

# **Education and State Employee Compensation and Benefits**

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**Kirk Fulford**

Deputy Director – Fiscal Division  
Legislative Services Agency

November 2, 2021

# Agenda



Salaries



Teacher Retirement Benefits



State Employee Retirement Benefits



Average Monthly Retirement Benefits



Health Benefits



Paid Leave and Holidays

# Sources

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- 2020 Annual Wages
  - U.S. Bureau of Labor Statistics, Quarterly Census Employment and Wages ([https://data.bls.gov/cew/apps/data\\_views/data\\_views.htm#tab=Tables](https://data.bls.gov/cew/apps/data_views/data_views.htm#tab=Tables))
- Teacher Salary
  - NEA 2019-2020 Teacher Salary Benchmark Report
- Teacher Retirement
  - [https://www.rsa-al.gov/uploads/files/TRS\\_Member\\_Handbook\\_2021.pdf](https://www.rsa-al.gov/uploads/files/TRS_Member_Handbook_2021.pdf)
  - <https://www.trsga.com/wp-content/uploads/Members-Guide-with-Cover.pdf>
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  - <https://treasury.tn.gov/Portals/0/Documents/Retirement/Forms%20and%20Guides/Active%20Members/HybridMemberGuide.pdf>
- State Employee Retirement
  - NASRA, September 2021
  - [www.alseib.org/healthinsurance](http://www.alseib.org/healthinsurance)
  - [www.mybenefits.myflorida.com/health](http://www.mybenefits.myflorida.com/health)
  - [www.shbp.georgia.gov](http://www.shbp.georgia.gov)
  - [www.knowyourbenefits.dfa.ms.gov](http://www.knowyourbenefits.dfa.ms.gov)
  - [www.tn.gov/partnersforhealth](http://www.tn.gov/partnersforhealth)

# Sources (cont.)

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- Average Monthly Retirement Benefits
  - Retirement System of Alabama, Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2020
  - Florida Retirement System Pension Plan and Other State Administered Systems, Comprehensive Annual Financial Report, FY 2019-2020
  - Teachers' Retirement System of Georgia, Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2020
  - Employees' Retirement System of Georgia, Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2020
  - Public Employees' Retirement System of Mississippi, 2020 Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2020
  - Tennessee Consolidated Retirement System, Comprehensive Annual Financial Report, for the Fiscal Year Ended June 30, 2020
- Health Benefits Costs
  - Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey, 2020
- Paid Leave
  - <https://revenue.alabama.gov/human-resources/benefits/>
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# Salaries

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# Teacher Salaries, 2019-2020

State	Starting Salary	Top Bachelor	Starting Master	Top Master	Top Salary
*Alabama	41,028	52,609	47,146	60,245	69,292
Florida	38,724	60,401	42,437	61,273	61,873
Georgia	38,509	56,566	43,711	64,507	79,930
Mississippi	36,543	55,245	38,967	63,131	NA
Tennessee	38,809	52,271	41,991	56,497	64,681

\* Beginning with the 2021-2022 school year, the minimum salary for qualified math and science teachers with 0-3 years experience with a Bachelor or Master's Degree is \$46,690 and \$52,941, respectively, plus a \$5,000 stipend.

# Teacher Salary Benchmark by Census Region

Region	Starting Salary	Top Bachelor	Starting Master	Top Master	Top Salary
Midwest	38,021	55,549	42,211	67,832	71,954
Northeast	46,684	73,863	50,594	82,178	87,471
South	39,547	55,902	42,399	59,499	64,131
West	43,464	53,024	44,749	67,894	83,216
<b>U.S.</b>	<b>41,163</b>	<b>60,293</b>	<b>45,029</b>	<b>69,798</b>	<b>75,913</b>

Source: NEA 2019-2020 Teacher Salary Benchmark Report

# Difference: Benchmark Averages vs. Benchmark by South Region

State	Starting Salary	Top Bachelor	Starting Master	Top Master	Top Salary
Alabama	3.7%	-5.9%	11.2%	1.3%	8.0%
Florida	-2.1%	8.0%	0.1%	3.0%	-3.5%
Georgia	-2.6%	1.2%	3.1%	8.4%	24.6%
Mississippi	-7.6%	-1.2%	-8.1%	6.1%	NA
Tennessee	-1.9%	-6.5%	-1.0%	-5.0%	0.9%

Source: NEA 2019-2020 Teacher Salary Benchmark Report

# 2020 Annual Wages - State Government

Alabama

\$57,841

Florida

\$52,306

Georgia

\$52,848

Mississippi

\$51,597

Tennessee

\$57,127

# Teacher Retirement Benefits 2021

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# Teacher Retirement Systems

