

## ACT 2017-5 SUMMARY

Act 2017-5 creates three new retirement options. In **early 2019**, current SERS members will have the option to switch to one of the three new classes or to stay in their current class of service. New hires who enter SERS membership after 1/1/19 will automatically enter the system in the newly created A-5 class of service, with the option to choose one of the other two new classes.

	Hybrid (Class A5)	Alternate Hybrid (Class A6)	Defined Contribution (DC)
<b>Annual Benefit Accrual Rate</b>	1.25%	1.0	N/A
<b>New Employee Contribution Rate</b>	<b>8.25%</b> DB - 5% DC - 3.25%	<b>7.5%</b> DB - 4% DC - 3.5%	<b>7.5%</b>
<b>Current Employee Contribution Rate</b>	<b>TOTAL CONTRIBUTIONS SAME AS CURRENT CLASS OF SERVICE</b>		
<b>DC Employer Contribution Rate</b>	2.25%	2.0%	3.5%
<b>Vesting Years</b>	DB 10 /DC 3	DB 10 /DC 3	3
<b>Final Average Salary</b>	Highest 5 Years	Highest 5 Years	N/A
<b>SERS Normal Retirement Age</b> (Unreduced Pension)	<b>Age 67/3 years</b> of service; Rule of 97 and 35 eligibility points	<b>Age 67/3 years</b> of service; Rule of 97 and 35 eligibility points	N/A
<b>Early Retirement Milestone</b>	<b>Age 57/25 years</b> of service	<b>Age 62/25 years</b> of service	N/A
<b>Early Retirement Reduction</b>	<b>If reach milestone: 3%</b> reduction for each year under age 67  <b>OR</b>  <b>Age 62/10 years of</b> <b>service:</b> Actuarial reduction for each year under age 67  <b>OR</b>  <b>10 years of service but</b> <b>NOT age 62:</b> Standard Actuarial reduction from 62-67 plus special 7.375% rate actuarial reduction for each year under 62	<b>If reach milestone: 3%</b> reduction for each year under age 67  <b>OR</b>  <b>Age 62/10 years of</b> <b>service:</b> Actuarial reduction for each year under age 67  <b>OR</b>  <b>10 years of service but</b> <b>NOT age 62:</b> Standard Actuarial reduction from 62-67 plus special 7.375% rate actuarial reduction for each year under 62	N/A