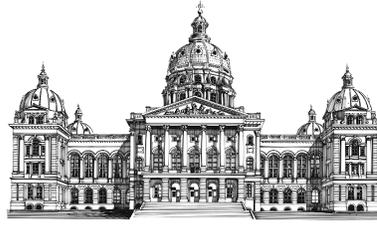


# Iowa Legislative Fiscal Bureau

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State Capitol  
Des Moines, IA 50319  
December 16, 1993

## Regent Salary Report Follow-Up

### ISSUE

In April 1993, the Legislative Fiscal Bureau (LFB) issued a report containing information about the various policies and procedures for the State Board of Regents (BOR) employees. The Fiscal Committee requested the following additional information:

- The projected FY 1995 salary increase costs for the BOR and other State employees.
- The status of the development of a payroll projection model in conjunction with the Department of Management (DOM) to calculate the cost of salary increase proposal for all State employees.
- A review of State higher education policies for retirement benefits.

### BACKGROUND - FY 1995 SALARY INCREASE COSTS

The collective bargaining process begins in the fall of even numbered years between the State (employer) and 5 collective bargaining units representing their respective State employees. The bargaining agreement covers a 2 year period. The FY 1994 and FY 1995 bargaining agreement was settled in the spring of 1993. The following list highlights the individual agreements.

The American Federation of State, County and Municipal Employees (AFSCME) labor union settlement covers approximately 21,000 employees and includes:

- FY 1994 bonus payment of \$650, not included in the base, for employees working 32 hours or more per week and a \$325 increase for employees working less than 32 hours per week.
- FY 1995 2.0% across-the-board increase on July 1, 1994, and a 2.0% across-the-board increase on January 1, 1995.
- Continuation of merit step increases for employees who are not on the top step of their pay range.

The Iowa United Professionals (IUP) labor union settlement covers approximately 1,900 employees and includes:

- FY 1994 1.0% across-the-board increase on July 1, 1993.
- FY 1995 3.0% across-the-board increase on July 1, 1994.

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- Continuation of merit step increases for employees not on the top step of their pay range.

The United Faculty of Iowa (UFI) labor union settlement covers approximately 500 employees and includes:

- FY 1994 1.5% across-the-board increase on July 1, 1993, and a bonus payment of 1.0%, not included in the base.
- FY 1995 4.0% across-the-board increase on July 1, 1994.

The State Police Officers Council (SPOC) contract decision affects approximately 500 employees and includes:

- FY 1994 1.0% across-the-board increase on July 1, 1993.
- FY 1995 3.0% across-the-board increase on July 1, 1994.
- Continuation of merit step increases for employees not on the top step of their pay range.

The Public, Professional, and Maintenance Employees (PPME) labor union settlement covers approximately 100 employees and includes:

- FY 1994 bonus payment of \$800, not included in the base, for employees on step 7 and a \$300 increase for employees working below step 7. Payment will be made in equal installments beginning in July 1993.
- FY 1995 2.0% across-the-board increase on July 1, 1994, and a 2.0% across-the-board increase on January 1, 1995.
- Continuation of merit step increases for employees not on the top step of their pay range.

The DOM has budgeted the 2 year General Fund salary cost at \$65.0 million; \$25.0 million in FY 1994 and \$40.0 million in FY 1995. These costs were based on the projection the AFSCME agreement would be extended to the non-covered employees. The following table shows the DOM recommended salary allocation for FY 1995 (Attachment 1 is a letter from the DOM to the BOR discussing the FY 1995 recommendation):

**FY 1994 & FY 1995 DOM Salary Allocations (in millions)**

	<u>Regents</u>	<u>Central</u>	<u>Total</u>
<b><u>FY 1994 Costs</u></b>			
FY 1994 Salary Allocation	\$ 12.7	\$ 11.8	\$ 24.5
Less One Time Bonus Costs	7.4	8.5	15.9
FY 1994 On-Going Salary Costs	<u>\$ 5.3</u>	<u>\$ 3.3</u>	<u>\$ 8.6</u>
<b><u>FY 1995 Total Costs</u></b>			
FY 1994 On-Going Salary Costs	\$ 5.3	\$ 3.3	\$ 8.6
FY 1994 Merit Increase Annualization	1.0	4.0	5.0
FY 1995 New Funding	12.0	14.4	26.4
Total FY 1995	<u>\$ 18.3</u>	<u>\$ 21.7</u>	<u>\$ 40.0</u>
<b><u>FY 1995 Increased Costs Over FY 1994</u></b>			
FY 1994 Annualization and New Funding	\$ 13.0	\$ 18.4	\$ 31.4
Less One Time Bonus Costs	7.4	8.5	15.9
Total FY 1995 New Funding Needed	<u>\$ 5.6</u>	<u>\$ 9.9</u>	<u>\$ 15.5</u>
<b>FY 1994 &amp; FY 1995 2 Year Total</b>	<u>\$ 31.0</u>	<u>\$ 33.5</u>	<u>\$ 64.5</u>

**BACKGROUND - PAYROLL PROJECTION MODEL**

The LFB report requested the development of a payroll projection model to accurately project all State employee salaries based upon currently filled positions. At the May 26, 1993, meeting of the Iowa Legislative Council, the Council authorized the LFB to develop "a Request for Proposal for a salary projection model for all State employees, which would include professional-scientific and faculty employees under the control of the State Board of Regents."