Alabama

Teachers' Retirement System (TRS) of Alabama

Florida

Florida Retirement System

Georgia

Teachers' Retirement System (TRS) of Georgia

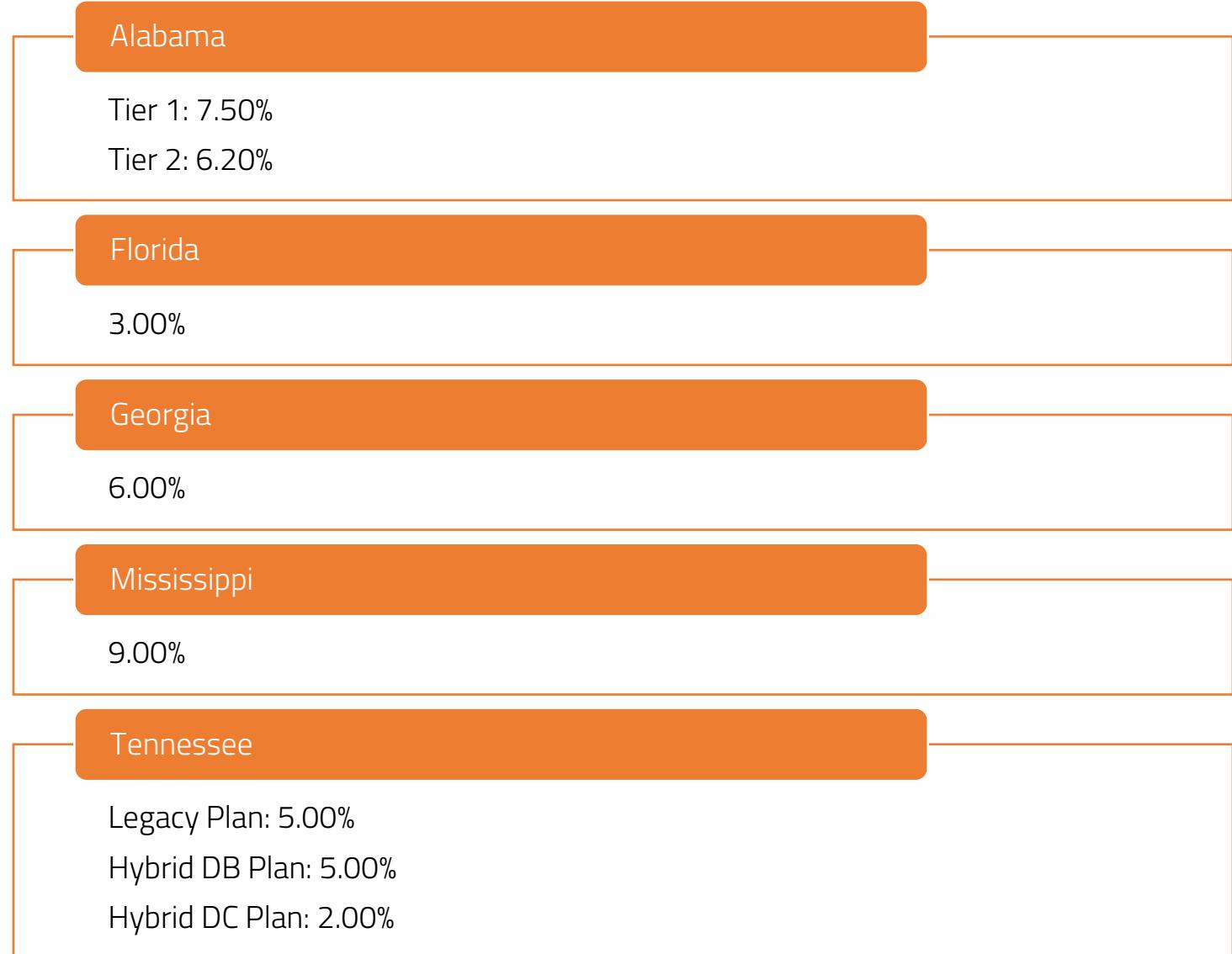
Mississippi

Public Employees' Retirement System (PERS)

