

**OVERVIEW OF FUNDING SOLUTION OPTIONS
PRESENTED TO THE JOINT COMMITTEE ON PENSIONS, INVESTMENT AND BENEFITS**

OPTIONS	EMPLOYER CONTRIBUTIONS		EMPLOYEE CONTRIBUTIONS		PLAN DESIGN CHANGES	
	Change	Effective Date	Change	Effective Date	Change	Effective Date
Baseline	None. Cap remains at .6%	--	None Employee contribution: Tier 1 = 4% Tier 2 = 6%	--	None	--
Option A	Increase cap to 1%	FY '11	None Employee contribution: Tier 1 = 4% Tier 2 = 6%	--	None	--
Option B	Increase cap to 2%	FY '11	None Employee contribution: Tier 1 = 4% Tier 2 = 6%	--	None	--
Option C	Increase cap to 1%	FY '11	Tiers 1 & 2: Increase rate by .5% in each of four years	FY '11 through FY '14	None	--
Option D	Increase cap to 1%	FY '11	None Employee contribution: Tier 1 = 4% Tier 2 = 6%	--	Tiers 1 & 2: Decrease benefit formula multiplier from 1.75% to 1.5% (future service only)	FY '11
Option E	Phase-in employer cap increase from .6% to 1.0%	FY '11 = .6% FY '12 = .8% FY '13 = 1.0%	None Employee contribution: Tier 1 = 4% Tier 2 = 6%	--	None	--
Option F	Increase cap to 1%	FY '11	Tier 1: Increase rate by 1.0% (to 5.0%)	FY '11	None	--
Option G	Increase cap to 2%	FY '11	Tier 1: Increase rate by 2.0% (to 6.0%)	FY '11	None	--
Option H	Increase cap to 1%	FY '11	Tier 1: Increase rate by 1.0% (to 5.0%)	FY '11	Tier 1: Increase benefit formula multiplier from 1.75% to 1.85% (future service only).	FY '11
Option I	Increase cap to 2%	FY '11	Tier 1: Increase rate by 2.0% (to 6.0%)	FY '11	Tier 1: Increase benefit formula multiplier from 1.75% to 1.85% (future service only).	FY '11
Option J	Phase-in employer cap increase from .6% to 1.0%	FY '11 = .6% FY '12 = .8% FY '13 = 1.0%	Tiers 1 & 2: Increase rate by .5% in each of four fiscal years	FY '12 through FY '15	Tiers 1 & 2: Increase benefit formula multiplier from 1.75% to 1.85% (future service only).	FY '12
Option K	Phase-in employer cap increase from .6% to 1.0%	FY '11 = .6% FY '12 = .8% FY '13 = 1.0%	Tier 1: Increase rate by .5% in each of four fiscal years	FY '12 through FY '15	Tier 1: Increase benefit formula multiplier from 1.75% to 1.85% (future service only).	FY '12
Option L	Increase cap to 1%	FY '12	Tiers 1 & 2: Increase rate by 1.0% in each of two fiscal years	FY '12 & FY '13	Tiers 1 & 2: Increase benefit formula multiplier from 1.75% to 1.85% (future service only).	FY '12
Option M	Increase cap to 1%	FY '12	Tier 1: Increase rate by 1.0% in each of two fiscal years	FY '12 & FY '13	Tier 1: Increase benefit formula multiplier from 1.75% to 1.85% (future service only).	FY '12
Option N	Phase-in employer cap increase from .6% to 1.0%	FY '11 = .6% FY '12 = .8% FY '13 = 1.0%	Tiers 1 & 2: Increase rate by 1.0% in each of two fiscal years	FY '12 & FY '13	Tiers 1 & 2: Increase benefit formula multiplier from 1.75% to 1.85% (future service only).	FY '12
Option O	Phase-in employer cap increase from .6% to 1.0%	FY '11 = .6% FY '12 = .8% FY '13 = 1.0%	Tier 1: Increase rate by 1.0% in each of two fiscal years	FY '12 & FY '13	Tier 1: Increase benefit formula multiplier from 1.75% to 1.85% (future service only).	FY '12
Option P	Cap remains at .6%. Issue \$590 million* in bonds (\$660.3 million par).	CY '10: Issue bonds issued. FY '12: Phase in payments.	Tiers 1 & 2: Increase rate by 1.0%.	FY '12	None	--
Option Q	Cap remains at .6%. Issue \$1.055 billion** in bonds (\$1.2 billion par).	CY '10: Issue bonds issued. FY '12: Phase in payments.	Tiers 1 & 2: Increase rate by .5% in each of four fiscal years	FY '12 through FY '15	None	--

* Matches the present value of the additional 1% employee contributions.

** Matches the present value of raising cap on employer rate increases to 1.0% , beginning FY '11 (Option A).