

Who is eligible for elected class membership?

- Statewide elected officials
- Members of the legislature
- District attorneys and criminal district attorneys

Unlike employees and judges, elected class membership is optional. An elected official may choose to join at any time.

When can members of the elected class retire?

- Age 60 with at least eight years of service credit
- Age 50 with at least 12 years of service credit

How do contributions work?

- Members of the elected class currently contribute 9.5% of their paychecks
- The state and agency contribute 10% of payroll

How is an elected class annuity calculated?

- Years of service times 2.3% of the salary being paid a district judge (\$140,000, as of Sept. 1, 2013)
- Based on salary "as adjusted from time to time," which means that every judicial pay raise increases the annuity of all elected class annuitants

Key Policy Points on Elected Class Annuities

- The annuity benefit may have no relationship to the actual salary. An elected class member who serves only as a legislator will contribute based on a \$7,200 annual salary, but end up with a pension based on \$140,000. About 55% of current elected class active members are legislators.
- Linking legislative retirement benefits to the district judge salary may inhibit the Legislature from granting judicial pay increases.

How was the elected class annuity calculated in the past?

- Prior to 1975: Either a flat amount or an amount based on the elected official's salary
- 1975 – 1983: Based on district judge's salary, capped at 60% of that salary
- 1983 – 1991: Based on district judge's salary, capped at 80%
- 1991 – present: Based on district judge's salary, capped at 100%

Table 1. Key annuitant demographics by population as of Aug. 31, 2015

	Employees Retirement System			Judicial Retirement System 2 ²
	Legislators	Other Elected Class (Statewide Elected Officers and District Attorneys)	Employee Class (Regular Class and Law Enforcement/Custodial Officers) ¹	
Annuitants				
Service Retirements	324	271	84,573	289
Average Annuity	\$51,362 annually (\$4,280 monthly)	\$41,034 annually (\$3,420 monthly)	\$20,690 annually (\$1,724 monthly)	\$63,599 annually (\$5,300 monthly)
Average Years of Service	17.8	14.5	21.7	15.2
Average Age at Retirement	57.0	57.2	58.3	62.7
Average Age as of Aug. 31, 2015	72.1	69.7	68.3	68.4

¹ Excludes annuitants for whom ERS is reimbursing TRS

² JRS 2 is a pre-funded plan for judges beginning service on or after September 1, 1985.

Retirement Annuity Calculation by Population

There are significant differences in how annuities are calculated for JRS members and other member populations.

Table 2. Annuity calculation examples

	Employee Class	Elected Class	Judges
Basic Annuity Formula	Final average salary (FAS) X Multiplier (2.3%) X Years of service (YOS)	FAS X Multiplier (2.3%) X YOS	Service retirement annuity (SRA) <i>Based on 50% of salary</i> + Additional 10% of salary base ¹ + Salary base X optional years ² X multiplier (2.3%)
How Final Average Salary (FAS) Is Calculated/ Determined	Varies depending on actual salary	\$140,000 (100% of current district judge salary)	Salary of last judicial position held ³
Annuity Calculation Examples			
Employee Description	Regular class employee	Any elected class member	District judge
FAS	\$46,000 ⁴	\$140,000	\$140,000
Years of Service (YOS)	22	22	22
Annual Annuity Calculation	\$46,000 X 2.3% X <u>22</u> = \$23,276	\$140,000 X 2.3% X <u>22</u> = \$70,840	\$140,000 X 50% = \$70,000 + \$140,000 X 10% = \$14,000 + <u>\$140,000 X 2 X 2.3% = \$6,440</u> = \$90,440

¹ If a judge retires within one year of leaving the bench, he/she qualifies for additional 10% of the salary base to be included in the annuity.

² Judges in JRS 1 and JRS 2 are not required to continue contributions (and thus earn years of service) after 20 years (or 12 years if serving as an appellate court justice, in JRS 2 and meeting the Rule of 70).

³ The primary difference between JRS 1 and JRS 2 annuities is that in JRS 1, any time a salary for a specific affected position (district judge, appellate judge, Supreme Court justice, etc.) changes, the annuity for a JRS 1 retiree is automatically adjusted. For JRS 2, legislative action has to be taken to adjust the annuity.

⁴ This is the average annual salary of a regular class employee as of August 31, 2015.