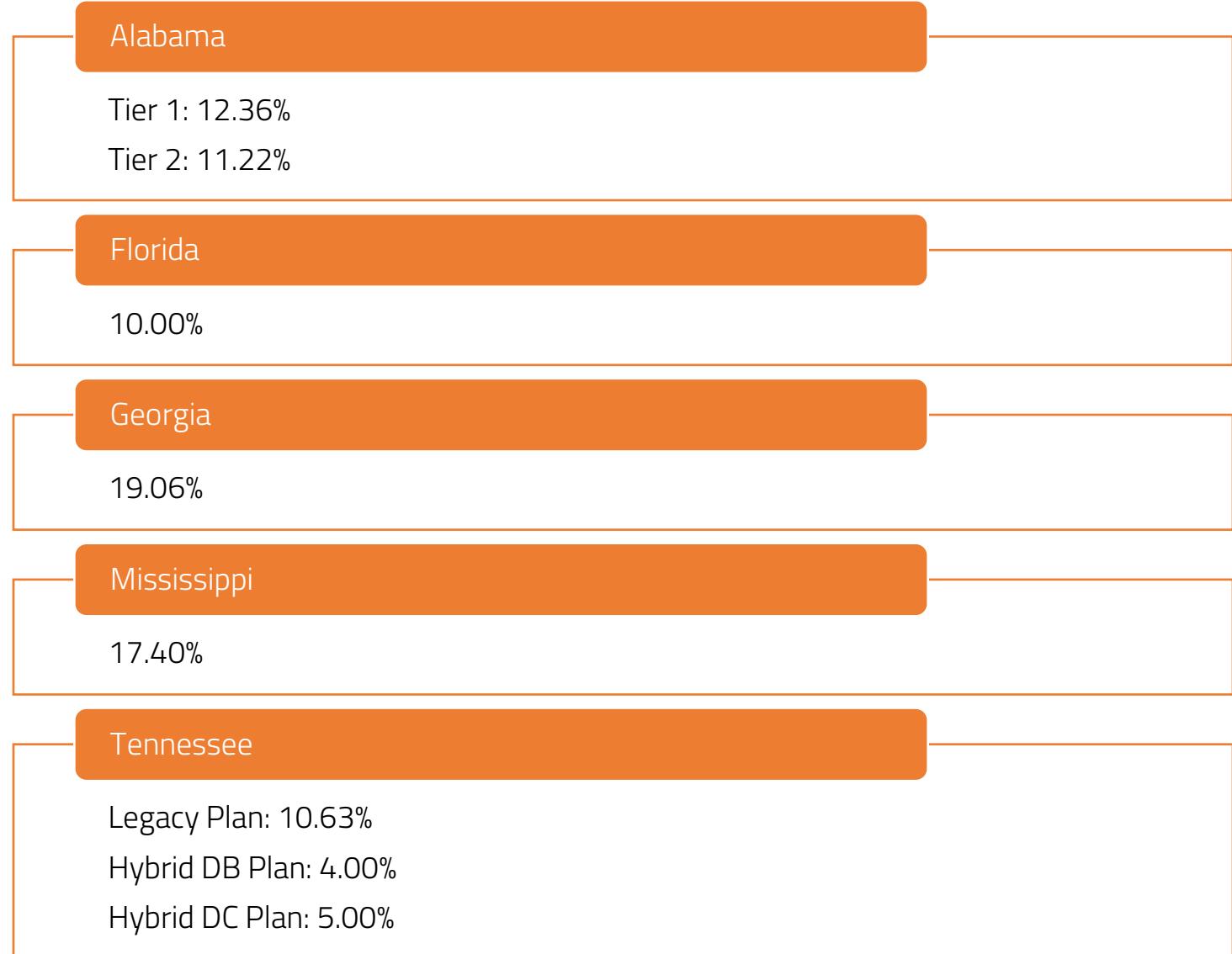
Tennessee

Tennessee Consolidated Retirement System (TCRS)

# Employee Contribution



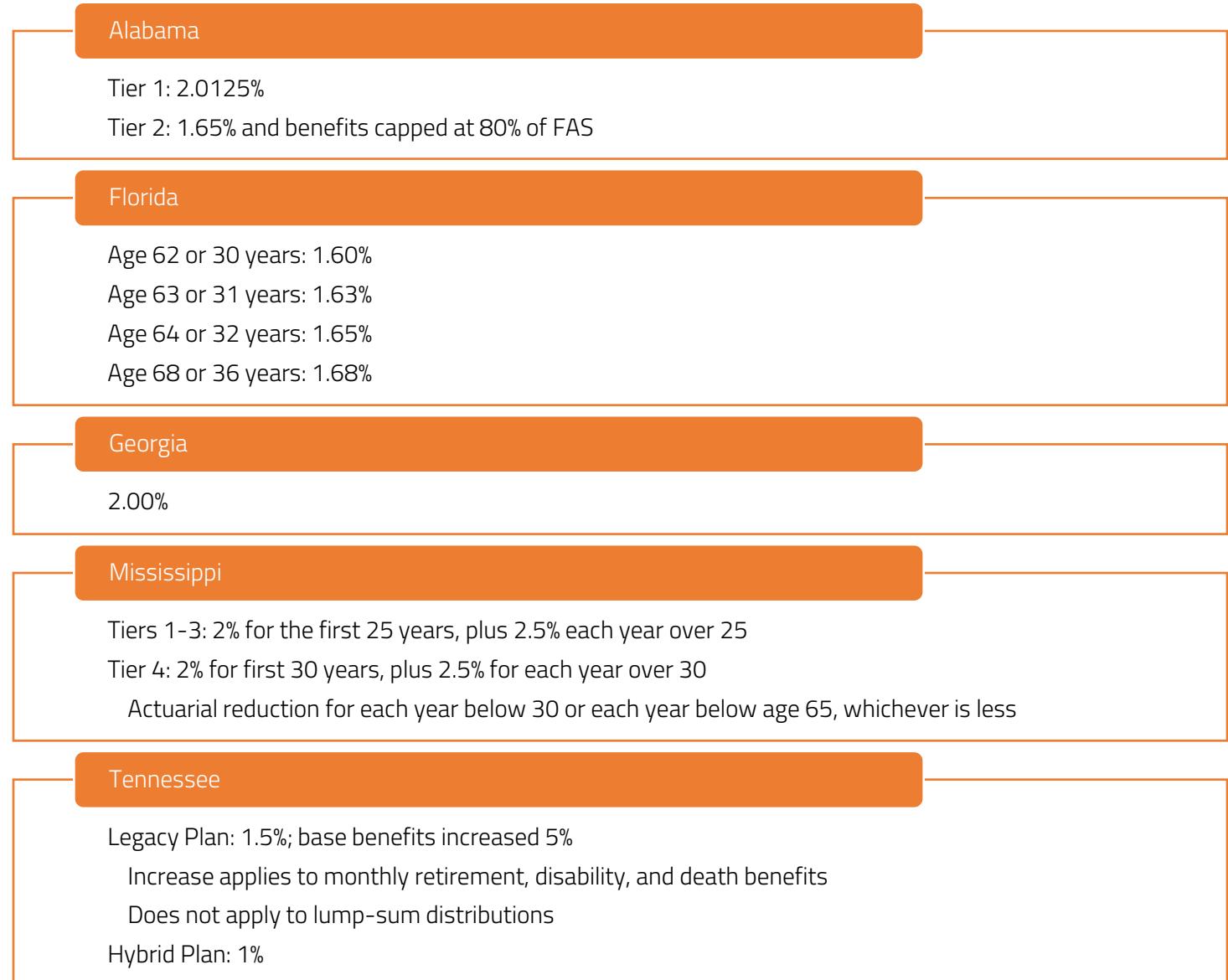
# Employer Contribution



# Vesting

- Alabama
  - Tier 1 (Prior to 1/1/13): 10 years
  - Tier 2 (On/after 1/1/13, & no eligible service in ERS/TRS prior to 1/1/13): 10 years
- Florida
  - Tier 1 (Prior to 7/1/11): 6 years
  - Tier 2 (On/after 7/1/11): 8 years
- Georgia
  - 10 years
- Mississippi
  - Tier 1 and Tier 2: 4 years
  - Tier 3 and Tier 4: 8 years
- Tennessee
  - Legacy Plan: 5 years
  - Hybrid Plan: 5 years

