2016.pdf](https://www.usnh.edu/hr/benefits/pdf/USNH_403(b)Summary_Plan_Provisions_July_2016.pdf)
  - a) 403b plan
    - i) Several rates, but optimum and used for database
      - (1) Employee 6%
      - (2) Employer 10%

## **New Jersey**

- 1) Rutgers <http://uhr.rutgers.edu/full-time-employees#Retirement-Plans>
  - a) ABP (ORP plan) there is also a defined benefit plan
    - i) Employee 5%
    - ii) Employer 8%

## **New Mexico**

- 1) University of New Mexico <https://hr.unm.edu/retirement>
  - a) Alternative retirement plan (Defined contribution)(used in database)
    - i) Employee 10.7%
    - ii) Employer 13.9%
  - b) Educational Retirement Board (Define benefit)
    - i) Employee 10.7%
    - ii) Employer 13.9%

## **New York**

- 1) Stony Brook University <http://www.stonybrook.edu/hr/data/supp-2012-retirement-plans.pdf>
  - a) TRS (teachers retirement system, defined benefit plan)
  - b) Defined Contribution Plan
    - i) Employee required 3-6% depending upon salary
    - ii) Employer 8% for the first 7 years, then 10%
  - c) Employer 10% used in database
  - d) Employee 6% used in database
- 2) University of Buffalo (same as Stony Brook University)
  - a) TRS (teachers retirement system, defined benefit plan)
  - b) Defined Contribution Plan
    - i) Employee required 3-6% depending upon salary
    - ii) Employer 8% for the first 7 years, then 10%
  - c) Employer 10% used in database
  - d) Employee 6% used in database

## **North Carolina**

- 1) North Carolina UNC-CH <https://hr.unc.edu/benefits/plans/retirement/>
  - a) Teachers and state employees retirement program
    - i) Defined benefit plan
    - ii) 6% required contribution by employee
    - iii) Employer 6.84%
  - b) Defined Contribution Plan/ORP
    - i) Employee 6.00%
    - ii) Employer 6.84%

## **North Dakota**

- 1) University of North Dakota <https://und.edu/finance-operations/human-resources-payroll/human-resources/benefits/other-employee-benefits.cfm>
  - a) Defined contribution plan that is tiered by years of service
    - i) 0-2 years, Employee 3.5%, employer 7.5%
    - ii) 2-10 years, Employee 4.5%, employer 12.5%
    - iii) 10+ years, Employee 5%, employer 13% (used in database)
  - b) Defined benefit plan

- i) Employee 3%
- ii) Employer 12.26%

### **Ohio**

- 1) The Ohio State University <https://hr.osu.edu/benefits/retirement/>
  - a) 4 separate styles of plans
  - b) All have 14% employer contributions and no employee required

### **Oklahoma**

- 1) University of Oklahoma
  - a) Defined Benefit plan – Oklahoma Teacher’s retirement system
    - i) 7% employee
    - ii) 8% after the first \$9000 Employer
  - b) Defined contribution plan (used for database)
    - i) 9% employee
    - ii) No match required

### **Oregon**

- 1) University of Oregon <https://hr.uoregon.edu/benefits/retirement/pension-plans-%E2%80%93-your-retirement-foundation>
  - a) Defined pension plan
  - b) Defined Contribution Plan: There are 4 tiers depending upon hire. The rates listed below are for employees hired after June 30, 2014. All plans before were more generous.
    - i) Employee 0%
    - ii) Employer 8%

### **Pennsylvania**

- 1) Penn State <https://ohr.psu.edu/benefits/retirement>
  - a) SERS defined benefit plan (pension type)
    - i) Employee 6.25%
    - ii) Employer variable and not defined
  - b) Penn State Alternate Retirement Plan (Defined Contribution) through TIAA-CREF
    - i) Employee 5%
    - ii) Employer 9.29%

### **Rhode Island**

- 1) University of Rhode Island <https://web.uri.edu/hr/retirement-2/>
  - a) Most faculty and staff in the BOG 403b plan
    - i) Employee 5%
    - ii) Employer 9%

### **South Carolina**

- 1) University of South Carolina [https://www.sc.edu/about/offices\\_and\\_divisions/human\\_resources/benefits/retirement/retirement\\_plans/index.php](https://www.sc.edu/about/offices_and_divisions/human_resources/benefits/retirement/retirement_plans/index.php)
  - a) South Carolina Retirement System – Defined Benefit Plan
  - b) State Optional Retirement Program (used for database)
    - i) Employer 9%
    - ii) Employee 5%