The LFB worked with the BOR and the DOM to develop the Request for Proposal. Final bids were received from the following vendors on December 13:

- Information Services Division, Iowa Department of General Services
- Policy Economics Group, KPMG Peat Marwick
- Compensation Consulting Practice, Ernst & Young

The LFB is currently evaluating the responses with the DOM. The LFB is required to submit recommendations for a consultant or firm and the cost of development of the model to the Legislative Service Committee and the Legislative Council for review and approval.

**BACKGROUND - SURVEY OF STATE UNIVERSITY RETIREMENT SYSTEMS**

The LFB report on Regents' salaries found the benefits for BOR employees varies substantially from the benefits for other State employees. The most significant difference between central State employees and BOR employees is the retirement benefit plan. The BOR cost of retirement

programs as a percentage of payroll is 9.5% and the cost of central State employees retirement programs as a percentage of payroll is 4.9%.

The LFB has undertaken a survey of state university retirement systems in an effort to determine the range of plans which exist. The survey was conducted by LFB staff contacting personnel staffs of the state board of regents (or parallel institution).

While a survey of all states was undertaken, this paper is not intended as a systematic census of all universities or even all university retirement systems. Given the constraints in time and resources, this was not possible. The results should be examined as a survey of options available. Attachment 2 provides the detail for each respondent.

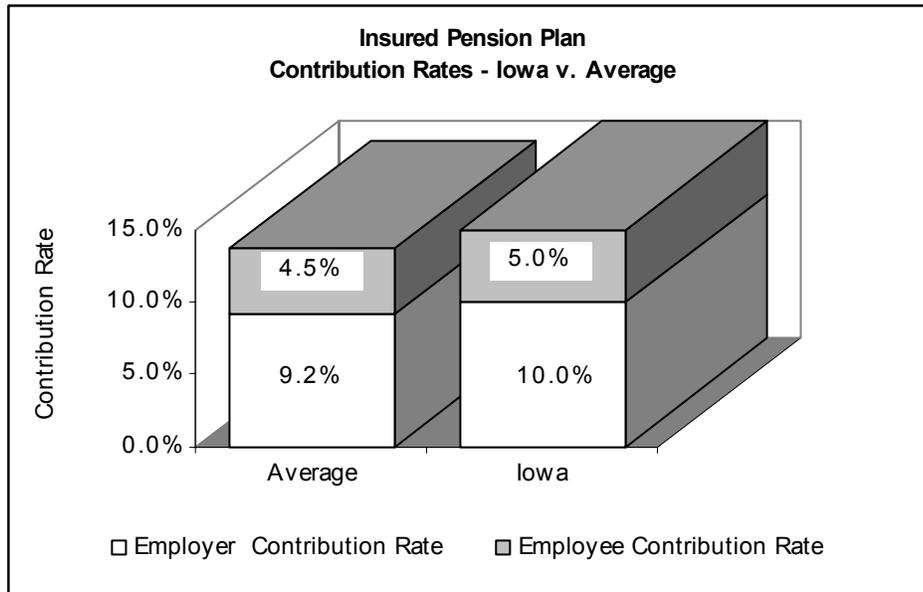
### **SURVEY RESULTS**

All 50 states were surveyed and 49 responded. The 49 that responded represent 101 retirement systems (in many cases there are multiple systems per state). The systems represented were divided into 2 overall categories: Public Retirement Systems and Insured Pension Plans. Public Retirement Systems are also often described as defined benefit plans, guaranteeing a specific level of retirement income, calculated through a formula usually tied to an employee's highest earnings and years of service.

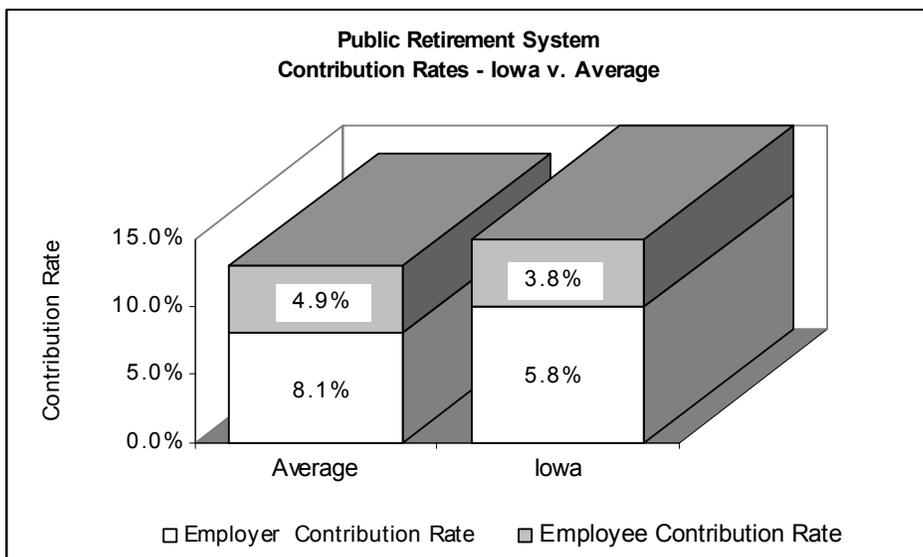
The second type, Insured Pension Plans, are described as defined contribution plans, where the amount of contribution is fixed (as a percent of salary), but the amount of monthly income upon retirement is based upon the performance of the portfolio of invested funds. Unlike defined benefit plans, money in defined contribution plans is usually portable; it can be moved from employer to employer when employees change jobs. The portability is seen by many as a major benefit in attracting faculty from other institutions. Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF) is a non-profit institution which is the de facto pension system for faculty in the United States and is the world's largest pension fund with \$113 billion in assets under management.