# Benefit Factor



# Final Average Salary Determination

Alabama

Tier 1: Average of highest 3 out of last 10 years  
Tier 2: Average of highest 5 out of last 10 years

Florida

Tier 1: Average of highest 5 years of salary  
Tier 2: Average of highest 8 years of salary

Georgia

Average of 2 highest consecutive years

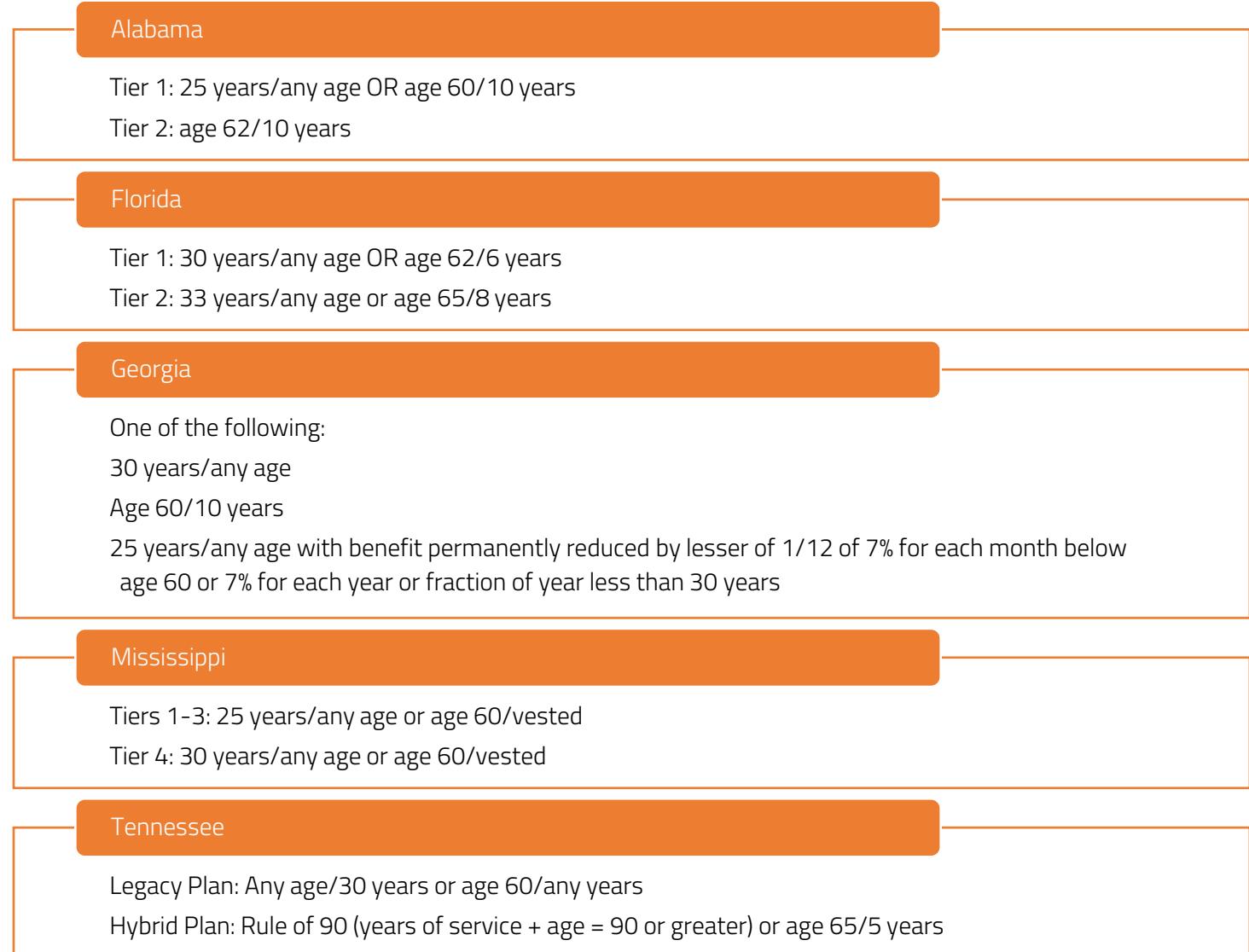
Mississippi

Average of 4 highest years

Tennessee

Average of 5 highest years

# Service Requirement



# State Employee Retirement Benefits 2021

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# Employee Retirement Systems

