



# OLR RESEARCH REPORT

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## **PUBLIC EMPLOYEE RETIREMENT BENEFIT COMPARISON**

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You asked for a chart that shows the retirement benefit a person would receive under the Teachers' Retirement System (TRS), Tier II of the State Employees Retirement System (SERS), and the Municipal Employees Retirement Fund (MERF) if he retired with four specified ages, years of service, and salaries.

The annual and monthly retirement benefits under the three systems for the ages, service, and salaries you specified are given in Table 1. Since you specified no salary for your fourth example, we have used the \$60,000 salary you specified in your third example.

None of the systems allow an employee to retire at age 50, which is the first age you requested, unless he is disabled. Therefore, we have listed the disability benefit for that example and for other examples where no other retirement benefit is available. In each case, the benefit listed is the one a person would receive if he retired in 2002 and chose a straight life annuity form of payment.

The comparison shows the TRS benefit is higher than final MERF benefits for all four cases and is significantly higher than all the SERS Tier II benefits, except disability. For the nondisability retirement cases, Tier II has the lowest benefits. But, unlike the other two systems, TRS is not coordinated with Social Security and its benefits are set higher to take account of the fact that its retirees will not receive Social Security benefits.

**Table 1: Benefit Comparison for Three Public Employee Retirement Systems**

EMPLOYEE			BENEFIT		
Age	Years of Service	Final Average Salary	TRS	SERS TIER II	MERF
50	10	\$45,000	\$9,000 (a)	\$16,325 (a)	\$7,290 (a), (b)
55	15	\$50,000	\$15,000 (a)	\$7,056 (d)	\$15,000 until age 62 \$12,435 after age 62 (c), (e)
60	20	\$60,000	\$24,000 (d)	\$10,452 (d)	\$24,000 until age 62 \$20,570 after age 62 (c), (e)
62	25	\$60,000	\$30,000 (e)	\$23,175 (e)	\$25,713 (e)

- (a) Disability retirement (disability not job-related)
- (b) MERF's minimum benefit for job-related disability is 50% of active duty pay.
- (c) MERF members receive a higher pension temporarily until they become eligible for Social Security benefits at age 62.
- (d) Early retirement
- (e) Normal retirement

For your further information, we list minimum retirement ages and years of service for the various types of retirement under the three systems in Table 2.

**Table 2: Minimum Age and Service Requirements for Various Types of Retirement**

Type of Retirement	TRS		SERS TIER II		MERF	
	Age	Years of Qualifying Service	Age	Years of Qualifying Service	Age	Years of Qualifying Service
Normal	60	20	60	25	55	5
	Any	35	62	10-25	Any	25
Early	55	20	55	10	None	
	Any	25				
Age 70	None		70	5	None	
Proratable	60	10-19	Not available		None	
Disability (not job-related)	Any	5	Any	10	Any	10
Hazardous Duty	None		Any	20	None	

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