

**Retirement System Review
Personnel Committee – May 22, 2018**

	Potential Change for New Hires	3/13/18 Package
1a	MINIMUM RETIREMENT AGE: Increase Minimum Retirement Age in ERS from 55 to 60	<input checked="" type="checkbox"/>
1c	MINIMUM RETIREMENT AGE: Establish a Minimum Retirement Age of 50 in URS/PORS	<input checked="" type="checkbox"/>
2	RETIREMENT ELIGIBILITY: Increase from Rule of 85 to Rule of 90 in ERS	<input checked="" type="checkbox"/>
3a	SALARY AVERAGING: Increase Salary Averaging Period from 3 Years to 5 Years	<input checked="" type="checkbox"/>
4	ELIMINATE PRE-SOCIAL SECURITY SUPPLEMENT: Eliminate Pre-Social Security Supplement in ERS/URS	<input checked="" type="checkbox"/>
9	ELIMINATE 3% FORMULA INCREASE: Eliminate the provision that increases the calculated retirement annuity by 3%	<input checked="" type="checkbox"/>
10	INCREASE EMPLOYEE CONTRIBUTION: Increase the employee contribution rate from 5.33% to 6% (ERS), from 7.08% to 8% (URS), and from 8.65% to 10% (PORS)	<input checked="" type="checkbox"/>
	Employees' System Percent Change in Employer Normal Cost	(24.68%)
	Uniformed System Percent Change in Employer Normal Cost	(20.41%)
	Police Officers System Percent Change in Employer Normal Cost	(18.63%)
	Total Projected GF Savings when Fully Realized based on Current Payroll	\$16.38m

Additional Recommendations:

- There are currently two options (plans C and D) that are open to new hires who become members of the Employees' Retirement System. The changes proposed include offering only one plan to new hires effective January 1, 2019, which will be based on the current plan D.
- Any proposal to eliminate the pre-Social Security supplement should include the implementation of an actuarially cost-neutral benefit payout option that allows retirees to choose to receive a larger annuity before becoming eligible for Social Security age-based benefits in exchange for a lower annuity after Social Security benefits begin. This type of benefit payout option is a common feature of the retirement systems of other jurisdictions in the area.
- Staff should review early service (reduced) retirement criteria and benefit levels to determine whether any changes are recommended based on the proposed changes to retirement eligibility requirements.

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Package Overview:

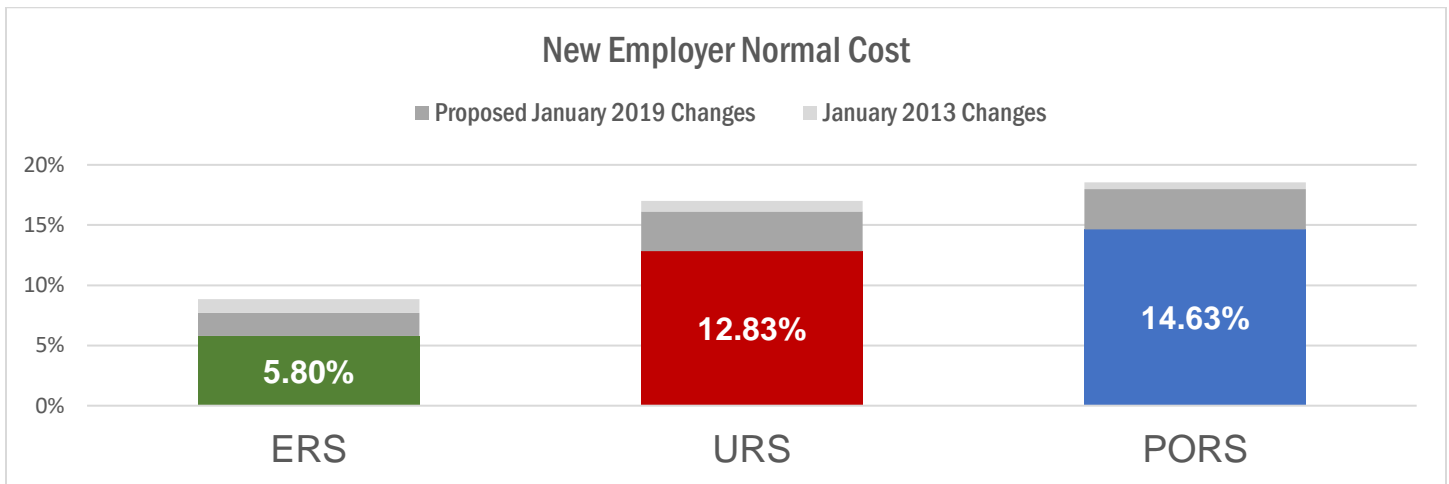
The changes proposed in this package for new employees hired on or after January 1, 2019, are shown in the table below. The plan features in place for employees hired on or before December 31, 2012, as well as the benefits currently offered to new hires, are also shown. Changes are shown in red and bold.

	Employees Hired December 2012 and Prior	Employees Hired January 2013 to December 2018	Employees Hired January 2019 and Later
Employees' Retirement System (ERS)			
Employee Contribution	4.00% (Plan A) 5.33% (Plan B)	4.00% (Plan C) 5.33% (Plan D)	6.00% (Plan E)
Retirement Eligibility	Rule of 80 or Age 65 with 5 Years of Service	Rule of 85 or Age 65 with 5 Years of Service	Rule of 90 or Age 65 with 5 Years of Service
Minimum Retirement Age	50	55	60
Salary Averaging Period	3 Years	3 Years	5 Years
Benefit Level¹	2% per Year of Service, Total then Increased by 3%	2% per Year of Service, Total then Increased by 3%	2% per Year of Service
Pre-Social Security Supplement	1.0% per Year of Service	Removed from DROP Balances	Eliminated
Use of Sick Leave for Retirement Purposes	Unlimited	Capped at 2,080 Hours	Capped at 2,080 Hours
Uniformed Retirement System (URS)			
Employee Contribution	7.08%	7.08%	8.00%
Retirement Eligibility	25 Years of Service or Age 55 with 6 Years of Service	25 Years of Service or Age 55 with 6 Years of Service	25 Years of Service or Age 55 with 6 Years of Service
Minimum Retirement Age	None	None	50
Salary Averaging Period	3 Years	3 Years	5 Years
Benefit Level	2.5% per Year of Service, Total then Increased by 3%	2.5% per Year of Service, Total then Increased by 3%	2.5% per Year of Service
Pre-Social Security Supplement	0.3% per Year of Service	Removed from DROP Balances	Eliminated
Use of Sick Leave for Retirement Purposes	Unlimited	Capped at 2,080 Hours	Capped at 2,080 Hours
Police Officers Retirement System (PORS)			
Employee Contribution	8.65%	8.65%	10.00%
Retirement Eligibility	25 Years of Service or Age 55	25 Years of Service or Age 55	25 Years of Service or Age 55
Minimum Retirement Age	None	None	50
Salary Averaging Period	3 Years	3 Years	5 Years
Benefit Level	2.8% per Year of Service, Total then Increased by 3%	2.8% per Year of Service, Total then Increased by 3%	2.8% per Year of Service
Use of Sick Leave for Retirement Purposes	Unlimited	Capped at 2,080 Hours	Capped at 2,080 Hours

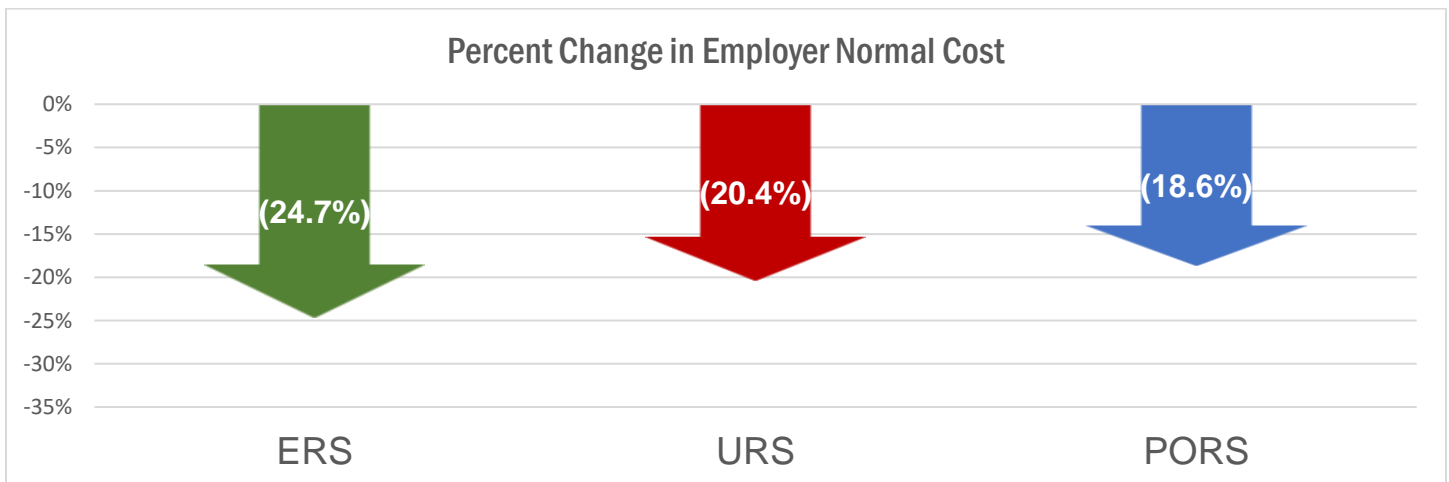
Retirement System Review Personnel Committee – May 22, 2018