## Alabama

### Employees' Retirement System (ERS)

State employees

State police

Certified law enforcement, correctional officers, and firemen

## Florida

### Florida Retirement System (FRS)

Public employees

## Georgia

### Employees' Retirement System of Georgia (ERSGA)

Public employees

## Mississippi

### Mississippi Public Employees' Retirement System (PERS)

Public employees

### Mississippi Highway Safety Patrol Retirement System (MHSPRS)

Law enforcement

## Tennessee

### Tennessee Consolidated Retirement System

Public employees

# Employee Contribution

Alabama

**State employees**

Tier 1: 7.50%

Tier 2: 6.00%

**State Police**

10.00%

**Certified law enforcement, correctional officers, and firemen**

Tier 1: 8.50%

Tier 2: 7.00%

Florida

3.00%

Georgia

Hired before 1/1/09: 1.25%

Hired after 1/1/09 through 6/30/14: 1.0%

Hired after 7/1/14: 5%

Mississippi

Public Employees: 9.0%

Law Enforcement: 7.25%

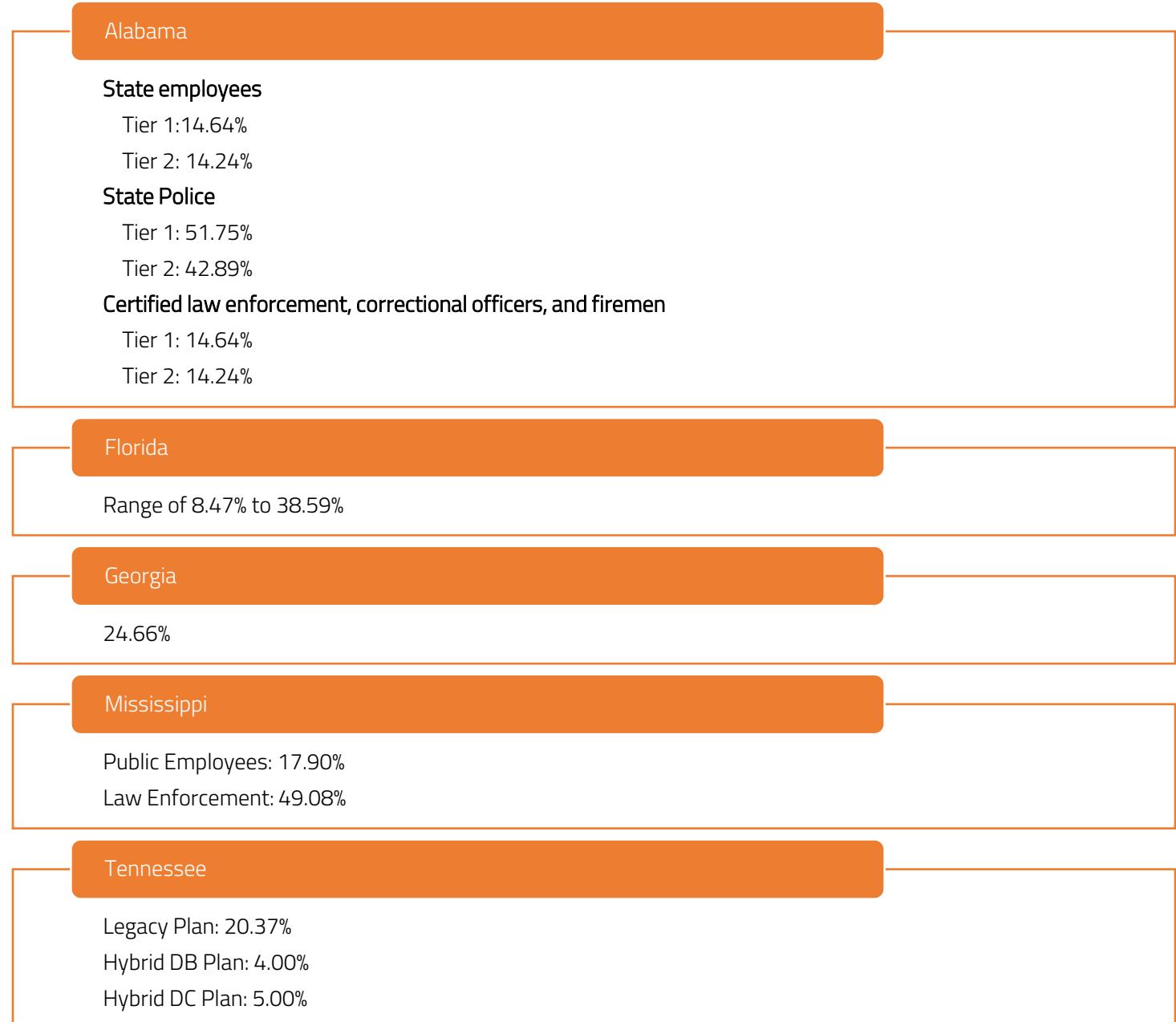
Tennessee

Legacy Plan: Non-contributory for most state employees

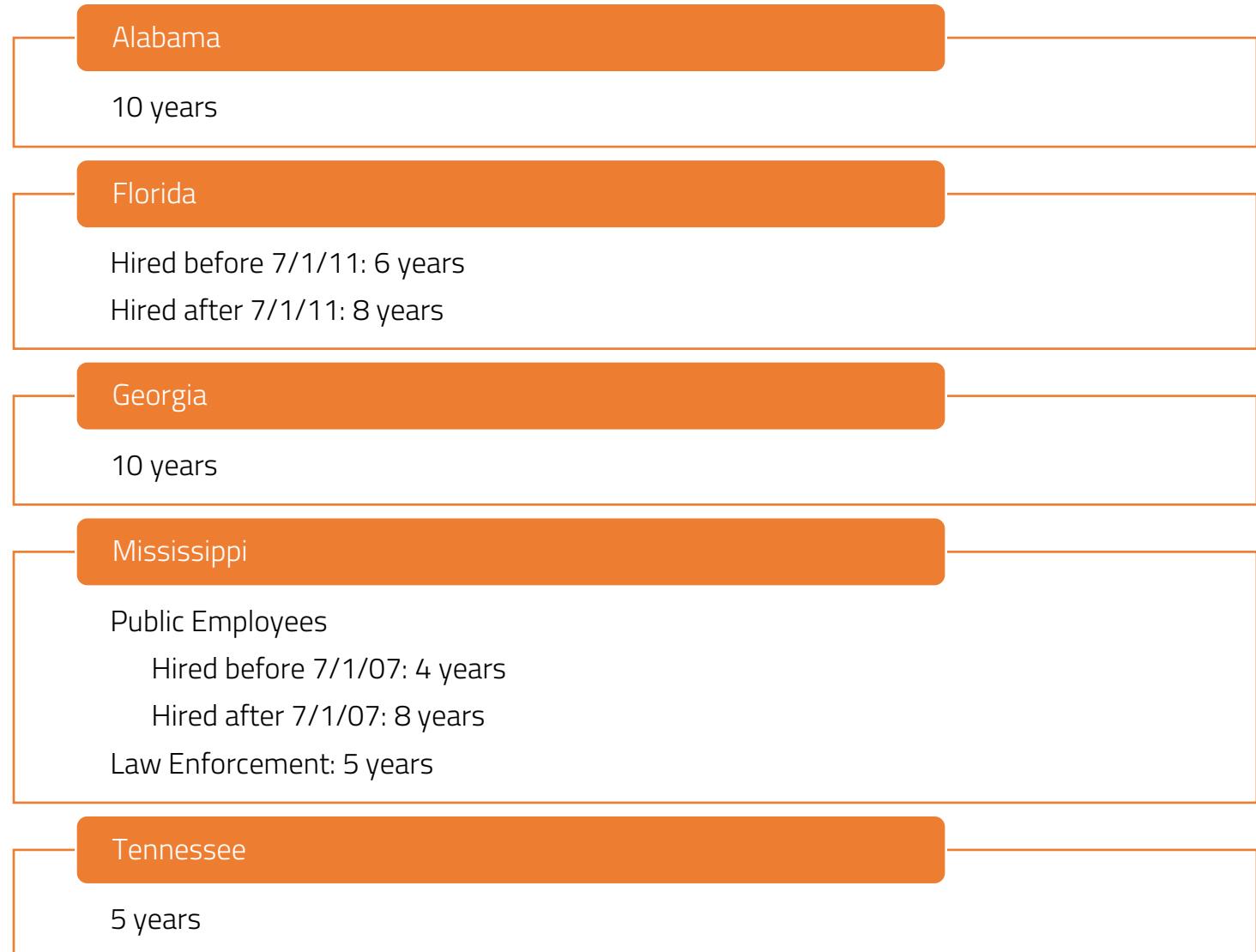
Hybrid DB Plan: 5.0%

Hybrid DC Plan: 2.0%

# Employer Contribution



# Vesting



# Benefit Factor

Alabama

**State employees**

Tier 1: 2.0125%

Tier 2: 1.65% and benefits capped at 80% of FAS

**State Police**

Tier 1: 2.875%

Tier 2: 2.375% and benefits capped at 80% of FAS

**Certified law enforcement, correctional officers, and firemen**

Tier 1: 2.0125%

Tier 2: 1.65% and benefits capped at 80% of FAS

Florida

1.60%

Georgia

Hired before 1/1/09: 2.0%

Hired after 1/1/09 participate in hybrid plan : 1.0% (for those hired after 1/1/09 and before 7/1/14)

Hired since 7/1/14: 5%

Mississippi

Public Employees: 2.0% for first 25 years plus 2.5% each year thereafter

Law Enforcement: 2.5%; reduction in benefit for each year below age 55 or for each year under 25 years service, whichever is less

Tennessee

Hired before 7/1/14: 1.5% plus .25% of FAS over SSIL

Hired after 7/1/14 participate in a hybrid plan: 1.0%

# Final Average Salary Determination

## Alabama

Tier 1: Average of highest 3 fiscal years

Tier 2: Average of highest 5 fiscal years

## Florida

Hired before 7/1/11: Average of highest 5 annual salaries

Hired after 7/1/11: Average of highest 8 annual salaries