### **South Dakota**

- 1) University of South Dakota <http://www.usd.edu/human-resources/benefits>
  - a) South Dakota Retirement System (State wide) Defined Contribution Plan
    - i) 6% employer
    - ii) 6% employee

### **Tennessee**

- 1) University of Tennessee <https://hr.tennessee.edu/benefits/retirement/>
  - a) Statewide retirement plans
  - b) Tennessee Consolidated Retirement Plan (Defined Benefit Plan)
    - i) Hybrid hired after July 1, 2014

- (1) 8.94% employer
- (2) 5% employee
- ii) Legacy hired before July 1, 2014
  - (1) No employee requirement
- c) ORP
  - i) Hybrid hired after July 1, 2014 (used for database)
    - (1) 9% employer
    - (2) 5% employee
  - ii) Legacy hired before July 1, 2014
    - (1) 10% up to SS wage base, then 11%
    - (2) No employee required

#### **Texas**

- 1) Texas University of Texas, Austin <https://hr.utexas.edu/current/retirement>
  - a) Defined Contribution Plan
    - i) 6.65% employee contribution required
    - ii) 6.5% employer contribution (down from 8.5%)
  - b) Teachers retirement system of Texas, pension style
    - i) 7.7% employee required
    - ii) 6.8% employer match
- 2) Texas A&M <https://employees.tamu.edu/benefits/retirement/>
  - a) Defined Contribution Plan
    - i) 6.65% employee contribution required
    - ii) 6.6% employer contribution (down from 8.5%)
  - b) Teachers retirement system of Texas, pension style
    - i) 7.7% employee required
    - ii) 6.8% employer match

#### **Utah**

- 1) University of Utah [https://www.hr.utah.edu/benefits/retire\\_university\\_funded.php](https://www.hr.utah.edu/benefits/retire_university_funded.php)
  - a) 401a Define Contribution Plan
    - i) 14.2% employer
    - ii) No employee
  - b) State defined benefit plan for some employees and a 401a hybrid plan

#### **Vermont**

- 1) University of Vermont [http://www.uvm.edu/hrs/?Page=info/benefits/plans/facbenefits.html#Savings\\_Plan](http://www.uvm.edu/hrs/?Page=info/benefits/plans/facbenefits.html#Savings_Plan)
  - a) ORP plan
    - i) 10% employer
    - ii) 3% employee

#### **Virginia**

- 1) UVA <http://www.hr.virginia.edu/hr-for-you/faculty/fac-benefits/>
  - a) Virginia Retirement System – Defined Benefit Plan
    - i) Pension is based upon age, years of service and average final compensation
  - b) Defined Contribution Plan
    - i) ORP 1 Hired before 2010
      - (1) 10.4% no employee match required
    - ii) ORP 2 Hired after 2010
      - (1) 8.9%, 5% employee match required
  - c) Additional matched savings
    - i) 4% employee contribution to receive an employer 2.5% match in a 457 plan
  - d) Employer 8.9% used in database
  - e) Employee 5.0% used in database

#### **Washington**



- 1) Washington University of Washington <http://hr.uw.edu/benefits/retirement-plans/uw-retirement-plan/>
  - a) Defined Contribution Plan
    - i) Under 35 5% employee and 5% employer
    - ii) 35+ 7.5% employee and 7.5% employer
    - iii) 50+ option 10% employee and 10% employer
    - iv) Employer 7.5% used in database
    - v) Employee 7.5% used in database
  - b) There is also a complex blended pension plan with about the same parameters

#### West Virginia

- 1) University of West Virginia <https://benefits.hr.wvu.edu/retirement-plans>
  - a) Defined Contribution plan
    - i) 6% employer
    - ii) 6% employee

#### Wisconsin

- 1) University of Wisconsin <https://www.ohr.wisc.edu/benefits/new-emp/wrs.aspx>
  - a) Defined Benefit Plan (No Defined Contribution Plan)
    - i) 6.8% employer contribution
    - ii) 6.8% mandated employee contribution
    - iii) Retirement income is based on years of service, age at retirement, and the average of individuals highest three years of earnings or based on the total cash value of the account, whichever is greater (pension type guarantee?)

#### Wyoming

- 1) University of Wyoming [https://www.uwyo.edu/hr/\\_files/docs/employee-benefits/benefit-summary.pdf](https://www.uwyo.edu/hr/_files/docs/employee-benefits/benefit-summary.pdf)
  - a) State wide plans
  - b) Sick leave payout plan
  - c) Defined benefit plan and defined contribution plan
    - i) 13.94% employer
    - ii) 2.68% employee
    - iii) In addition there is a small match to an option 403b or 457 plan (\$20 a month)