Employer Contribution Rates:

The Normal Cost component of retirement contribution rates represents the contribution required to fund the benefits accrued by active employees during the current year. Changes made to the retirement systems for new hires will only impact the Normal Cost component of the retirement contribution rates; contributions required to amortize the unfunded liability of the systems will not be impacted by changes that only apply to new hires. As a result of the benefit and employee contribution changes outlined above, the employer share of Normal Cost will decrease from 7.70% to 5.80% of pay in the Employees' system, from 16.12% to 12.83% of pay in the Uniformed system, and from 17.98% to 14.63% of pay in the Police Officers system. The chart below includes the reductions in the employer share of Normal Cost resulting from the January 1, 2013, plan changes in light gray, the reductions resulting from the proposed changes effective January 1, 2019, in dark gray, and the employer share of Normal Cost for new hires after the proposed changes in green, red, and blue.

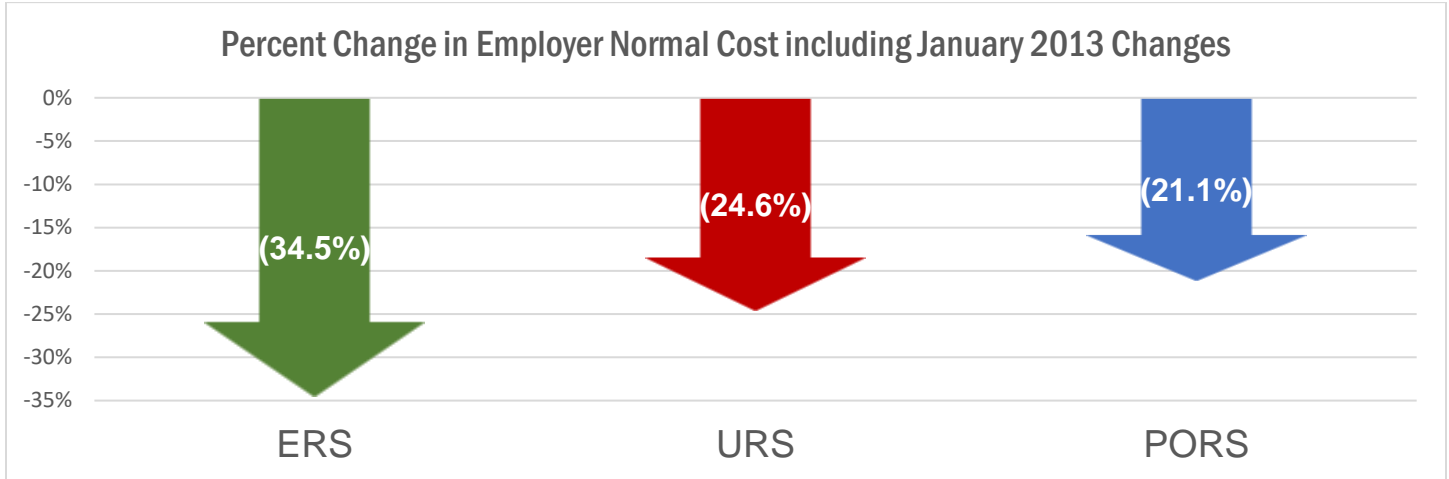


These employer Normal Cost decreases are shown in the chart below expressed as a percentage of current employer Normal Cost. There is a decrease of 24.7% (from 7.70% to 5.80%) in the Employees' system, 20.4% (from 16.12% to 12.83%) in the Uniformed system, and 18.6% (from 17.98% to 14.63%) in the Police Officers system.

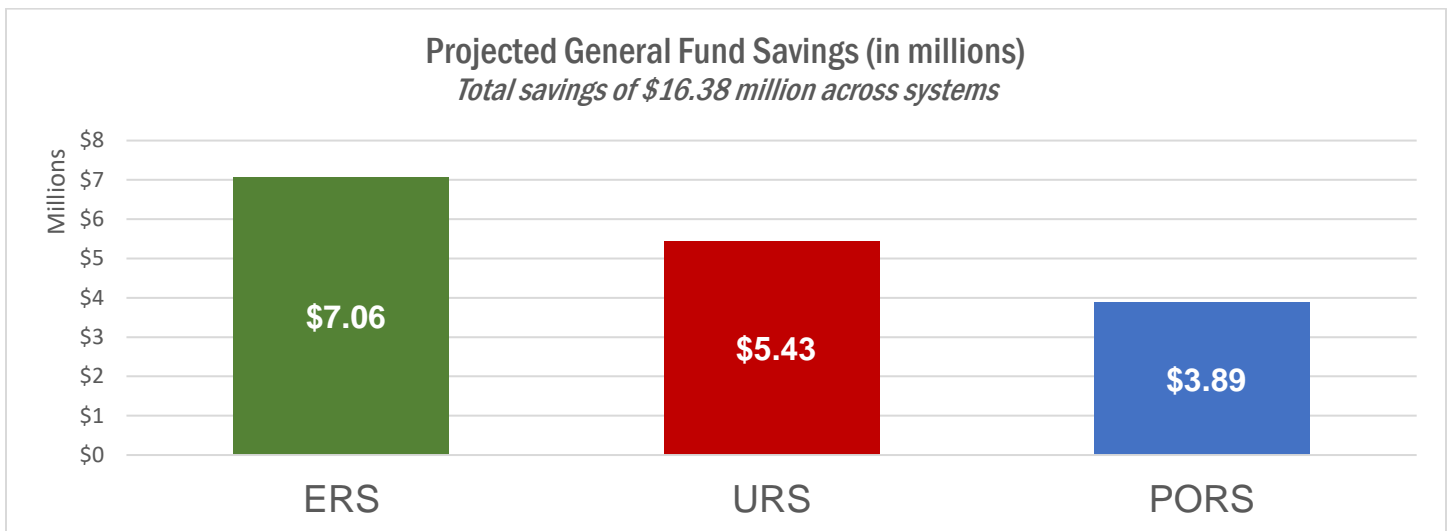


Retirement System Review Personnel Committee – May 22, 2018

Including the changes effective January 1, 2013, the employer share of Normal Cost has decreased 34.5% (from 8.86% to 5.80%) in the Employees' system, 24.6% (from 17.01% to 12.83%) in the Uniformed system, and 21.1% (from 18.54% to 14.63%) in the Police Officers system.