## Georgia

Average of highest 2 annual salaries

## Mississippi

Average of highest 4 consecutive annual salaries

## Tennessee

Average of highest 5 annual salaries

# Service Requirement

Alabama

**State employees**

Tier 1: Any age/25 years or 60/10 years

Tier 2: Age 62/10 years

**State Police**

Tier 1: Any age/25 years or 52/10 years

Tier 2: Age 56/10

**Certified law enforcement, correctional officers, and firemen**

Tier 1: Any age/25 years or 60/10 years

Tier 2: Age 56/10 years

Florida

Hired before 7/1/11: Age 62/6 or any age/30 years

Hired on or after 7/1/11: Age 65/8 or any age/33 years

Georgia

Age 60/10 years or any age and 30 years

Mississippi

Public Employees: Age 60/4 years or any age/25 years (hired between 7/1/92 and 6/30/07; or age 60/8 years or any age/25 years (hired between 7/1/07 and 6/30/11); and age 60/8 or any age/30 years (hired after 7/1/11)

Law Enforcement: Any age/25 years; age 55/5 years; age 45/20 years

Tennessee

Hired before 7/1/14: age 60/5 years, any age/30 years

Hired after 7/1/14 participate in a hybrid plan: Age 65/5 or Rule of 90

# Average Monthly Retirement Benefits

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# Average Monthly Retirement Benefit

Retirement System	10-14 Years of Service / 10-15 Years of Service	20-24 Years of Service / 21-25 Years of Service	30 Years of Service / 30+ Years of Service
Alabama - Employees' Retirement System (ERS) of Alabama	\$785	\$1,728	\$3,498
Alabama - Teachers' Retirement System (TRS) of Alabama	\$952	\$1,850	\$3,522
Florida Retirement Systems	\$705	\$1,814	\$3,354
Georgia - Employees Retirement System of Georgia (ERSGA)	\$791	\$1,755	\$3,235
Georgia - Public School Retirement System (PERS)	\$169	\$307	\$480
Georgia - Teachers' Retirement System of Georgia (TRS)	\$960	\$2,170	\$3,851
Mississippi - Public Employees' Retirement System of Mississippi (PERS)	\$730	\$1,852	\$2,469
Mississippi - Mississippi Highway Safety Patrol Retirement System	\$455	\$3,375	\$5,824
Tennessee - Consolidated Retirement System (TCRS) - Public Employees	\$294	\$1,262	\$2,455
Tennessee - Consolidated Retirement System (TCRS) - Teachers	\$413	\$1,796	\$3,025
<b>Average Monthly Benefit</b>	<b>\$625</b>	<b>\$1,790</b>	<b>\$ 3,188</b>