Of the 101 retirement plans studied, 53 Insured Pension Plans and 48 Public Retirement Systems are offered. The amount of employer and employee contributions vary by type of plan. On average, the total contribution (both employer and employee share) to the Insured Pension Plan systems is 13.7% of salary while the contributions to the Public Retirement Systems average 13.0%. For the Insured Pension Plan group the average employee share is 4.5%, compared to 4.9% for the Public Retirement System group. Graphs 1 and 2 provide survey comparisons to the BOR TIAA-CREF contributions and the Iowa Public Employees Retirement System (IPERS).

Graph 1



Graph 2



**GROUPS TO WHICH PLANS ARE OFFERED**

In the survey, employment status was segregated into 3 groups, Faculty, Professional and Scientific (P & S), and Merit Staff. Approaches to employment status and retirement systems were in 3

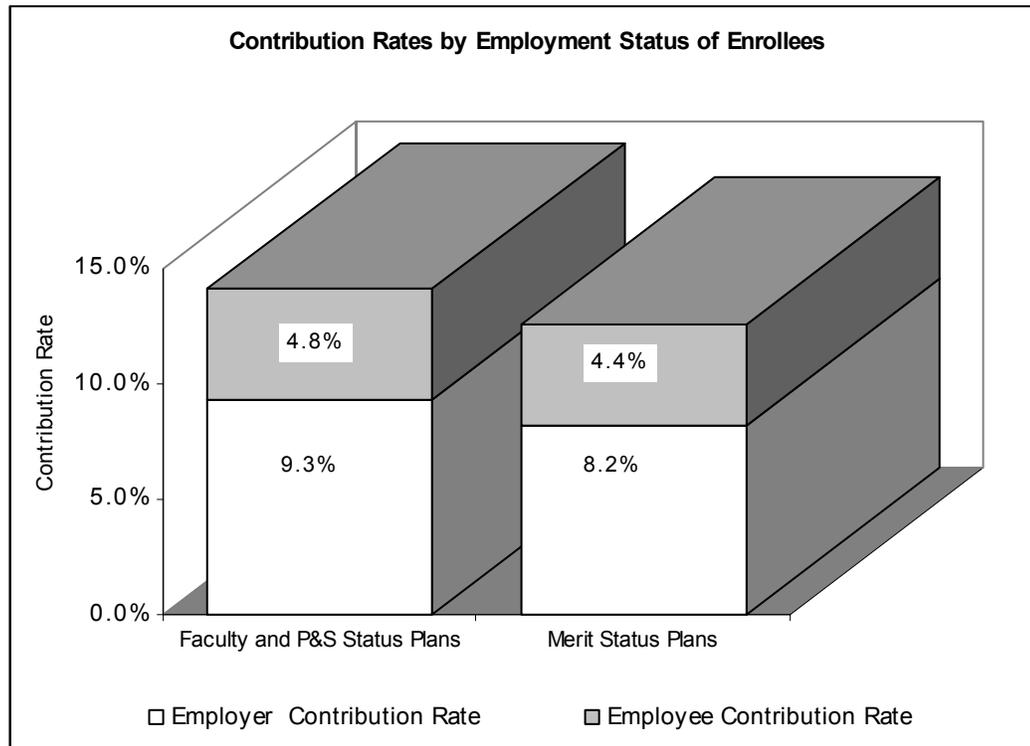
different forms: all employees in the same system; Faculty and P & S in one system and Merit staff in another; and separate systems for each employment status. Of the total, 45 offered the same plan to all employees, while 56 offer different employee classes different plans. For the universities offering different plans to different employment classes, the majority of plans applying to Faculty and/or Professional and Scientific (P & S) groups were insured pension plans (33 of 37, or 89.2%). For systems applying to Merit Staff only, the majority were Public Retirement Systems (13 of 16, or 81.3%). The following summarizes the survey results.

#### Retirement Survey Summary

	<b>Insured Pension Plans</b>	<b>Public Retirement Systems</b>	<b>Total</b>	<b>Percentage</b>
All	16	29	45	44.6%
Faculty Only	10	0	10	9.9%
Faculty and P & S Only	21	4	25	24.8%
P & S Only	2	0	2	2.0%
P & S and Merit Only	1	2	3	3.0%
Merit Only	3	13	16	15.8%
<b>Total</b>	<b>53</b>	<b>48</b>	<b>101</b>	

On average, the plans offered to Faculty and P & S staff provided a greater contribution rate, both in the employee and employer contribution rate (although, the difference in the contribution rates for the employee portion was small). Total average contribution rates were 14.0% for Faculty and P & S plans (this does not include Faculty only or P & S only plans) and 12.6% for Merit staff. As discussed above, approximately 80.0% of the systems for Merit staff are Public Retirement Systems with the remainder being Insured Pension Plans.

