**Plan Design Grid**

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| **Plan Design Element** | **Affected Groups** | **Potential Designs** | **Status for BERS Workers Hired Today** |
| Contributions | Actives | * Higher fixed rates * Flexible rates based on plan funding condition * Designated percentage of total rate or normal cost * Capped employer rate and assignment to employee of all costs above capped rate | Employee rates are fixed and employer rates vary based on actuarial condition of the plan |
| Benefit accrual | Actives | * Consistent annual accrual * Graduated accrual * Guaranteed minimum accrual and potential for additional accrual based on investment performance, as in a cash balance plan * Modest and consistent annual accrual combined with a supplementary defined contribution plan * Accrual based on portion of annual salary, such as first $50k * Benefit calculation based on longer salary period * Limit on benefit as a percentage of final salary * Exclusion of overtime and unused sick and annual leave time from benefit calculation | * Firefighters: Consistent annual accrual of 2.65%, plus 17% premium for attaining overtime threshold * Police: Graduated accrual of 2.5% rising to 3.0% * Class B: Consistent annual accrual of 1.4% |
| Benefit eligibility | Actives | * Higher age, years of service, or both * Modified vesting period * Actuarially-neutral early retirement provisions | Designated age and years of service: 50/20 for police; 50/25 for fire; 65/7 for Class B |
| COLA | Actives and retirees | * No COLA * Reduce cap on annual COLA * Simple rather than compounded * Dollar limit on annual COLA * COLA applied only to portion of benefit, such as first $12k or $20k * Deferred for designated period after retirement * Deferred until attainment of designated age, such as 55 or 62 * COLA tied to investment performance * COLA tied to plan funding level * Permit active participants to increase contribution to fund a COLA * Link COLA to length of service instead of size of benefit * COLA funded with an actuarial benefit reduction | Automatic and applied annually for those retired at least six months as of each December 31; Class A: CPI up to 6% annually; Class B: CPI up to 4% annually |

Keith Brainard, August 2014