# Health Benefits

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# Teacher Health Benefits (2021)

State	Average Individual Premium	Average Individual Deductible	Employer Contribution - Individual	Average Family Premium	Average Family Deductible	Employer Contribution - Family
Alabama	\$30	\$300	\$800	\$307	\$900	\$800
Florida	\$33	\$825	\$763	\$122	\$1,650	\$1,651
Georgia	\$129	\$2,017	\$945	\$449	\$4,033	\$945
Mississippi	\$31	\$1,550	\$389	\$693	\$2,800	\$389
Tennessee (High. Edu.)	\$112	\$1,000	\$558	\$283	\$2,250	\$1,451
Tennessee (Local Education)	\$580	\$1,186	n/a	\$1,489	\$2,586	n/a
Average	\$67	\$1,138	\$691	\$371	\$2,327	\$1,047

# State Employee Health Benefits (2021)

State	Average Individual Premium	Average Individual Deductible	Employer Contribution - Individual	Average Family Premium	Average Family Deductible	Employer Contribution - Family
Alabama*	\$140	\$300	\$930	\$490	\$900	\$930
Florida	\$33	\$825	\$763	\$122	\$1,650	\$1,651
Georgia	\$129	\$2,017	\$945	\$449	\$4,033	\$945
Mississippi	\$31	\$1,550	\$389	\$693	\$2,800	\$389
Tennessee	\$112	\$1,000	\$558	\$283	\$2,250	\$1,451
Average	\$89	\$1,138	\$717	\$407	\$2,327	\$1,073

\*The amount shown is the base rate before discounts, waivers, and retiree sliding scale adjustments, if applicable. After adjustments made, the average Individual Premium amount is \$30, and the average Family Premium amount is \$220.

# Paid Leave and Holidays

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# Annual Leave Accrual

Employee's Total Service	Alabama	Florida	Georgia	Mississippi	Tennessee
Fewer than 5 years (1 month to 3 years in MS)	8.40	8.67	10.00	12.00	7.50
5 but less than 10 years (37 months to 8 years in MS)	10.50	10.88	12.00	14.00	11.25
10 but less than 15 years (97 months to 15 years in MS)	12.60	13.00	14.00	16.00	13.13
15 but less than 20 years	14.70	13.00	14.00	18.00	13.13
20 but less than 25 years	16.80	13.00	14.00	18.00	15.00
25 years of service or more	18.90	13.00	14.00	18.00	15.00

# Sick Leave Accrual

Employee's Total Service	Alabama	Florida	Georgia	Mississippi	Tennessee
Fewer than 5 years (1 month to 3 years in MS)	8.40	8.67	10.00	8.00	7.50
5 but less than 10 years (37 months to 8 years in MS)	8.40	8.67	10.00	7.00	7.50
10 but less than 15 years (97 months to 15 years in MS)	8.40	8.67	10.00	6.00	7.50
15 but less than 20 years	8.40	8.67	10.00	5.00	7.50
20 but less than 25 years	8.40	8.67	10.00	5.00	7.50
25 years of service or more	8.40	8.67	10.00	5.00	7.50

# Paid Holidays for Surrounding States

Holiday <sup>(1)</sup>	Alabama	Florida	Georgia	Mississippi	Tennessee
New Year's Day	Yes	Yes	Yes	Yes	Yes
Robert E. Lee's Birthday and Martin Luther King, Jr.'s Birthday	Yes	Yes	Yes	Yes	Yes
George Washington's Birthday and Thomas Jefferson's Birthday	Yes	No	Yes	Yes	Yes
Good Friday	No	No	No	No	Yes
Confederate Memorial Day	Yes	No	Yes	Yes	No
National Memorial Day	Yes	Yes	Yes	Yes	Yes
Jefferson Davis's Birthday	Yes	No	No	No	No
Independence Day	Yes	Yes	Yes	Yes	Yes
Labor Day	Yes	Yes	Yes	Yes	Yes
Columbus Day	Yes	No	Yes	No	Yes
Veterans' Day	Yes	Yes	Yes	Yes	Yes
Thanksgiving Day	Yes	Yes	Yes	Yes	Yes
Friday after Thanksgiving	No	Yes	No	No	No
Christmas Day	Yes	Yes	Yes	Yes	Yes
Mardi Gras Day or Personal Holiday	Yes	Yes	No	No	No
<b>TOTAL DAYS</b>	<b>13</b>	<b>10</b>	<b>11</b>	<b>10</b>	<b>11</b>