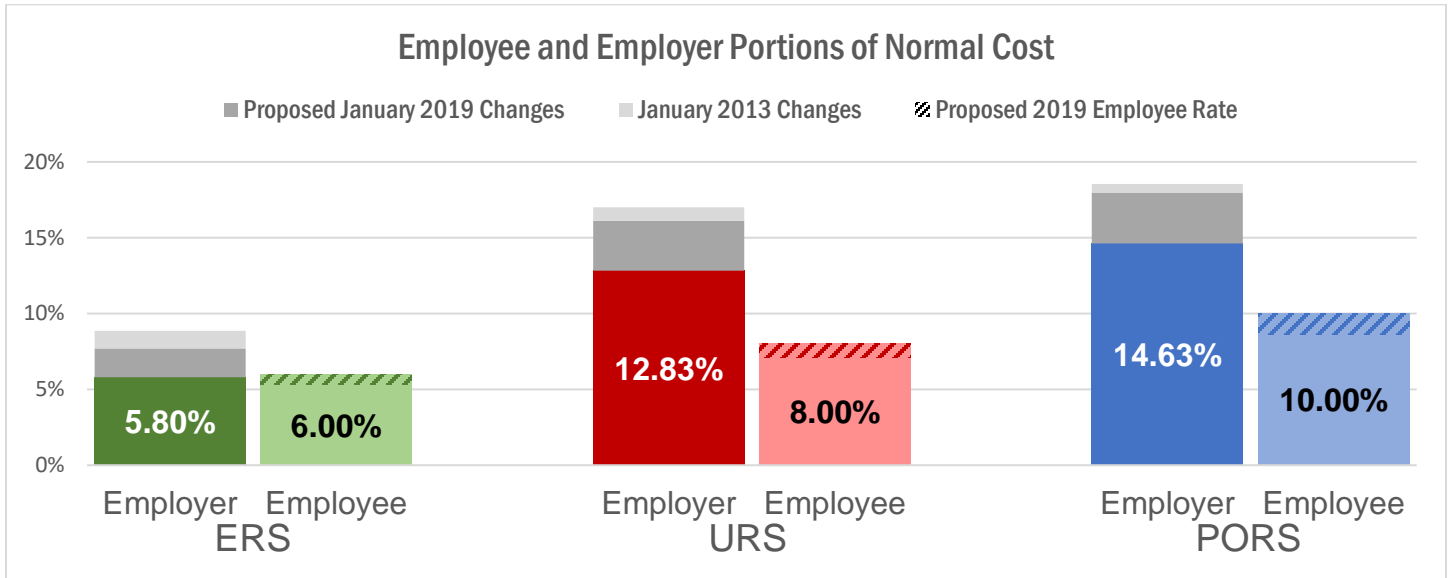
General Fund savings of the proposed changes for new hires, when fully implemented and based on the current General Fund payroll level, are estimated at \$16.38 million as shown in the chart below. Changes that apply only to new hires typically result in savings that are realized gradually over many years, and are not fully realized until all employees who were hired under the current or previous retirement plans are replaced by employees hired under the revised provisions. However, the County's retirement funding policy requires that employer contribution rates not be reduced until each system is fully funded. As a result, no savings are anticipated to be realized until the systems are 100% funded.



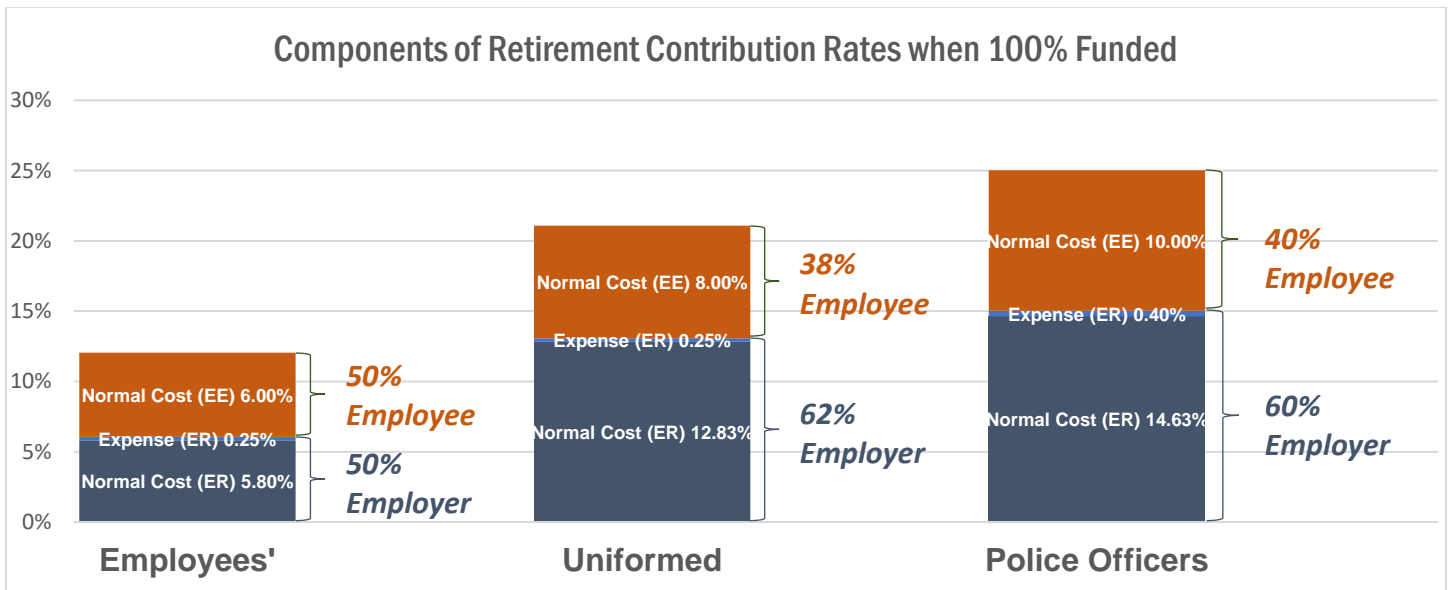
Retirement System Review Personnel Committee – May 22, 2018

Employee Contribution Rates:

The proposed package includes employee contribution rates for new hires on or after January 1, 2019, of 6% in the Employees' system, 8% in the Uniformed system, and 10% in the Police Officers system. The chart below provides a comparison of the proposed employer and employee contribution rates for each system.



When the retirement systems are fully funded, contributions related to the amortization of the unfunded liability will no longer be required. Total contributions will include the Normal Cost, funded through a combination of employee and employer contributions, and administrative expenses, funded by employer contributions. The chart below shows these contributions based on the proposed changes for new hires effective January 1, 2019. With the proposed changes, employee contributions will account for 50% of contributions when fully funded in the Employees' system, 38% in the Uniformed system, and 40% in the Police Officers system.

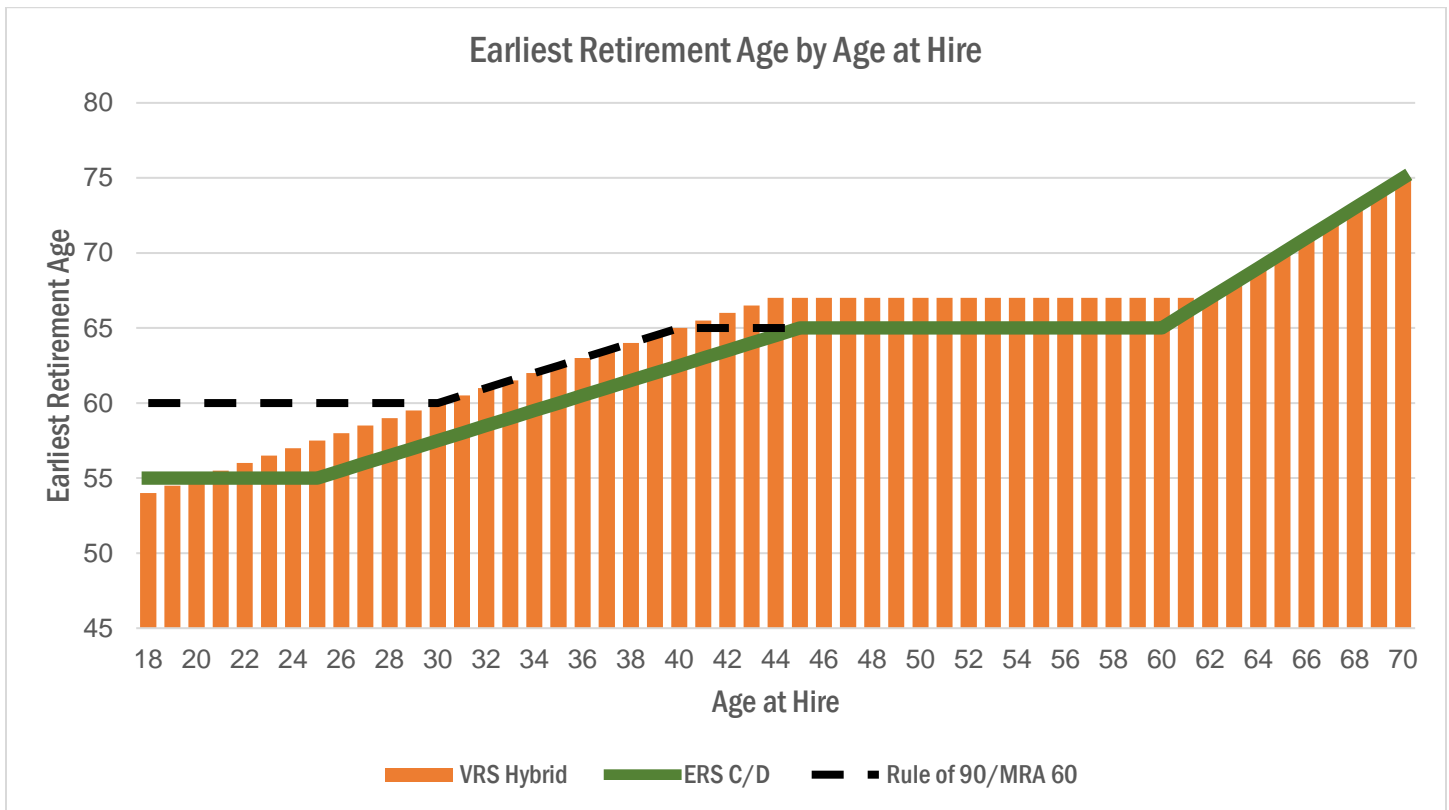


Retirement Eligibility:

Retirement System Review Personnel Committee – May 22, 2018

The chart below provides a comparison of retirement eligibility requirements for non-public safety employees in the VRS Hybrid Plan (orange columns), which covers new hires of many other Virginia jurisdictions, and the Employees’ system plans C and D (green line), which cover current new hires in Fairfax, to the requirements as proposed in this package (dotted line). It should be noted that the chart does not include the impact of sick leave on retirement eligibility.