Graph 3



**CURRENT PRACTICE IN IOWA**

All permanent employees of BOR universities and the Board Office are eligible to participate in the TIAA-CREF, or a plan substituted in accordance with Board policy. Eligible employees may choose between TIAA-CREF, an approved substitute plan, or IPERS. Employees at the special schools must participate in the IPERS. The majority of employees (92.3% in FY 1993) who have a choice, participate in TIAA-CREF or an approved substitute plan.

In terms of contributions, the BOR pays two-thirds and the employees pay one-third, a ratio similar to the IPERS. But the BOR makes a larger proportionate contribution than does the IPERS. The following table shows the different contribution rates:

**Retirement System Contribution Rates\***

	<u>Employer Share</u>	<u>Employee Share</u>	<u>Total Contribution</u>
IPERS	5.75%	3.77%	9.52%
BOR TIAA-CREF	10.0%	5.0%	15.0%
Covered Salary	All	\$35,000	

\* For employees with less than 5 years employment, the BOR pays 6.6% and the employee pays 3.3% of the first \$4,800 in salary; the BOR pays 10.0%, and employees pay 5.0% on all remaining salary. The IPERS employee salaries are capped, for purposes of contributions to IPERS, at

\$35,000 maximum covered wage for calendar 1993 and is scheduled to increase \$3,000 per year until a maximum cap of \$55,000 is reached.

As a defined contribution plan, the TIAA-CREF program creates an annuity that is wholly owned by the employee. If the employee terminates employment, the entire annuity, both employer and employee contributions plus interest, is kept by the employee. By its nature, it is a portable system. An IPERS employee who terminates employment can withdraw only the employee contributions plus interest; the employer's contributions and interest remain in the IPERS Fund. (A vested IPERS member may leave the employee contributions in the IPERS Fund and be eligible for a pension with corresponding age and/or length of service reductions upon retirement.)

The offering of TIAA-CREF and the current contribution level is a BOR policy choice. The Code of Iowa, Section 97B.41(17), gives the Iowa Department of Personnel the responsibility of establishing the IPERS for all State, county, municipal, and public school district employees. However, the BOR may provide coverage for employees under alternative retirement plans. The Code of Iowa, Section 20.9, excludes retirement systems from the scope of collective bargaining negotiations.

### **COST DIFFERENCES**

The survey of other states indicates that 56.0% of those surveyed offer different retirement programs to different groups of employees. The portability provided by TIAA-CREF has mainly been viewed as an advantage for recruiting faculty and certain high level P & S staff. The current BOR retirement policies and the IPERS retirement policies provide different rates of benefits to similar classes of employees in certain P & S and merit positions.

The difference in the cost of BOR employer share reimbursement for TIAA-CREF (10.0%) and the IPERS employer share reimbursement rate (5.75%) is an estimated \$30.0 million annually for all funds. The BOR difference would be even greater if there was a cap on the amount of covered salary for TIAA-CREF. The following table shows the general university fund differential between a 10.0% employer share and a 5.75% employer share:

**Difference Between 10.0% Employer Share & 5.75% Employer Share  
(dollars in thousands)\***

	<u>SUI</u>	<u>ISU</u>	<u>UNI</u>	<u>Total</u>
Faculty	\$ 5,266.0	\$ 4,641.0	\$ 1,547.0	\$ 11,454.0
Professional & Scientific	1,883.0	1,615.0	408.0	3,906.0
Merit Staff	<u>1,794.0</u>	<u>1,347.0</u>	<u>527.0</u>	<u>3,668.0</u>
Total	<u>\$ 8,943.0</u>	<u>\$ 7,603.0</u>	<u>\$ 2,482.0</u>	<u>\$ 19,028.0</u>

\*Data based upon BOR FY 1994 1.0% table for the general university funds. See Attachment 3 for the detail by university.

Staff Contact: Larry Sigel (16764) Glen Dickinson (14616)



TERRY E. BRANSTAD, GOVERNOR

DEPARTMENT OF MANAGEMENT  
GRETCHEN TEGELER, DIRECTOR

DATE: July 7, 1993

TO: R. Wayne Richey, Executive Director, Board of Regents

FROM: Gretchen Tegeler, Director *MT*

RE: Fiscal Year 1995 Salary Adjustment Funding Plans

I am writing to confirm our recent conversation about salary funding. As we discussed, the total amount of general fund moneys budgeted (statewide) for the two-year contract period is \$65 million -- \$25 million in FY 1994 and \$40 million in FY 1995. These budgeted amounts were based on the projection of what the total statewide general fund cost would be of extending the AFSCME settlement to all state employees, contract and non-contract.

In earlier correspondence (February 17, 1993) I indicated that for guidance purposes in the negotiation process, and in keeping with these overall budget parameters, you should consider certain amounts as maximums that you could expect to receive for salary purposes as a part of the Governor's budgets. In fiscal year 1994 this was \$13 million and in FY 1995 \$17.5 million, or a total of \$30.5 million over the two-year contract period.

As you deliberate on the FY 1995 budget, it is important to be absolutely clear about how much general fund support the Regents institutions should expect to receive for salary purposes in FY 1995, the second year of the contract period.

