**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%
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| 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