

KRS Benefit Tier Comparison

		Tier 1 <i>Participation before 9/1/2008 Defined Benefit</i>	Tier 2 <i>9/1/2008 through 12/31/2013 Defined Benefit</i>	Tier 3 <i>Participation on or after 1/1/14 Cash Balance Plan</i>
Employee Contribution	Non-Haz	<ul style="list-style-type: none"> 5% total member contribution 	<ul style="list-style-type: none"> 6% total member contribution <i>5% to defined benefit pension 1% Health Insurance Contribution</i> 	<ul style="list-style-type: none"> 6% total member contribution <i>5% to defined benefit pension 1% Health Insurance Contribution</i>
	Haz	<ul style="list-style-type: none"> 8% total member contribution 	<ul style="list-style-type: none"> 9% total member contribution <i>8% to defined benefit pension 1% Health Insurance Contribution</i> 	<ul style="list-style-type: none"> 9% total member contribution <i>8% to defined benefit pension 1% Health Insurance Contribution</i>
Final Compensation	Non-Haz	<ul style="list-style-type: none"> Average of the highest 5 fiscal yrs (<i>must contain at least 48 months</i>). Includes lump-sum compensation payments (<i>before and at retirement</i>). 	<ul style="list-style-type: none"> 5 complete fiscal yrs immediately preceding retirement; each year must contain 12 months. Lump-sum compensation payments (<i>before and at retirement</i>) are not be included in creditable compensation. 	<ul style="list-style-type: none"> No Final Compensation.
	Haz	<ul style="list-style-type: none"> Average of the highest 3 fiscal yrs (<i>must contain at least 24 months</i>). Includes lump-sum compensation payments (<i>before and at retirement</i>). 	<ul style="list-style-type: none"> Average of the 3 highest fiscal yrs; each year must contain 12 months. Lump-sum compensation payments (<i>before and at retirement</i>) are not be included in creditable compensation. 	<ul style="list-style-type: none"> No Final Compensation.
Benefit Factor	Non-Haz	<ul style="list-style-type: none"> KERS: 1.97%, or 2.0% for those retiring with service for all months between 1/98 and 1/99. CERS: 2.2% if the Participation Date was before 8/1/2004 or 2.0% if Participation Date was after 8/1/2004. 	<ul style="list-style-type: none"> 10 yrs or less = 1.10% Greater than 10 yrs, but no more than 20 yrs = 1.30% Greater than 20 yrs, but no more than 26 yrs = 1.50% Greater than 26 yrs, but no more than 30 yrs = 1.75% Additional yrs above 30 = 2.00%* *2.00% benefit factor only applies to service earned in excess of 30 yrs. 	<ul style="list-style-type: none"> No benefit factor. A life annuity can be calculated in accordance with actuarial assumptions and methods adopted by the board based on member's accumulated account balance.
	Haz	<ul style="list-style-type: none"> KERS: 2.49% CERS: 2.50% SPRS: 2.50% 	<ul style="list-style-type: none"> 10 yrs or less = 1.30% Greater than 10 yrs, but no more than 20 yrs = 1.50% Greater than 20 yrs, but no more than 25 yrs = 2.25% 25+ yrs = 2.50% 	<ul style="list-style-type: none"> No benefit factor. A life annuity can be calculated in accordance with actuarial assumptions and methods adopted by the board based on member's balance.

KRS Benefit Tier Comparison

		Tier 1 <i>Participation before 9/1/2008 Defined Benefit</i>	Tier 2 <i>9/1/2008 through 12/31/2013 Defined Benefit</i>	Tier 3 <i>Participation on or after 1/1/14 Cash Balance Plan</i>
Unreduced Retirement Benefit	Non-Haz	<ul style="list-style-type: none"> Any age with 27 yrs of service Age 65 with 48 months of service Money Purchase for age 65 with less than 48 months, based on contributions and interest. 	<ul style="list-style-type: none"> Rule of 87: Member must be at least age 57 and age + earned service must equal 87 yrs at retirement to retire under this provision. Age 65 with 5 yrs of earned service. No Money Purchase calculations. 	<ul style="list-style-type: none"> Rule of 87: Member must be at least age 57 and age + earned service must equal 87 yrs at retirement to retire under this provision. Age 65 with 5 yrs of earned service. No Money Purchase calculations.
	Haz	<ul style="list-style-type: none"> Any age with 20 yrs of service Age 55 with 60 months of service Money Purchase for age 55 with less than 60 months, based on contributions and interest. 	<ul style="list-style-type: none"> Any age with 25 yrs of service. Age 60 with 5 yrs of service. No Money Purchase calculations. 	<ul style="list-style-type: none"> Any age with 25 yrs of service. Age 60 with 5 yrs of service. No Money Purchase calculations.
Reduced Retirement Benefit	Non-Haz	<ul style="list-style-type: none"> Any age with 25 yrs of service Age 55 with 5 yrs of service 	<ul style="list-style-type: none"> Age 60 with 10 yrs of service Excludes purchased service (exception: refunds, omitted, free military) 	<ul style="list-style-type: none"> No reduced retirement benefit
	Haz	<ul style="list-style-type: none"> Age 50 with 15 yrs of service 	<ul style="list-style-type: none"> Age 50 with 15 yrs of service Excludes purchased service (exception: refunds, omitted, free military) 	<ul style="list-style-type: none"> No reduced retirement benefit
Penalty on Reduced Benefit	Non-Haz	<ul style="list-style-type: none"> About 6.5% for each year away from 27 yrs or age 65 	<ul style="list-style-type: none"> About 6.5% for each year away from the rule of 87 or age 65, if age 60 with 10 yrs of service 	<ul style="list-style-type: none"> No reduced retirement benefit
	Haz	<ul style="list-style-type: none"> About 6.5% for each year away from 20 yrs or age 55 	<ul style="list-style-type: none"> About 6.5% for each year away from 25 yrs or age 60 	<ul style="list-style-type: none"> No reduced retirement benefit