You received \$12.7 million from the salary adjustment fund in FY 1994. The amount you will receive from the salary adjustment fund in FY 1995 will be affected by the amount you carry forward in base salaries from FY 1994. As I understand it, a total of \$7 million will be backed out of the Regents institutions budgets in FY 1995 for non-recurring expenses, leaving \$5.7 as carry-forward into FY 1995. Under the guidelines already set out, if \$17.5 million total is available for the Regents in FY 1995, and \$5.7 million is the amount carried forward in base budgets, this leaves approximately \$12 million to be funded from the salary adjustment fund. This is what you should plan on receiving.

To summarize:

FY 1994 Total General Fund Budget (All Regents Institutions)	\$ 537.7 million
Less: Non-Recurring Expenses	(\$ 7.0 million)
FY 1995 Base (Status Quo) Budget	<u>\$ 530.7 million</u>
Salary Adjustment Allocation	\$ 12.0 million

Anything above \$530.7 million will be considered a requested increase in Regents budgets.

Looking at the same information another way, here is a breakdown of Regents salary funding:

FY 1994 Salary Adjustment Allocation	\$12.7 million
FY 1995 Base Carry Forward	\$ 5.7
FY 1995 Salary Adjustment Allocation	\$12.0 million
<b>TOTAL TWO-YEAR SALARY FUNDS</b> (per original guidance of \$30.5 million)	<u>\$30.4 million</u>

I know the amount of state general fund support you will receive for salary purposes is far below your projected costs, and I understand some of the problems this creates for you. However, I hope that clear communication early in the budget development process will be helpful. Please let me know if you have any questions.

cc: David Roederer  
Janet Phipps  
David Heuton

### State University Retirement Systems Survey

State	Who Qualifies (x approp.)		Name of System	Type of System	Contribution Rate (Employer)	Contribution Rate (Employee)	Maximum Covered Salary	How is Contribution Rate Established?
	All Faculty	P & S Merit						
Alabama	x		Teacher's Retirement System of Alabama	Public Retirement System	7.00%	6.00%	No Limit	Statute
Alaska	x		Alaska State Retirement System	Public Retirement System	10.65%	6.75%	No Limit	Statute
	x		TIAA - CREF; and others	Insured Pension Plan	12.00%	6.65%	No Limit	Statute
Arizona	x		Arizona State Retirement System	Public Retirement System	3.14%	3.14%	No Limit	Statute
		x x	TIAA - CREF / VALIC	Insured Pension Plan	7.00%	7.00%	No Limit	Statute
Arkansas	x		Public Employee Retirements System (PERS)	Insured Pension Plan	10.00%	0.00%	No Limit	Statute
	x		TIAA - CREF	Insured Pension Plan	10.00%	6.00%	No Limit	Statute
California	x		California University Retirement System	Public Retirement System	0.00%	0.00%	No Limit	Statute
Colorado	x		State Public Employee Retirement Association (PERA)	Public Retirement System	11.60%	8.00%	No Limit	Statute
		x	Colorado State University	Insured Pension Plan	9.00%	8.00%	No Limit	CSU Board
		x x	University of Colorado Retirement System	Insured Pension Plan	9.00%	6.00%	\$30,000 max. contribution	UC Board
			x State Public Employee Retirement Association (PERA) at U. of C.	Public Retirement System	11.60%	8.00%	No Limit	Statute
		x x	Higher Education Student Employee Retirement Plan - TIAA - CREF (substitute for Social Security)	Insured Pension Plan	0.00%	7.50%	No Limit	Equal to federal minimum required.
Connecticut	x		State Teachers Retirement System	Public Retirement System	6.60%	7.00%	No Limit	Statute
Delaware	x		Delaware State Employee Pension Plan	Public Retirement System	6.78%	3.00%	No Limit	Administrative Rule Board of Trustees
		x x	TIAA - CREF/ Fidelity	Insured Pension Plan	11.00%	4.00%	No Limit	
Florida	x		Opdon State Retirement System	Public Retirement System	17.27%	0.00%	\$200,000	Statute
		x x	TIAA - CREF	Insured Pension Plan	11.41%	0.00%	\$200,000	Statute
Georgia	x		Teachers Retirement System	Public Retirement System	11.81%	6.00%	No Limit	Statute
		x	TIAA - CREF / VALIC	Insured Pension Plan	4.00%	6.00%	No Limit	Statute
Hawaii	x		Employment Retirement System	Public Retirement System	Determined yearly	0.00%	No Limit	
Idaho			x Public Employees Retirement System (PERSY)	Public Retirement System	10.63%	6.38%	None	Rate determined by Retirement Board, subject to legislative approval.
		x x	Optional Retirement Plan (ORP)	Insured Pension Plan	10.63%	6.38%	None	Rate determined by Retirement Board, subject to legislative approval.
Illinois	x		State Universities Retirement System	Public Retirement System	Fixed dollar amount per employee on annual basis.	8.00%	No Limit	By Statute each year.

