

ERS Teachers - FY 2015 Employer contribution rates – State/local split

From GRS actuarial valuation as of June 30, 2012

Contribution Rates

The employer contribution rates for ERSRI are determined actuarially. Separate rates are determined for State Employees and for Teachers. The rates determined in this valuation become effective two years after the valuation date, i.e., as of July 1, 2014.

The rate consists of two pieces: the normal cost rate and the amortization rate. The normal cost rate is the employer's Entry Age normal cost, expressed as a percent of pay. The amortization rate is the contribution required to amortize the unfunded actuarial liability over 23 years as a level percent of pay.

For the Teachers, the State of Rhode Island pays 40% of the rate, adjusted so that the State pays the entire amortization charge for the 1990/91 and 1991/92 deferrals, and the town or city employing the Teacher pays the balance.

	<u>Local</u>	<u>State</u>	<u>Total</u>
Amortization for FY 91 and 92 deferrals	0.00%	0.25%	0.25%
Normal cost and all other amortizations	<u>13.41%</u>	<u>8.94%</u>	<u>22.35%</u>
Total	13.41%	9.19%	22.60%

Five towns or cities—Burrillville, East Greenwich, Little Compton, New Shoreham, and North Smithfield—did not participate in the 1990 early retirement window for Teachers, and an adjusted contribution rate is charged for these entities:

	<u>Local</u>	<u>State</u>	<u>Total</u>
Amortization for FY 91 and 92 deferrals	0.00%	0.25%	0.25%
Normal cost and all other amortizations	<u>12.79%</u>	<u>8.52%</u>	<u>21.31%</u>
Total	12.79%	8.77%	21.56%