



Appendix B: Main Benefit and Contribution Provisions

CONTRIBUTIONS

By Members

For members not covered by Social Security: 5% of compensation.

For members covered by the Social Security: 4% of compensation up to the Social Security taxable wage base plus 5% of compensation, if any, in excess of such base.

Effective July 1, 2019, member contribution rates are set to increase by 0.50% of compensation each year for six years.

By Municipalities

Participating Municipalities make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the unfunded accrued liability and a prior service amortization payment which covers the liabilities of the System not met by member contributions.

Employer Contribution Rates for fiscal year ending June 30, 2020, apply a 5-year contribution rate smoothing and are anticipated to increase by 1.0% of payroll per year until the full funding rates are achieved in fiscal year 2024.

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