KRS Benefit Tier Comparison

		Tier 1 <i>Participation before 9/1/2008 Defined Benefit</i>	Tier 2 <i>9/1/2008 through 12/31/2013 Defined Benefit</i>	Tier 3 <i>Participation on or after 1/1/14 Cash Balance Plan</i>
Health Insurance	Non-Haz	<p>Participation before 7/2003:</p> <ul style="list-style-type: none"> Based on yrs of service and type of service KRS pays a percentage of the monthly contribution rate <p>Participation after 7/2003:</p> <ul style="list-style-type: none"> 10 years of earned service at retirement to be eligible for insurance benefits Benefit of \$10 per month for each year of earned service without regard to a maximum dollar amount; adjusted annually 	<ul style="list-style-type: none"> 15 yrs for eligibility Benefit of \$10 per month for each year of earned service without regard to maximum dollar amount; adjusted by 1.5% annually 	<ul style="list-style-type: none"> 15 yrs for eligibility Benefit of \$10 per month for each year of earned service without regard to maximum dollar amount; adjusted by 1.5% annually
	Haz	<p>Participation before 7/2003:</p> <ul style="list-style-type: none"> Based on yrs of service and type of service KRS pays a percentage of the monthly contribution rate <p>Participation after 7/2003:</p> <ul style="list-style-type: none"> 10 yrs of earned service at retirement to be eligible for insurance benefits Benefit of \$15 per month for each year of earned service without regard to a maximum dollar amount; adjusted annually 	<ul style="list-style-type: none"> 15 yrs for eligibility Benefit of \$15 per month for each year of earned service without regard to maximum dollar amount; adjusted by 1.5% annually. \$10 per month for each year of hazardous service for surviving spouse of deceased member. 	<ul style="list-style-type: none"> 15 yrs for eligibility Benefit of \$15 per month for each year of service without regard to maximum dollar amount; adjusted by 1.5% annually. \$10 per month for each year of hazardous service for surviving spouse of deceased member.
Sick Leave at Retirement	Non-Haz/Haz	<ul style="list-style-type: none"> KERS: Unlimited amount (most agencies) amount used toward determining retirement benefits. CERS: <i>(Optional for CERS employers)</i> Employer chooses level and amount used toward determining retirement benefits. 	<ul style="list-style-type: none"> Limited to 12 months between KERS, CERS, and SPRS for purposes of determining monthly benefits. Does not count towards retirement eligibility or health insurance. 	<ul style="list-style-type: none"> Not eligible for sick leave credit. Not eligible for sick leave credit in CERS if Participation Date in CERS is on or after 1/1/2014 even if an earlier Participation Date is established in KERS or SPRS.

KRS Benefit Tier Comparison

	Tier 1 <i>Participation before 9/1/2008</i> <i>Defined Benefit</i>	Tier 2 <i>9/1/2008 through 12/31/2013</i> <i>Defined Benefit</i>	Tier 3 <i>Participation on or after 1/1/14</i> <i>Cash Balance Plan</i>
Cost of Living Adjustment (COLA) Non-Haz/Haz	<ul style="list-style-type: none"> No COLA unless authorized by the Legislature with specific criteria. This impacts all retirees regardless of Tier. 	<ul style="list-style-type: none"> No COLA unless authorized by the Legislature with specific criteria. This impacts all retirees regardless of Tier. 	<ul style="list-style-type: none"> No COLA unless authorized by the Legislature with specific criteria. This impacts all retirees regardless of Tier.
Distribution of funds before retirement Non-Haz/Haz	<ul style="list-style-type: none"> Employee contribution plus interest (Rate determined by KRS Board). 	<ul style="list-style-type: none"> Employee contribution plus interest at rate of 2.5%. 	<ul style="list-style-type: none"> Employee contributions and Employee interest if less than five years. Employee contributions and interest plus employer contributions and interest if five or more years.
Service Purchases Non-Haz/Haz	<ul style="list-style-type: none"> In most cases, does not count toward health insurance benefits if purchased on or after 8/1/2004. Does not count towards retirement eligibility if Participation Date is on or after 8/1/2004. Exceptions: Recontribution of Refund, Sick Leave, Omitted, Free Military and Hazardous Conversion. 	<ul style="list-style-type: none"> Service purchases do not count towards retirement eligibility. Exceptions: Recontribution of Refunds, Omitted, and Free Military. 	<ul style="list-style-type: none"> Recontribution of Refunds, the purchase of omitted service and Military Omitted are the only purchases allowed. A recontribution of a refund will not alter the participation date for recontribution of refunds made on or after 1/1/2014; however, the purchase of omitted service WILL change the Participation Date.
Inviolable Contract Non-Haz/Haz	<ul style="list-style-type: none"> “Inviolable Contract” language covers all benefits except COLA and retiree health benefits after 7/2003 	<ul style="list-style-type: none"> “Inviolable Contract” language covers all benefits except COLA and retiree health benefits after 7/2003 	<ul style="list-style-type: none"> Accrued benefits would remain protected but the Legislature could change prospective benefits if fiscal circumstances call for it.