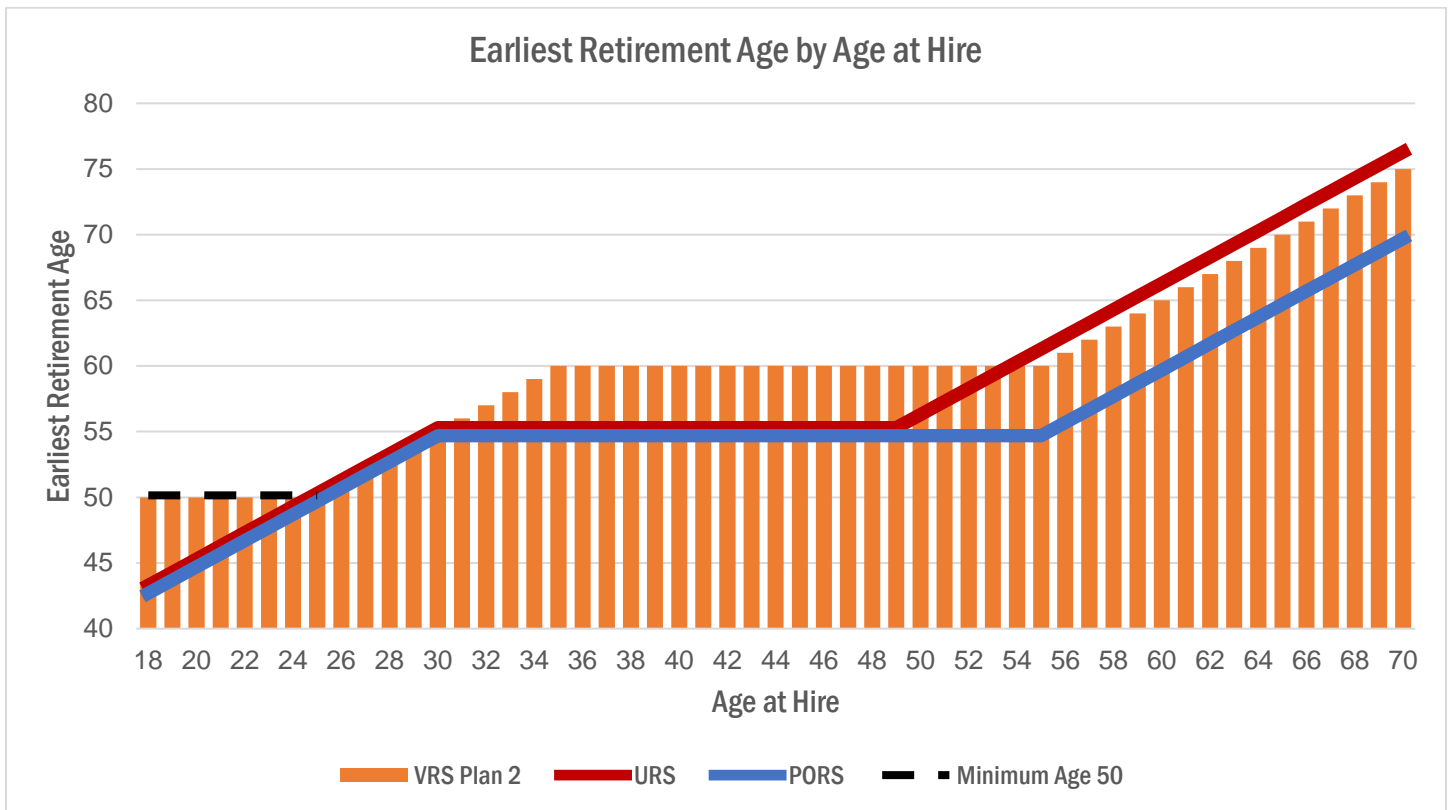
- Eligibility requirements would exceed VRS for employees hired under the age of 30, as the proposed package includes a minimum retirement age of 60 while the VRS Hybrid Plan does not have a minimum retirement age.
- Eligibility requirements would match VRS for employees hired between the ages of 30 and 40, based on the application of the Rule of 90.
- For employees hired over the age of 40, the proposed package includes no change to the current retirement requirement of age 65 with 5 years of service, while the VRS Hybrid Plan allows retirement at normal Social Security retirement age with 5 years of service.



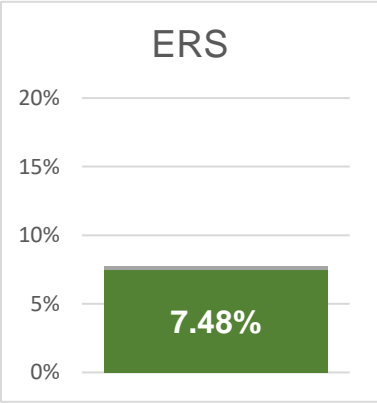
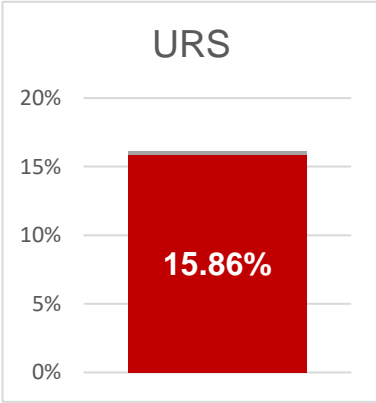
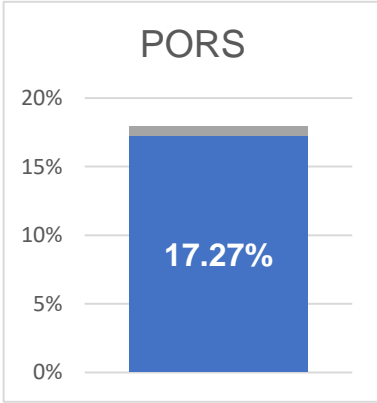
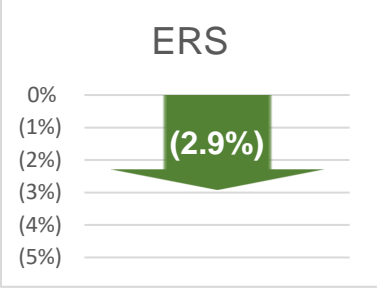
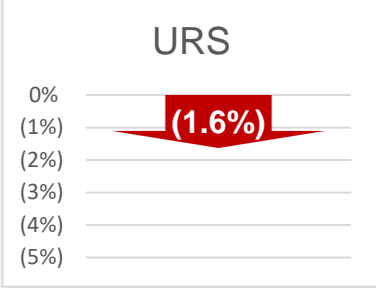
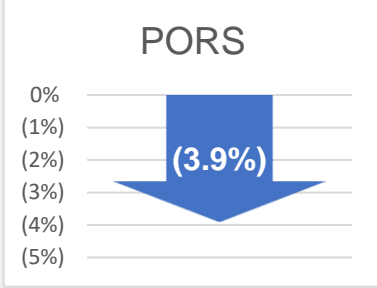
Retirement System Review Personnel Committee – May 22, 2018

The following chart provides a comparison of retirement eligibility requirements for public safety employees in VRS Plan 2 (orange columns), which covers new hires of many other Virginia jurisdictions, the current Uniformed system (red line) requirements for new hires, and the current Police Officers system (blue line) requirements for new hires to the requirements as proposed in this package (dotted line). It should be noted that the chart does not include the impact of sick leave on retirement eligibility.

- Eligibility requirements would match VRS for employees hired under the age of 25, as the proposed package includes a minimum retirement age of 50 that will match the VRS minimum retirement age.
- Eligibility requirements remain unchanged for employees hired at age 25 or older.