(1) Does not include Juneteenth

# Questions

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# Thank You



Kirk Fulford



(334) 261-0650

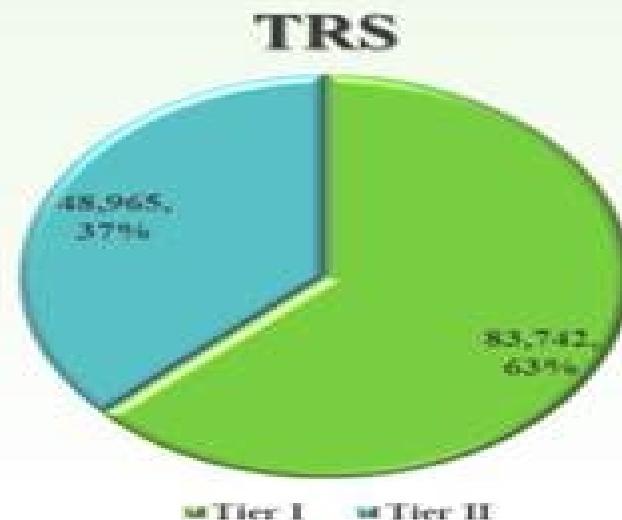


lsa.state.al.us

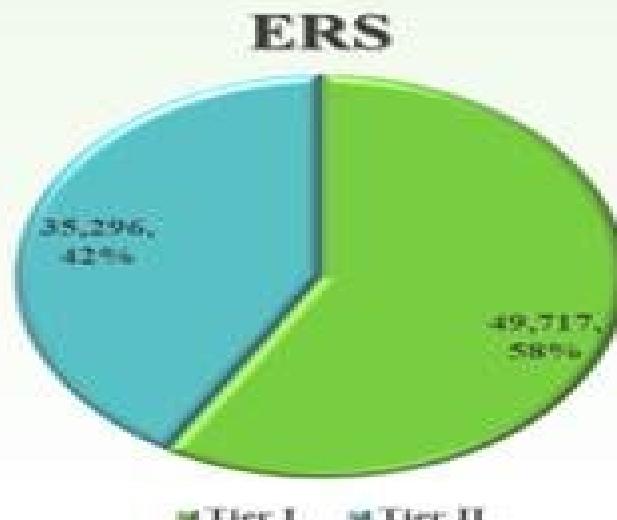
# Active Members

## RSA Active Members by Tier

*as of 9/30/20 Actuarial Valuation*



132,707 Total Active Members



85,347 Total Active Members

# Cost of Living Adjustments/Bonuses

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Retirees		
Fiscal Year	Employees' Retirement System	Teachers' Retirement System
2003	3.0%; minimum of \$15/month	3.0%; minimum of \$15/month
2006	4.0%; minimum of \$15/month	4.0%; minimum of \$15/month
2007	7.0%; minimum of \$25/month	7.0%; minimum of \$25/month
2008	One-time bonus equal to \$1/month for each year of service.	One-time bonus equal to \$2/month for each year of service.
2009	One-time bonus equal to \$1/month for each year of service.	-
2015	One-time bonus equal to \$2/month for each year of service or \$300, whichever is greater.	-
2018 <sup>(4)</sup>	One-time bonus equal to \$1/month for each year of service.	One-time bonus equal to \$1/month for each year of service.

# Retiree COLA Estimates

(from RSA)

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COLA Scenarios		
Amount	Cost to Pre-Fund	Increase in Rate for 15 Years if Amortized
TRS 1%	\$199.3M	0.25%
ERS 1%	\$45.1M	0.28%
ERS State Police 1%	\$4.0M	0.68%

# TRS Bonus Scenarios

(from RSA)

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TRS Bonus Scenarios		
Amount	Total Cost	Increase if Funded in FY23 Rate
\$100	\$10.0M	0.14%
\$1 per month of service	\$29.2M	0.40%
\$1.25 per month of service*	\$32.2M	0.44%
\$1.50 per month of service *	\$33.6M	0.46%
\$1.25 per month of service**	\$33.8M	0.47%
\$1.50 per month of service **	\$35.5M	0.49%

\*Max of \$350.

\*\*Max of \$375.

# ERS State/ERS State Police Bonus Scenarios (from RSA)

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ERS State/ERS State Police Bonus Scenarios		
Amount	Total Cost	Increase if Funded in FY23 Rate
\$100	\$2.5M/\$93K	0.17%/0.17%
\$1 per month of service	\$7.2M/\$316K	0.49%/0.59%
\$1.25 per month of service*	\$7.8M/\$324K	0.52%/0.60%
\$1.50 per month of service *	\$8.1M/\$329K	0.55%/0.61%
\$1.25 per month of service**	\$8.2M/\$345K	0.56%/0.64%
\$1.50 per month of service **	\$8.6M/\$351K	0.58%/0.65%

# 2020 Annual Wages, All Establishment Sizes

<b>Private Employers</b>	United States - \$64,247
	Alabama - \$51,448
	Florida - \$55,444
	Georgia - \$59,825
	Mississippi - \$42,567
	Tennessee - \$55,604
	<b>Regional Average - \$52,978</b>
<b>State Government</b>	United States - \$65,762
	Alabama - \$57,841
	Florida - \$52,306
	Georgia - \$52,848
	Mississippi - \$51,597
	Tennessee - \$57,127
	<b>Regional Average - \$54,344</b>

Annual wages per employee

# Private Sector Employee Health Benefits (2019)

State	Average Individual Premium	Average Individual Deductible	Employer Contribution - Individual	Average Family Premium	Average Family Deductible	Employer Contribution – Family
Alabama	\$1,676	\$1,573	\$4,718	\$5,976	\$2,979	\$11,348
Florida	\$1,811	\$2,147	\$5,267	\$7,674	\$3,894	\$13,187
Georgia	\$1,530	\$1,987	\$5,346	\$5,919	\$4,307	\$13,972
Mississippi	\$1,566	\$1,841	\$4,996	\$7,421	\$3,361	\$11,636
Tennessee	\$1,550	\$2,153	\$4,935	\$5,186	\$3,778	\$13,238
Average	\$1,627	\$1,940	\$5,052	\$6,435	\$3,664	\$12,676