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### State University Retirement Systems Survey

State	Who Qualifies (x approp.)		Name of System	Type of System	Contribution Rate (Employer)	Contribution Rate (Employee)	Maximum Covered Salary	How is Contribution Rate Established?
	All Faculty	P & S Merit						
Indiana	x	x	Indiana Public Employee Retirement Fund - Indiana University	Public Retirement System	10.00%	0.00%	No Limit	Statute
		x P only	TIAA - CREF - Indiana University Purdue University - call and get information	Insured Pension Plan	11.25% to 15.00%	0.00%	No Limit	By Institution
Iowa	x		TIAA - CREF	Insured Pension Plan	10.00%	5.00%	No Limit	Board Action
	x		Iowa Public Employee Retirement System (IPERS)	Public Retirement System	5.80%	3.77%	\$35,000	Statute
Kansas	x	x	TIAA - CREF, Aetna, Union Mutual, Security Benefit	Insured Pension Plan	8.50%	5.50%	No Limit	Statute
		x	Kansas Public Employee Retirement System (KPERS)	Public Retirement System	3.10%	4.00%	No Limit	Statute
Kentucky	x	(system depends on	TIAA - CREF	Insured Pension Plan	7.85%	5.00%	No Limit	Board Action
	x	institution employed by	Kentucky Teachers Retirement System	Insured Pension Plan	9.85%	5.00%	No Limit	Board Action
Louisiana	x		Teachers' Retirement System of Louisiana	Insured Pension Plan	18.00%	8.00%	No Limit	Statute
		x	Other Retirement System	Insured Pension Plan	6.73%	Varies	No Limit	Statute
		x	Louisiana Retirement System	Public Retirement System	6.30%	6.55%	No Limit	Statute
Maine	x	x	TIAA - CREF	Insured Pension Plan	10.00%	4.00%	No Limit	Board Action
		x	Non-Contributory Retirement Plan	Public Retirement System	4.50%	0.00%	No Limit	Board Action
Maryland	x		Maryland State Retirement and Pension System	Public Retirement System	8.70-15.76%	5.00%	No Limit	Statute
		x x	TIAA - CREF	Insured Pension Plan	7.25%	Voluntary	No Limit	N/A
Massachusetts	x		State Retirement Board	Public Retirement System	0.00% - Paid at time of retirement	8.00%	No Limit	Statute
Michigan	x		Public School Retirement System	Public Retirement System	5.00%	Voluntary	No Limit	Statute
	x		University of Michigan - TIAA - CREF, Fidelity, and Calvert	Insured Pension Plan	10.00%	5.00%	No Limit	University Decision
	x		Michigan State - TIAA - CREF, Fidelity, and Vanguard	Insured Pension Plan	10.00%	5.00%	No Limit	University Decision

### State University Retirement Systems Survey

State	Who Qualifies (x approp.)			Name of System	Type of System	Contribution Rate (Employer)	Contribution Rate (Employee)	Maximum Covered Salary	How is Contribution Rate Established?
	All Faculty	P & S	Merit						
Minnesota	x	x		University of Minnesota	Insured Pension Plan	2.50% first \$5,000; 13.00% over \$5,000	2.50%	No Limit	University Decision
		x	x	Minnesota State Employee Retirement System	Public Retirement System	3.00%	3.00%	No Limit	Statute
	x	P only		Minnesota State Universities - TIAA - CREF, Great West Life, MN State Board of Investment	Insured Pension Plan	6.00%	4.50%	No Limit	Statute
			x	Minnesota State Employee Retirement System	Public Retirement System	3.00%	3.00%	No Limit	Statute
Mississippi	x			Mississippi State Retirement System	Public Retirement System	9.75%	7.25%	\$125,000	Statute
Missouri	x			Missouri State Employee Retirement System (MOSERS)	Public Retirement System	9.65%	0.00%	No Limit	Statute
Montana			x	Public Employee Retirement System	Public Retirement System	6.55%	6.55%	No Limit	Statute
	x	x		Teachers Retirement System	Public Retirement System	7.46%	7.04%	No Limit	Statute
	x	x		TIAA - CREF (all new employees are part of TIAA - CREF)	Insured Pension Plan	5.00%	7.00%	No Limit	Statute
Nebraska	x			TIAA - CREF, Fidelity	Insured Pension Plan	6.00% or 7.50%	3.50% 5.50%	No Limit	Statute
Nevada			x	Nevada Public Employees Retirement System	Public Retirement System	9.31%	9.31%	No Limit	Actuarially
	x	x		TIAA - CREF, T. Rowe Price, VALIC	Insured Pension Plan	10.00%	10.00%	No Limit	Actuarially
New Hampshire	x			TIAA - CREF	Insured Pension Plan	9.00%	6.00%	No Limit	Board of Trustees
New Jersey			x	Public Employee Retirement System	Public Retirement System	7.77%	Various	No Limit	Statute
	x	x		Alternative Benefit Program - TIAA - CREF	Insured Pension Plan	8.00%	6.00%	No Limit	Statute
New Mexico	x			State Educational Retirement System	Public Retirement System	8.65%	7.60%	No Limit	Statute
		x		TIAA - CREF (Employee has option to join)	Insured Pension Plan	8.65%	7.60%	No Limit	Statute
New York	x			State Retirement System	Public Retirement System	Tiered	Tiered	No Limit	Statute
		x	x	Teachers Retirement System	Public Retirement System	Tiered	Tiered	No Limit	Statute
		x	x	TIAA - CREF	Insured Pension Plan	Tiered (8.00% first 7 years, 10.00% after) for those hired after 7/16/92.	3.00%	\$30,000 maximum contribution	Statute
North Carolina	x			Teacher's and State Retirement System	Public Retirement System	8.35%	6.00%	No Limit	Statute
	x	and above		Optional Retirement System (ORP)	Insured Pension Plan	6.46%	6.00%	No Limit	Statute