Summary of Potential Plan Design Changes #1a/c – Minimum Retirement Age

Potential Change:		
Increase Minimum Retirement Age in Employees' system from age 55 to age 60; Establish a minimum retirement age of 50 in the Uniformed and Police systems		
Employees'	Uniformed	Police
New Normal Cost:		
<ul style="list-style-type: none"> Normal Cost decreases from 7.70% to 7.48% of pay 	<ul style="list-style-type: none"> Normal Cost decreases from 16.12% to 15.86% of pay 	<ul style="list-style-type: none"> Normal Cost decreases from 17.98% to 17.27% of pay
 <p style="font-size: 1.2em; font-weight: bold; margin: 0;">ERS</p> <p style="text-align: center; font-weight: bold; font-size: 1.2em; color: green;">7.48%</p>	 <p style="font-size: 1.2em; font-weight: bold; margin: 0;">URS</p> <p style="text-align: center; font-weight: bold; font-size: 1.2em; color: red;">15.86%</p>	 <p style="font-size: 1.2em; font-weight: bold; margin: 0;">PORS</p> <p style="text-align: center; font-weight: bold; font-size: 1.2em; color: blue;">17.27%</p>
Percentage Change in Normal Cost:		
<ul style="list-style-type: none"> Normal Cost decreases by 2.9% 	<ul style="list-style-type: none"> Normal Cost decreases by 1.6% 	<ul style="list-style-type: none"> Normal Cost decreases by 3.9%
 <p style="font-size: 1.2em; font-weight: bold; margin: 0;">ERS</p> <p style="text-align: center; font-weight: bold; font-size: 1.2em; color: green;">(2.9%)</p>	 <p style="font-size: 1.2em; font-weight: bold; margin: 0;">URS</p> <p style="text-align: center; font-weight: bold; font-size: 1.2em; color: red;">(1.6%)</p>	 <p style="font-size: 1.2em; font-weight: bold; margin: 0;">PORS</p> <p style="text-align: center; font-weight: bold; font-size: 1.2em; color: blue;">(3.9%)</p>
<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 15.6% decrease in the Normal Cost (from 8.86% to 7.48%) 	<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 6.8% decrease in the Normal Cost (from 17.01% to 15.86%) 	<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 6.9% decrease in the Normal Cost (from 18.54% to 17.27%)
Employee Share of New Normal Cost:		
<ul style="list-style-type: none"> 42% Based on 5.33% EE Rate 	<ul style="list-style-type: none"> 31% Based on 7.08% EE Rate 	<ul style="list-style-type: none"> 33% Based on 8.65% EE Rate

Potential Change:

Increase Minimum Retirement Age in Employees' system from age 55 to age 60; Establish a minimum retirement age of 50 in the Uniformed and Police systems

Employees'	Uniformed	Police																								
<p>Projected General Fund Savings*:</p> <ul style="list-style-type: none"> • \$0.82 million • \$0.43 million • \$0.82 million <p style="text-align: center;">Total Savings of \$2.07 million across systems *Based on current payroll</p>																										
<p>Impact to Employees:</p> <ul style="list-style-type: none"> • Employees would be required to work up to 5 more years prior to retirement • Annuity payments would increase due to higher years of service and a higher final average salary 																										
<p>Comparison to Other Jurisdictions:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">VRS Hybrid Plan (Alexandria, FCPS, Loudoun, Prince William)</td> <td style="width: 10%;">None</td> <td style="width: 33%;">VRS Plan 2 (Loudoun, Prince William)</td> <td style="width: 10%;">50</td> <td style="width: 33%;">VRS Plan 2 (Loudoun, Prince William)</td> <td style="width: 10%;">50</td> </tr> <tr> <td>Federal Government (FERS)</td> <td>Age 55-57</td> <td>Federal Government (FERS)</td> <td>50</td> <td>Federal Government (FERS)</td> <td>50</td> </tr> <tr> <td>Arlington County</td> <td>None</td> <td>City of Alexandria</td> <td>50</td> <td>City of Alexandria</td> <td>50</td> </tr> <tr> <td></td> <td></td> <td>Arlington County</td> <td>None</td> <td>Arlington County</td> <td>None</td> </tr> </table>			VRS Hybrid Plan (Alexandria, FCPS, Loudoun, Prince William)	None	VRS Plan 2 (Loudoun, Prince William)	50	VRS Plan 2 (Loudoun, Prince William)	50	Federal Government (FERS)	Age 55-57	Federal Government (FERS)	50	Federal Government (FERS)	50	Arlington County	None	City of Alexandria	50	City of Alexandria	50			Arlington County	None	Arlington County	None
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Federal Government (FERS)	Age 55-57	Federal Government (FERS)	50	Federal Government (FERS)	50																					
Arlington County	None	City of Alexandria	50	City of Alexandria	50																					
		Arlington County	None	Arlington County	None																					
<p>Previous Related Benefit Changes:</p> <ul style="list-style-type: none"> • As of January 1, 2013, the Minimum Retirement Age was increased from age 50 to 55 for new hires • N/A • N/A 																										

Summary of Potential Plan Design Changes #1b/d – Minimum Retirement Age

Potential Change:		
Increase Minimum Retirement Age in Employees' system from age 55 to age 57; Establish a minimum retirement age of 47 in the Uniformed and Police systems		
Employees'	Uniformed	Police
New Normal Cost:		
<ul style="list-style-type: none"> Normal Cost decreases from 7.70% to 7.63% of pay 	<ul style="list-style-type: none"> Normal Cost decreases from 16.12% to 16.04% of pay 	<ul style="list-style-type: none"> Normal Cost decreases from 17.98% to 17.91% of pay
<p>ERS</p> <p>20% 15% 10% 5% 0%</p> <p style="font-size: 1.2em; font-weight: bold; color: green;">7.63%</p>	<p>URS</p> <p>20% 15% 10% 5% 0%</p> <p style="font-size: 1.2em; font-weight: bold; color: red;">16.04%</p>	<p>PORS</p> <p>20% 15% 10% 5% 0%</p> <p style="font-size: 1.2em; font-weight: bold; color: blue;">17.91%</p>
Percentage Change in Normal Cost:		
<ul style="list-style-type: none"> Normal Cost decreases by 0.9% 	<ul style="list-style-type: none"> Normal Cost decreases by 0.5% 	<ul style="list-style-type: none"> Normal Cost decreases by 0.4%
<p>ERS</p> <p>0% (1%) (2%) (3%) (4%) (5%)</p> <p style="font-size: 1.2em; font-weight: bold; color: green;">(0.9%)</p>	<p>URS</p> <p>0% (1%) (2%) (3%) (4%) (5%)</p> <p style="font-size: 1.2em; font-weight: bold; color: red;">(0.5%)</p>	<p>PORS</p> <p>0% (1%) (2%) (3%) (4%) (5%)</p> <p style="font-size: 1.2em; font-weight: bold; color: blue;">(0.4%)</p>
<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 13.9% decrease in the Normal Cost (from 8.86% to 7.63%) 	<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 5.7% decrease in the Normal Cost (from 17.01% to 16.04%) 	<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 3.4% decrease in the Normal Cost (from 18.54% to 17.91%)
Employee Share of New Normal Cost:		
<ul style="list-style-type: none"> 41% Based on 5.33% EE Rate 	<ul style="list-style-type: none"> 31% Based on 7.08% EE Rate 	<ul style="list-style-type: none"> 33% Based on 8.65% EE Rate

Potential Change:

Increase Minimum Retirement Age in Employees' system from age 55 to age 57; Establish a minimum retirement age of 47 in the Uniformed and Police systems

