

**Rhode Island Department of Elementary and Secondary Education
FY 2017 Revised and FY 2018 Request
BR-10 Narrative Information**

Narrative Information	Agency: Elementary & Secondary Education Program: Teachers Retirement Subprogram: N/A
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Program Explanation:

There are three components to state expenditures for Teachers' Retirement: Defined Benefit plan expenditures, Defined Contribution plan expenditures, and, under certain circumstances, a supplemental contribution.

Defined Benefit Plan

The state pays 40% of the cost of the employer's share of Defined Benefit plan contributions to the Employees' Retirement System of Rhode Island (ERSRI) on behalf of all school districts and most charter schools. The total required contribution is set each year by the Retirement Board based on an actuarial analysis. Every eligible teacher pays 3.75% of salary with the state and LEA splitting the remaining amount.

Defined Contribution Plan

The state also pays part of the base employer's share of contributions to the Defined Contribution plan that began in July 2012. Starting in July 2015, this only applies to teachers with less than 20 years of service as of June 30, 2011. Teachers with 20 or more years of service as of that date no longer participate in this plan. Every teacher who does participate in the Defined Contribution plan contributes 5% of salary, which is matched 1.0% - 1.5% by the state and LEA combined. In each case the state pays 40% of the employer share. In addition, teachers who are not eligible for Social Security contribute an additional 2% of their salary to the Defined Contribution plan, which is matched by an additional 2% from the LEA. The state does not contribute to this additional share.

Supplemental Contribution

As laid out in R.I.G.L. 36-10-2(e)(2) a supplemental contribution is required in any year in which the state's required contribution rate for the Defined Benefit plan drops from the previous year's rate. In FY 2018 the state's contribution rate does decrease relative to the previous year so that year's budget request does include a supplemental payment equal to 20% of the difference.

BR-4 Program Summary

Agency: 072 ELEMENTARY AND SECONDARY EDUCATION

Program:	08	Teacher Retirement	FY 2015 Actuals:	FY 2016 Actuals:	FY 2017 Enacted:	FY 2017 Working:	FY 2017 Revised Budget:	FY 2018 Unconstrained Budget:	FY 2018 Constrained Budget:
By Subprogram									
0801		Teacher's Retirement	\$88,625,881	\$91,610,186	\$99,076,582	\$99,076,582	\$99,076,582	\$100,659,985	\$100,659,985
			\$88,625,881	\$91,610,186	\$99,076,582	\$99,076,582	\$99,076,582	\$100,659,985	\$100,659,985
By Category									
70		Aid to Local Units of Government	\$88,625,881	\$91,610,186	\$99,076,582	\$99,076,582	\$99,076,582	\$100,659,985	\$100,659,985
			\$88,625,881	\$91,610,186	\$99,076,582	\$99,076,582	\$99,076,582	\$100,659,985	\$100,659,985
By Source									
01		General Revenue	\$88,625,881	\$91,610,186	\$99,076,582	\$99,076,582	\$99,076,582	\$100,659,985	\$100,659,985
			\$88,625,881	\$91,610,186	\$99,076,582	\$99,076,582	\$99,076,582	\$100,659,985	\$100,659,985
Grand Total			\$1,232,188,487	\$1,288,808,288	\$1,353,972,840	\$1,353,972,840	\$1,358,985,272	\$1,403,429,784	\$1,402,826,187

Thursday, September 29, 2016