

Schedules A & B – Then & Now

(proposed changes)

- “Schedule A” refers to those individuals who were vested (10 years of contributing service, not including purchased time) on or before July 1, 2005
- “Schedule B” refers to those individuals who were not vested (less than 10 years of contributing service not including purchased time) on or before July 1, 2005

Schedule A

THEN

NOW

<p>Percent Accruals:</p> <p>Prior to any changes teachers would accrue their pension benefits based on the following:</p> <ul style="list-style-type: none"> ■ Years 1-10 = 1.7% ■ Years 11-20 = 1.9% ■ Years 21-34 = 3% ■ Year 35 = 2% <p>Which breaks down to the following:</p> <ul style="list-style-type: none"> ■ 1st 10 yrs. = 17% ■ Next 10 yrs. = 19% ■ Next 8 yrs. = 24% ■ Total after 28 years = 60% 	<p>If the proposed legislation passes, teachers would use the chart to the left to calculate what percentage they have earned to date: For example a teacher with 15 years of service would receive 1.7% for each of their 1st ten years of service and then 1.9% for the next five. This 15 year veteran has earned 26.5% of their pension to date. You may keep what you have accrued thus far, but all future years will be accrued on the Schedule B accrual rates:</p> <ul style="list-style-type: none"> ■ Years 1-10 = 1.6% ■ Years 11-20 = 1.8% ■ Years 21-25 = 2% ■ Years 26-30 = 2.25% ■ Year 31-37 = 2.5% ■ Year 38 = 2.25% ■ Total after 30 years = 55.25%
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THEN

NOW

<p>Calculating one’s pension:</p> <p>Currently a teacher determines his/her pension amount by calculating the average of his/her three highest contiguous years of employment in the district. In most cases, this is your last 3 years of employment.</p> <p>Once you have calculated the average of those 3 years, you receive the percentage in which you have accrued from the 1st box above (percent accruals).</p>	<p>Calculating one’s pension:</p> <p>Now a teacher determines his/her pension amount by calculating the average of his/her five highest contiguous years of employment.</p> <p>Once you have calculated the average of those 5 years, you receive the percentage in which you have accrued from what you have banked under schedule A and what you subsequently earned under Schedule B (see box above on percent accruals).</p>
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THEN

NOW

<p>Cost Of Living Adjustment (COLA):</p> <ul style="list-style-type: none"> Will commence on the 3rd January of retirement. It is 3% compounded every January thereafter. 	<p>Cost Of Living Adjustment (COLA):</p> <ul style="list-style-type: none"> Will commence on the month following the 3rd anniversary date of retirement. It is 3% OR the C.P.I. whichever is lower, but it is still compounded
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THEN

NOW

<p>Purchasing Time:</p> <p>This always varied depending on the kind of time you were seeking to purchase (sub, official leave, military, etc), but it was not at full actuarial cost! Sub time was relatively cheap to buy, yet private school teaching was very expensive to buy back.</p>	<p>Purchasing Time:</p> <p>It is now easier to determine how much it will cost you to buy back time because all time, except military time, may only be purchased at full actuarial value (VERY EXPENSIVE)!</p> <p>It will now cost you a percentage of your current salary (in the year in which you purchase) to buy back time. The percentage of salary is based on your age when you purchase the time as follows:</p> <table data-bbox="844 1155 1412 1344"> <tr> <td>Age 25 or under = 12 %</td> <td>Age 45-49 = 18%</td> </tr> <tr> <td>Age 25-29 = 13%</td> <td>Age 50-54 = 20%</td> </tr> <tr> <td>Age 30-34 = 14%</td> <td>Age 55-59 = 22%</td> </tr> <tr> <td>Age 35-39 = 15%</td> <td>Age 60 + = 24%</td> </tr> <tr> <td>Age 40-44 = 16%</td> <td></td> </tr> </table>	Age 25 or under = 12 %	Age 45-49 = 18%	Age 25-29 = 13%	Age 50-54 = 20%	Age 30-34 = 14%	Age 55-59 = 22%	Age 35-39 = 15%	Age 60 + = 24%	Age 40-44 = 16%	
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THEN

NOW

<p>Minimum Retirement Age:</p> <p>In the past there was no minimum retirement age to retire. Once you had 28 years of service, regardless of age, you were eligible to retire.</p>	<p>Minimum Retirement Age:</p> <p>Now, the minimum age to retire is age 62, BUT it is proportional to the age you began teaching and the number of years currently served.</p> <p><i>Please refer to the "Age proportionality Estimator, Plan A." Be sure you have the Plan A (means schedule A) chart first.</i></p>
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	<p>Once you have that chart, look at the left hand column entitled “start age” and identify the age you were when you began teaching, and then slide your finger across to the number of years you have taught. This number is your minimum age at which you may retire. Please note, that you still must have 28 years of service, and remember you accruals starting next year are based on Schedule B accruals.</p> <p>The example is that teachers who started teaching at age 25 and have 15 years in the profession, must now be at least age 57.2 before they are eligible to retire.</p>
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Schedule B

Schedule B changes are not as severe, there is no need to do a “then and now” for schedule B. It is simpler to itemize out your plan. Changes due to the current proposals outlines in sections 3 & 4.

1. Percent Accruals: Schedule B was given this accrual plan in 2005. These are therefore the accruals to use beginning with year one of employment

- Years 1-10 = 1.6%
- Years 11-20 = 1.8%
- Years 21-25 = 2%
- Years 26-30 = 2.25%
- Year 31-37 = 2.5%
- Year 38 = 2.25%

- **Total after 30 years = 55.25%**

2. Calculating one’s pension:

- Now a teacher determines his/her pension amount by calculating the average of his/her **five** highest contiguous years of employment in the district

3. Cost Of Living Adjustment (COLA):

- Will commence on the month following the 3rd anniversary date of retirement. It is 3% OR the C.P.I. whichever is lower, but it is still compounded

4. Purchasing Time: This has changed for everyone! Any time you want to purchase going forward will follow below:

- It is now easier to determine how much it will cost you to buy back time because all time, **except military time**, may only be purchased at full actuarial value!
- **It will now cost you a percentage of your current salary** (in the year in which you purchase) to buy back time. The percentage of salary is based on your age when you purchase the time as follows:

Age 25 or under = 12 %	Age 45-49 = 18%
Age 25-29 = 13%	Age 50-54 = 20%
Age 30-34 = 14%	Age 55-59 = 22%
Age 35-39 = 15%	Age 60 + = 24%
Age 40-44 = 16%	

5. Minimum Retirement Age: Originally, you were moved to age 59 as a minimum retirement age, but now you too will follow the below changes:

- Now, the minimum age to retire is age 62, BUT it is proportional to the age you began teaching and the number of years currently served.
- Please refer to the attachment entitled "*Age proportionality Estimator, Plan B.*" Be sure you have the Plan B (means schedule B) chart first.
- Once you have that chart, look at the left hand column entitled "start age" and identify the age you were when you began teaching, and then slide your finger across to the number of years you have taught. This number is your minimum age at which you may retire.