Employees'	Uniformed	Police																								
<p>Projected General Fund Savings*:</p> <ul style="list-style-type: none"> <li data-bbox="203 409 389 436">• \$0.26 million <li data-bbox="620 409 807 436">• \$0.13 million <li data-bbox="1031 409 1218 436">• \$0.08 million <p style="text-align: center;">Total Savings of \$0.47 million across systems *Based on current payroll</p>																										
<p>Impact to Employees:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 33%; vertical-align: top;"> <ul style="list-style-type: none"> • Employees would be required to work up to 2 more years prior to retirement • Annuity payments would increase due to higher years of service and a higher final average salary </td> <td style="width: 33%; vertical-align: top;"> <ul style="list-style-type: none"> • Employees would be required to work up to 4 more years prior to retirement • Annuity payments would increase due to higher years of service and a higher final average salary </td> <td style="width: 33%; vertical-align: top;"> <ul style="list-style-type: none"> • Employees would be required to work up to 4 more years prior to retirement • Annuity payments would increase due to higher years of service and a higher final average salary </td> </tr> </table>			<ul style="list-style-type: none"> • Employees would be required to work up to 2 more years prior to retirement • Annuity payments would increase due to higher years of service and a higher final average salary 	<ul style="list-style-type: none"> • Employees would be required to work up to 4 more years prior to retirement • Annuity payments would increase due to higher years of service and a higher final average salary 	<ul style="list-style-type: none"> • Employees would be required to work up to 4 more years prior to retirement • Annuity payments would increase due to higher years of service and a higher final average salary 																					
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<p>Comparison to Other Jurisdictions:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 25%;">VRS Hybrid Plan (Alexandria, FCPS, Loudoun, Prince William)</td> <td style="width: 10%;">None</td> <td style="width: 25%;">VRS Plan 2 (Loudoun, Prince William)</td> <td style="width: 10%;">50</td> <td style="width: 25%;">VRS Plan 2 (Loudoun, Prince William)</td> <td style="width: 10%;">50</td> </tr> <tr> <td>Federal Government (FERS)</td> <td>Age 55-57</td> <td>Federal Government (FERS)</td> <td>50</td> <td>Federal Government (FERS)</td> <td>50</td> </tr> <tr> <td>Arlington County</td> <td>None</td> <td>City of Alexandria</td> <td>50</td> <td>City of Alexandria</td> <td>50</td> </tr> <tr> <td></td> <td></td> <td>Arlington County</td> <td>None</td> <td>Arlington County</td> <td>None</td> </tr> </table>			VRS Hybrid Plan (Alexandria, FCPS, Loudoun, Prince William)	None	VRS Plan 2 (Loudoun, Prince William)	50	VRS Plan 2 (Loudoun, Prince William)	50	Federal Government (FERS)	Age 55-57	Federal Government (FERS)	50	Federal Government (FERS)	50	Arlington County	None	City of Alexandria	50	City of Alexandria	50			Arlington County	None	Arlington County	None
VRS Hybrid Plan (Alexandria, FCPS, Loudoun, Prince William)	None	VRS Plan 2 (Loudoun, Prince William)	50	VRS Plan 2 (Loudoun, Prince William)	50																					
Federal Government (FERS)	Age 55-57	Federal Government (FERS)	50	Federal Government (FERS)	50																					
Arlington County	None	City of Alexandria	50	City of Alexandria	50																					
		Arlington County	None	Arlington County	None																					
<p>Previous Related Benefit Changes:</p> <ul style="list-style-type: none"> <li data-bbox="203 1262 589 1381">• As of January 1, 2013, the Minimum Retirement Age was increased from age 50 to 55 for new hires <li data-bbox="620 1262 699 1289">• N/A <li data-bbox="1031 1262 1110 1289">• N/A 																										

Summary of Potential Plan Design Changes #2 – Retirement Eligibility

Potential Change:

Increase Retirement Eligibility from Rule of 85 (Age plus Years of Service) to Rule of 90 for Employees' System

Retirement Eligibility for Uniformed System stays at 25 YOS or Age 55 with 6 YOS

Retirement Eligibility for Police System stays at 25 YOS or Age 55

Employees'	Uniformed	Police
<h3>New Normal Cost:</h3>		
<ul style="list-style-type: none"> Normal Cost decreases from 7.70% to 7.62% of pay 	<ul style="list-style-type: none"> Normal Cost remains at 16.12% of pay 	<ul style="list-style-type: none"> Normal Cost remains at 17.98% of pay
<p>ERS</p> <p>20% 15% 10% 5% 0%</p> <p style="font-size: 24px; color: green;">7.62%</p>	<p>URS</p> <p>20% 15% 10% 5% 0%</p> <p style="font-size: 24px; color: red;">16.12%</p>	<p>PORS</p> <p>20% 15% 10% 5% 0%</p> <p style="font-size: 24px; color: blue;">17.98%</p>
<h3>Percentage Change in Normal Cost:</h3>		
<ul style="list-style-type: none"> Normal Cost decreases by 1.0% 		
<p>ERS</p> <p>0% (1%) (2%) (3%) (4%) (5%)</p> <p style="font-size: 24px; color: green;">(1.0%)</p>		
<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 14.0% decrease in the Normal Cost (from 8.86% to 7.62%) 	<ul style="list-style-type: none"> The changes in 2013 decreased the Normal Cost by 5.2% (from 17.01% to 16.12%) 	<ul style="list-style-type: none"> The changes in 2013 decreased the Normal Cost by 3.0% (from 18.54% to 17.98%)
<h3>Employee Share of New Normal Cost:</h3>		
<ul style="list-style-type: none"> 41% Based on 5.33% EE Rate 	<ul style="list-style-type: none"> 31% Based on 7.08% EE Rate 	<ul style="list-style-type: none"> 32% Based on 8.65% EE Rate

Potential Change:

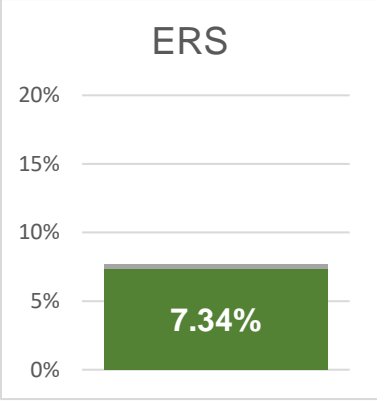
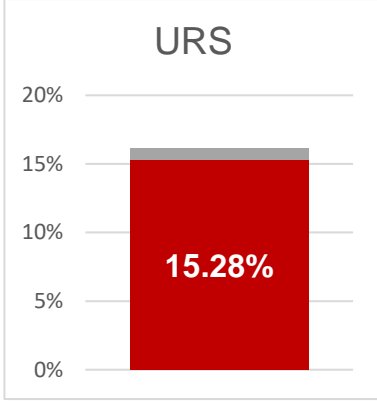
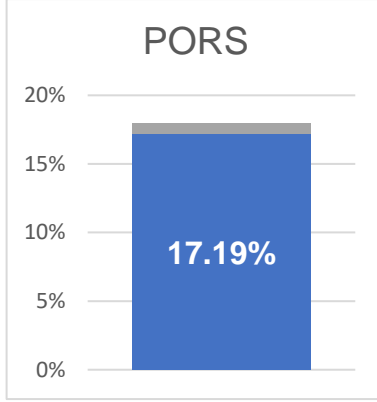
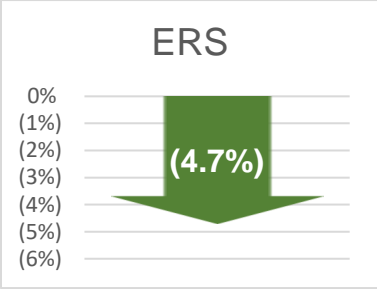
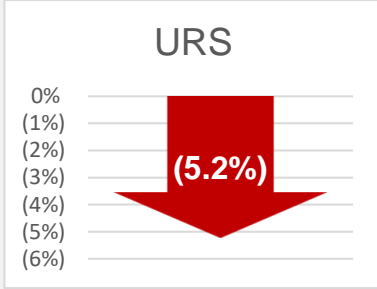
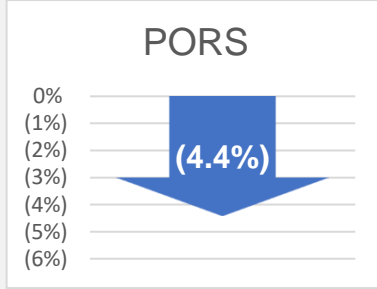
Increase Retirement Eligibility from Rule of 85 (Age plus Years of Service) to Rule of 90 for Employees' System