### State University Retirement Systems Survey

State	Who Qualifies (x approp.) All Faculty P & S Merit		Name of System	Type of System	Contribution Rate (Employer)	Contribution Rate (Employee) (Contributed by State as Employee Portion)	Maximum Covered Salary	How is Contribution Rate Established?
North Dakota		x	Public Employees Retirement System (PERS)	Public Retirement System	5.12%	4.00%	No Limit	Statute
	x	x	TIAA - CREF	Insured Pension Plan	less 10 yrs. of service - 9.50%. Of the total, 5.50% is the State portion with 4.00% contributed on behalf of employee.	1.50%	No Limit	By Board of Higher Education
					more 10 yrs. of service - 10.0%. Of the total, 6.00% is the State portion with 4.00% contributed on behalf of employee.	2.00%	No Limit	
Ohio	x	x	State Teachers Retirement System of Ohio	Public Retirement System	14.00%	8.50%	Non-Social Security State	Maximum established by Statute
		x	Public Employees Retirement System	Public Retirement System	13.31%	9.25%	Non-Social Security State	Maximum established by Statute
Oklahoma	x		TIAA - CREF, Aetna, Fidelity, Vanguard	Insured Pension Plan	15.00%	0.00%	No Limit	Regents
		x	TIAA - CREF, Aetna, Fidelity, Vanguard; applies to employees enrolled in Oklahoma Teachers' Retirement.	Insured Pension Plan	15.00%	0.00%	No Limit*	Regents
		x	TIAA - CREF, Aetna, Fidelity, Vanguard; applies to employees enrolled in Oklahoma Teachers' Retirement.	Insured Pension Plan	3.00%	0.00%	2.00% of first \$40,000 plus 15.00% of total salary minus \$9,000.	Regents
Oregon	x		Oregon Public Employee Retirement System	Public Retirement System	8.59%	6.00%	No Limit	Employer share by 30-year actuarial study, employee by Statute
		x	TIAA - CREF	Insured Pension Plan	6.00%	6.00%	No Limit	Statute

### State University Retirement Systems Survey

State	Who Qualifies (x approp.)			Name of System	Type of System	Contribution Rate (Employer)	Contribution Rate (Employee)	Maximum Covered Salary	How is Contribution Rate Established?
	All	Faculty	P & S Merit						
Pennsylvania	x			TIAA - CREF	Insured Pension Plan	9.29%	5.00%	No Limit	Statute
	x			State Employees Retirement System	Public Retirement System	8.92%	5.00%	No Limit	Actuarially
	x			School Employees Retirement System	Public Retirement System	13.17%	6.25%	No Limit	Actuarially
Rhode Island	x			State of Rhode Island Employee Retirement System	Public Retirement System	9.00%	5.00%	No Limit	Statute
		x	x	TIAA - CREF; Metropolitan; VALIC	Insured Pension Plan	9.00%	5.00%	No Limit	N/A
South Carolina	Did not respond								
South Dakota	x			South Dakota Retirement System	Public Retirement System	5.00%	5.00%	No Limit	Statute
Tennessee	x			Tennessee Consolidated Retirement System	Public Retirement System	6.85%	5.00%	No Limit	Statute
		x	x	TIAA - CREF; Faculty and P & S staff have option of choosing TCRF or TIAA - CREF	Insured Pension Plan	6.85%	5.00%	No Limit	Statute
Texas			x	Teacher Retirement System	Public Retirement System	7.31%	6.40%	No Limit	Statute
		x	x	TIAA - CREF	Insured Pension Plan	8.50%	6.65%	No Limit	Statute *Universities Reallocate 1.19% of employer share
Utah			x	Utah State Retirement System	Public Retirement System	13.88%	0.00%	No Limit	Actuarially
		x	x	TIAA - CREF	Insured Pension Plan	14.20%	0.00%	No Limit	Statute
Vermont	x			TIAA - CREF	Insured Pension Plan	15.00%	elective	No Limit	Statute
			x	TIAA - CREF	Insured Pension Plan	15.00%	elective	No Limit	Statute
			x	TIAA - CREF	Insured Pension Plan	15.00%	elective	No Limit	Statute
		x		403B plan TIAA - CREF, Prudential	Insured Pension Plan	10.00%	2.00%	No Limit	University Board
			x	403B plan TIAA - CREF, Prudential	Insured Pension Plan	10.00%	3.00%	No Limit	University Board
Virginia	x			State Retirement System	Public Retirement System	10.12%	0.00%	No Limit	Actuarially
		x	x	TIAA - CREF, Fidelity Investments, VALIC, T. Rowe Price, Great-West Assurance	Insured Pension Plan	10.40%	0.00%	No Limit	Statute
Washington			x	State Retirement System	Public Retirement System	7.94%	4.85%	No Limit	Statute
		x		TIAA - CREF	Insured Pension Plan	5.00% - 10.00%	5.00% - 10.00%	No Limit	Statute
West Virginia	x			TIAA - CREF for all Higher Education	Insured Pension Plan	6.00%	6.00%	No Limit	Statute
Wisconsin	x			Wisconsin Retirement System	Public Retirement System	7.10%	5.20%	None	Statute

(all but 0.2% is contributed by employer on employee's behalf)

### State University Retirement Systems Survey

<u>State</u>	<u>Who Qualifies (x approp.)</u>	<u>Name of System</u>	<u>Type of System</u>	<u>Contribution Rate (Employer)</u>	<u>Contribution Rate (Employee)</u>	<u>Maximum Covered Salary</u>	<u>How Is Contribution Rate Established?</u>
Wyoming	x All Faculty P & S Merit x Employees may choose either system.	Public Employee Retirement System	Public Retirement System	5.68%	5.57% (Contributed by state on behalf of employee)	No Limit	Statute
	x	TIAA - CREF	Insured Pension Plan	5.68%	5.57% (Contributed by State on behalf of employee)	No Limit	Statute

Regent General University Fund Salaries  
(in thousands)

*Regent FY 1994  
1% Table*

	University of Iowa									Iowa State University					UNI	Total	
	Gen Univ	Univ Hosp	Psych Hosp	Hosp School	Oakdale Campus	Hyg Lab	Family Prac	SCHS CA/HE	Subtotal	Gen Univ	Exp Station	Coop Exten.	IPRT	Subtotal			
Salary Expenditures																	
Fac & Instr Sal	120,300	800	700	500	0	0	1,400	200	123,900	91,600	11,600	5,400	600	109,200	36,400	269,500	
Prof & Sci Sal	28,200	8,300	2,600	2,500	300	1,900	200	300	44,300	23,900	3,200	10,400	500	38,000	9,600	91,900	
Gen Service Sal	32,300	4,600	1,200	1,700	1,200	1,100	100	0	42,200	26,600	3,000	1,900	200	31,700	12,400	86,300	
<b>Total</b>	<b>180,800</b>	<b>13,700</b>	<b>4,500</b>	<b>4,700</b>	<b>1,500</b>	<b>3,000</b>	<b>1,700</b>	<b>500</b>	<b>210,400</b>	<b>142,100</b>	<b>17,800</b>	<b>17,700</b>	<b>1,300</b>	<b>178,900</b>	<b>58,400</b>	<b>447,700</b>	

*Employer TIAA  
10% Cost*

	University of Iowa									Iowa State University					UNI	Total
	Gen Univ	Univ Hosp	Psych Hosp	Hosp School	Oakdale Campus	Hyg Lab	Family Prac	SCHS CA/HE	Subtotal	Gen Univ	Exp Station	Coop Exten.	IPRT	Subtotal		
Fac & Instr Sal	12,030	80	70	50	0	0	140	20	12,390	9,180	1,160	540	60	10,920	3,640	26,950
Prof & Sci Sal	2,820	830	260	250	30	190	20	30	4,430	2,390	320	1,040	50	3,800	960	9,190
Gen Service Sal	3,230	460	120	170	120	110	10	0	4,220	2,660	300	190	20	3,170	1,240	8,630
<b>Total</b>	<b>18,080</b>	<b>1,370</b>	<b>450</b>	<b>470</b>	<b>150</b>	<b>300</b>	<b>170</b>	<b>50</b>	<b>21,040</b>	<b>14,210</b>	<b>1,780</b>	<b>1,770</b>	<b>130</b>	<b>17,890</b>	<b>5,840</b>	<b>44,770</b>

*Employer IPERS  
5.75% Cost*

	University of Iowa									Iowa State University					UNI	Total
	Gen Univ	Univ Hosp	Psych Hosp	Hosp School	Oakdale Campus	Hyg Lab	Family Prac	SCHS CA/HE	Subtotal	Gen Univ	Exp Station	Coop Exten.	IPRT	Subtotal		
Fac & Instr Sal	6,917	46	40	29	0	0	81	12	7,124	5,267	667	311	35	6,279	2,093	15,496
Prof & Sci Sal	1,622	477	150	144	17	109	12	17	2,547	1,374	184	598	29	2,185	552	5,284
Gen Service Sal	1,857	265	69	98	69	63	6	0	2,427	1,530	173	109	12	1,823	713	4,962
<b>Total</b>	<b>10,396</b>	<b>788</b>	<b>259</b>	<b>270</b>	<b>86</b>	<b>173</b>	<b>98</b>	<b>29</b>	<b>12,098</b>	<b>8,171</b>	<b>1,024</b>	<b>1,018</b>	<b>75</b>	<b>10,287</b>	<b>3,358</b>	<b>25,743</b>

*Difference  
5.75% v. 10%*

	University of Iowa									Iowa State University					UNI	Total
	Gen Univ	Univ Hosp	Psych Hosp	Hosp School	Oakdale Campus	Hyg Lab	Family Prac	SCHS CA/HE	Subtotal	Gen Univ	Exp Station	Coop Exten.	IPRT	Subtotal		
Fac & Instr Sal	5,113	34	30	21	0	0	60	9	5,266	3,893	493	230	26	4,641	1,547	11,454
Prof & Sci Sal	1,199	353	111	106	13	81	9	13	1,883	1,016	136	442	21	1,615	408	3,906
Gen Service Sal	1,373	196	51	72	51	47	4	0	1,794	1,131	128	81	9	1,347	527	3,668
<b>Total</b>	<b>7,684</b>	<b>582</b>	<b>191</b>	<b>200</b>	<b>64</b>	<b>128</b>	<b>72</b>	<b>21</b>	<b>8,942</b>	<b>6,039</b>	<b>757</b>	<b>752</b>	<b>55</b>	<b>7,603</b>	<b>2,482</b>	<b>19,027</b>