Retirement Eligibility for Uniformed System stays at 25 YOS or Age 55 with 6 YOS

Retirement Eligibility for Police System stays at 25 YOS or Age 55

Employees'	Uniformed	Police																								
<p>Projected General Fund Savings*:</p> <ul style="list-style-type: none"> \$0.30 million <p style="text-align: center;">Total Savings of \$0.30 million across systems *Based on current payroll</p>																										
<p>Impact to Employees:</p> <ul style="list-style-type: none"> Employees would be required to work for 2.5 more years prior to retirement Annuity payments would increase due to higher years of service and a higher final average salary 																										
<p>Comparison to Other Jurisdictions:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"> VRS Hybrid Plan (Alexandria, FCPS, Loudoun, Prince William) </td> <td style="width: 33%;"> Rule of 90 or Normal SS Retirement Age with 5 YOS </td> <td style="width: 33%;"> VRS Plan 2 (Loudoun, Prince William) </td> <td style="width: 16.5%;"> 25 YOS or Age 60 with 5 YOS </td> <td style="width: 33%;"> VRS Plan 2 (Loudoun, Prince William) </td> <td style="width: 16.5%;"> 25 YOS or Age 60 with 5 YOS </td> </tr> <tr> <td> Federal Government (FERS) </td> <td> 30 YOS or Age 60 with 20 YOS or Age 62 with 5 YOS </td> <td> Federal Government (FERS) </td> <td> 20 YOS </td> <td> Federal Government (FERS) </td> <td> 20 YOS </td> </tr> <tr> <td> Arlington County </td> <td> Rule of 80 or 30 YOS or Age 62 with 5 YOS </td> <td> City of Alexandria </td> <td> 25 YOS or Age 55 with 5 YOS </td> <td> City of Alexandria </td> <td> 25 YOS or Age 55 with 5 YOS </td> </tr> <tr> <td></td> <td></td> <td> Arlington County </td> <td> 25 YOS or Age 52 with 5 YOS </td> <td> Arlington County </td> <td> 25 YOS or Age 52 with 5 YOS </td> </tr> </table>			VRS Hybrid Plan (Alexandria, FCPS, Loudoun, Prince William)	Rule of 90 or Normal SS Retirement Age with 5 YOS	VRS Plan 2 (Loudoun, Prince William)	25 YOS or Age 60 with 5 YOS	VRS Plan 2 (Loudoun, Prince William)	25 YOS or Age 60 with 5 YOS	Federal Government (FERS)	30 YOS or Age 60 with 20 YOS or Age 62 with 5 YOS	Federal Government (FERS)	20 YOS	Federal Government (FERS)	20 YOS	Arlington County	Rule of 80 or 30 YOS or Age 62 with 5 YOS	City of Alexandria	25 YOS or Age 55 with 5 YOS	City of Alexandria	25 YOS or Age 55 with 5 YOS			Arlington County	25 YOS or Age 52 with 5 YOS	Arlington County	25 YOS or Age 52 with 5 YOS
VRS Hybrid Plan (Alexandria, FCPS, Loudoun, Prince William)	Rule of 90 or Normal SS Retirement Age with 5 YOS	VRS Plan 2 (Loudoun, Prince William)	25 YOS or Age 60 with 5 YOS	VRS Plan 2 (Loudoun, Prince William)	25 YOS or Age 60 with 5 YOS																					
Federal Government (FERS)	30 YOS or Age 60 with 20 YOS or Age 62 with 5 YOS	Federal Government (FERS)	20 YOS	Federal Government (FERS)	20 YOS																					
Arlington County	Rule of 80 or 30 YOS or Age 62 with 5 YOS	City of Alexandria	25 YOS or Age 55 with 5 YOS	City of Alexandria	25 YOS or Age 55 with 5 YOS																					
		Arlington County	25 YOS or Age 52 with 5 YOS	Arlington County	25 YOS or Age 52 with 5 YOS																					
<p>Previous Related Benefit Changes:</p> <ul style="list-style-type: none"> As of January 1, 2013, Retirement Eligibility was changed from the Rule of 80 to the Rule of 85 for new hires 																										

Summary of Potential Plan Design Changes #3a – Salary Averaging (5 years)

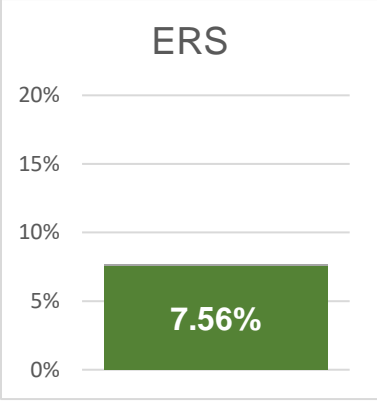
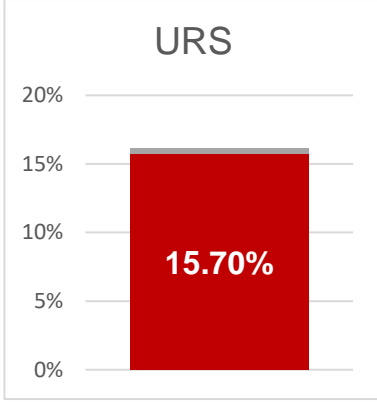
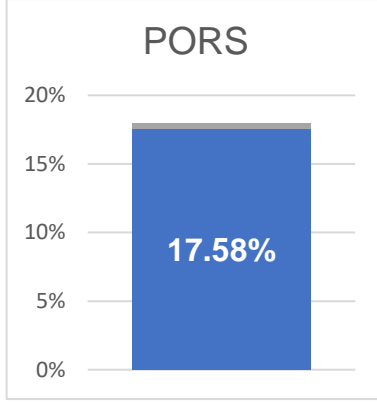
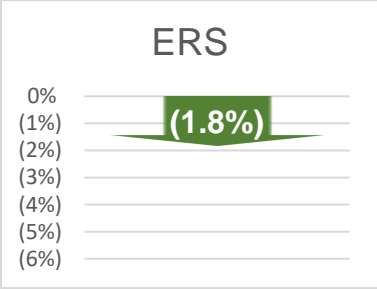
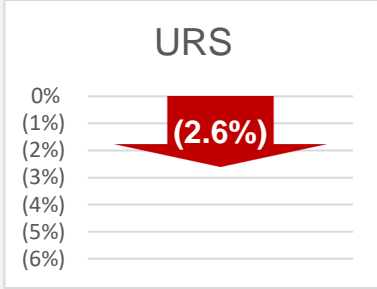
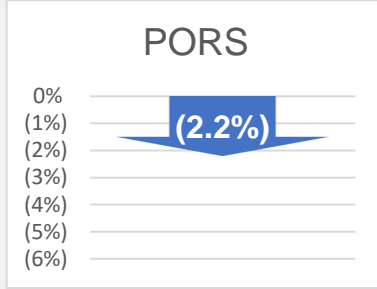
Potential Change:		
Increase Salary Averaging Period from 3 Years to 5 Years		
Employees'	Uniformed	Police
New Normal Cost:		
<ul style="list-style-type: none"> Normal Cost decreases from 7.70% to 7.34% of pay 	<ul style="list-style-type: none"> Normal Cost decreases from 16.12% to 15.28% of pay 	<ul style="list-style-type: none"> Normal Cost decreases from 17.98% to 17.19% of pay
 <p style="text-align: center; font-weight: bold; font-size: 1.2em;">ERS</p> <p style="text-align: center;">20% 15% 10% 5% 0%</p> <p style="text-align: center; font-size: 1.5em; color: green; font-weight: bold;">7.34%</p>	 <p style="text-align: center; font-weight: bold; font-size: 1.2em;">URS</p> <p style="text-align: center;">20% 15% 10% 5% 0%</p> <p style="text-align: center; font-size: 1.5em; color: red; font-weight: bold;">15.28%</p>	 <p style="text-align: center; font-weight: bold; font-size: 1.2em;">PORS</p> <p style="text-align: center;">20% 15% 10% 5% 0%</p> <p style="text-align: center; font-size: 1.5em; color: blue; font-weight: bold;">17.19%</p>
Percentage Change in Normal Cost:		
<ul style="list-style-type: none"> Normal Cost decreases by 4.7% 	<ul style="list-style-type: none"> Normal Cost decreases by 5.2% 	<ul style="list-style-type: none"> Normal Cost decreases by 4.4%
 <p style="text-align: center; font-weight: bold; font-size: 1.2em;">ERS</p> <p style="text-align: center;">0% (1%) (2%) (3%) (4%) (5%) (6%)</p> <p style="text-align: center; font-size: 1.5em; color: green; font-weight: bold;">(4.7%)</p>	 <p style="text-align: center; font-weight: bold; font-size: 1.2em;">URS</p> <p style="text-align: center;">0% (1%) (2%) (3%) (4%) (5%) (6%)</p> <p style="text-align: center; font-size: 1.5em; color: red; font-weight: bold;">(5.2%)</p>	 <p style="text-align: center; font-weight: bold; font-size: 1.2em;">PORS</p> <p style="text-align: center;">0% (1%) (2%) (3%) (4%) (5%) (6%)</p> <p style="text-align: center; font-size: 1.5em; color: blue; font-weight: bold;">(4.4%)</p>
<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 17.2% decrease in the Normal Cost (from 8.86% to 7.34%) 	<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 10.2% decrease in the Normal Cost (from 17.01% to 15.28%) 	<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 7.3% decrease in the Normal Cost (from 18.54% to 17.19%)
Employee Share of New Normal Cost:		
<ul style="list-style-type: none"> 42% Based on 5.33% EE Rate 	<ul style="list-style-type: none"> 32% Based on 7.08% EE Rate 	<ul style="list-style-type: none"> 33% Based on 8.65% EE Rate

Potential Change:

Increase Salary Averaging Period from 3 Years to 5 Years

Employees'	Uniformed	Police																								
<p>Projected General Fund Savings*:</p> <ul style="list-style-type: none"> <li data-bbox="203 373 604 405">• \$1.34 million <li data-bbox="604 373 1016 405">• \$1.39 million <li data-bbox="1016 373 1421 405">• \$0.92 million <p style="text-align: center;">Total Savings of \$3.65 million across systems *Based on current payroll</p>																										
<p>Impact to Employees:</p> <ul style="list-style-type: none"> <li data-bbox="203 548 604 695">• Annuity payments would likely decrease based on 2 additional annual salaries (likely lower) being included in average <li data-bbox="604 548 1016 695">• Annuity payments would likely decrease based on 2 additional annual salaries (likely lower) being included in average <li data-bbox="1016 548 1421 695">• Annuity payments would likely decrease based on 2 additional annual salaries (likely lower) being included in average 																										
<p>Comparison to Other Jurisdictions:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td data-bbox="203 877 604 993">VRS Hybrid Plan (Alexandria, FCPS, Loudoun, Prince William)</td> <td data-bbox="488 877 586 909">5 Years</td> <td data-bbox="604 877 1016 993">VRS Plan 2 (Loudoun, Prince William)</td> <td data-bbox="906 877 1003 909">5 Years</td> <td data-bbox="1016 877 1421 993">VRS Plan 2 (Loudoun, Prince William)</td> <td data-bbox="1312 877 1409 909">5 Years</td> </tr> <tr> <td data-bbox="203 1010 604 1073">Federal Government (FERS)</td> <td data-bbox="488 1010 586 1041">3 Years</td> <td data-bbox="604 1010 1016 1073">Federal Government (FERS)</td> <td data-bbox="906 1010 1003 1041">3 Years</td> <td data-bbox="1016 1010 1421 1073">Federal Government (FERS)</td> <td data-bbox="1312 1010 1409 1041">3 Years</td> </tr> <tr> <td data-bbox="203 1087 604 1119">Arlington County</td> <td data-bbox="488 1087 586 1119">3 Years</td> <td data-bbox="604 1087 1016 1119">City of Alexandria</td> <td data-bbox="906 1087 1003 1119">4 Years</td> <td data-bbox="1016 1087 1421 1119">City of Alexandria</td> <td data-bbox="1312 1087 1409 1119">4 Years</td> </tr> <tr> <td></td> <td></td> <td data-bbox="604 1136 1016 1178">Arlington County</td> <td data-bbox="906 1136 1003 1167">3 Years</td> <td data-bbox="1016 1136 1421 1178">Arlington County</td> <td data-bbox="1312 1136 1409 1167">3 Years</td> </tr> </table>			VRS Hybrid Plan (Alexandria, FCPS, Loudoun, Prince William)	5 Years	VRS Plan 2 (Loudoun, Prince William)	5 Years	VRS Plan 2 (Loudoun, Prince William)	5 Years	Federal Government (FERS)	3 Years	Federal Government (FERS)	3 Years	Federal Government (FERS)	3 Years	Arlington County	3 Years	City of Alexandria	4 Years	City of Alexandria	4 Years			Arlington County	3 Years	Arlington County	3 Years
VRS Hybrid Plan (Alexandria, FCPS, Loudoun, Prince William)	5 Years	VRS Plan 2 (Loudoun, Prince William)	5 Years	VRS Plan 2 (Loudoun, Prince William)	5 Years																					
Federal Government (FERS)	3 Years	Federal Government (FERS)	3 Years	Federal Government (FERS)	3 Years																					
Arlington County	3 Years	City of Alexandria	4 Years	City of Alexandria	4 Years																					
		Arlington County	3 Years	Arlington County	3 Years																					
<p>Previous Related Benefit Changes:</p> <ul style="list-style-type: none"> <li data-bbox="203 1255 604 1287">• N/A <li data-bbox="604 1255 1016 1287">• N/A <li data-bbox="1016 1255 1421 1287">• N/A 																										

Summary of Potential Plan Design Changes #3b – Salary Averaging (4 years)

Potential Change:		
Increase Salary Averaging Period from 3 Years to 4 Years		
Employees'	Uniformed	Police
New Normal Cost:		
<ul style="list-style-type: none"> Normal Cost decreases from 7.70% to 7.56% of pay 	<ul style="list-style-type: none"> Normal Cost decreases from 16.12% to 15.70% of pay 	<ul style="list-style-type: none"> Normal Cost decreases from 17.98% to 17.58% of pay
 <p style="text-align: center;">ERS</p> <p style="text-align: center;">20% 15% 10% 5% 0%</p> <p style="text-align: center; font-size: 1.2em; color: green;">7.56%</p>	 <p style="text-align: center;">URS</p> <p style="text-align: center;">20% 15% 10% 5% 0%</p> <p style="text-align: center; font-size: 1.2em; color: red;">15.70%</p>	 <p style="text-align: center;">PORS</p> <p style="text-align: center;">20% 15% 10% 5% 0%</p> <p style="text-align: center; font-size: 1.2em; color: blue;">17.58%</p>
Percentage Change in Normal Cost:		
<ul style="list-style-type: none"> Normal Cost decreases by 1.8% 	<ul style="list-style-type: none"> Normal Cost decreases by 2.6% 	<ul style="list-style-type: none"> Normal Cost decreases by 2.2%
 <p style="text-align: center;">ERS</p> <p style="text-align: center;">0% (1%) (2%) (3%) (4%) (5%) (6%)</p> <p style="text-align: center; font-size: 1.2em; color: green;">(1.8%)</p>	 <p style="text-align: center;">URS</p> <p style="text-align: center;">0% (1%) (2%) (3%) (4%) (5%) (6%)</p> <p style="text-align: center; font-size: 1.2em; color: red;">(2.6%)</p>	 <p style="text-align: center;">PORS</p> <p style="text-align: center;">0% (1%) (2%) (3%) (4%) (5%) (6%)</p> <p style="text-align: center; font-size: 1.2em; color: blue;">(2.2%)</p>
<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 14.7% decrease in the Normal Cost (from 8.86% to 7.56%) 	<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 7.7% decrease in the Normal Cost (from 17.01% to 15.70%) 	<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 5.2% decrease in the Normal Cost (from 18.54% to 17.58%)
Employee Share of New Normal Cost:		
<ul style="list-style-type: none"> 41% Based on 5.33% EE Rate 	<ul style="list-style-type: none"> 31% Based on 7.08% EE Rate 	<ul style="list-style-type: none"> 33% Based on 8.65% EE Rate

Potential Change:

Increase Salary Averaging Period from 3 Years to 4 Years

Employees'	Uniformed	Police									
<p>Projected General Fund Savings*:</p> <ul style="list-style-type: none"> <li data-bbox="203 373 389 405">• \$0.52 million <li data-bbox="620 373 807 405">• \$0.69 million <li data-bbox="1029 373 1216 405">• \$0.46 million <p style="text-align: center;">Total Savings of \$1.67 million across systems *Based on current payroll</p>											
<p>Impact to Employees:</p> <ul style="list-style-type: none"> <li data-bbox="203 546 568 693">• Annuity payments would likely decrease based on 1 additional annual salary (likely lower) being included in average <li data-bbox="620 546 985 693">• Annuity payments would likely decrease based on 1 additional annual salary (likely lower) being included in average <li data-bbox="1029 546 1395 693">• Annuity payments would likely decrease based on 1 additional annual salary (likely lower) being included in average 											
<p>Comparison to Other Jurisdictions:</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; vertical-align: top;"> <p>VRS Hybrid Plan 5 Years (Alexandria, FCPS, Loudoun, Prince William)</p> </td> <td style="width: 33%; vertical-align: top;"> <p>VRS Plan 2 5 Years (Loudoun, Prince William)</p> </td> <td style="width: 33%; vertical-align: top;"> <p>VRS Plan 2 5 Years (Loudoun, Prince William)</p> </td> </tr> <tr> <td style="vertical-align: top;"> <p>Federal Government 3 Years (FERS)</p> </td> <td style="vertical-align: top;"> <p>Federal Government 3 Years (FERS)</p> </td> <td style="vertical-align: top;"> <p>Federal Government 3 Years (FERS)</p> </td> </tr> <tr> <td style="vertical-align: top;"> <p>Arlington County 3 Years</p> </td> <td style="vertical-align: top;"> <p>City of Alexandria 4 Years Arlington County 3 Years</p> </td> <td style="vertical-align: top;"> <p>City of Alexandria 4 Years Arlington County 3 Years</p> </td> </tr> </table>			<p>VRS Hybrid Plan 5 Years (Alexandria, FCPS, Loudoun, Prince William)</p>	<p>VRS Plan 2 5 Years (Loudoun, Prince William)</p>	<p>VRS Plan 2 5 Years (Loudoun, Prince William)</p>	<p>Federal Government 3 Years (FERS)</p>	<p>Federal Government 3 Years (FERS)</p>	<p>Federal Government 3 Years (FERS)</p>	<p>Arlington County 3 Years</p>	<p>City of Alexandria 4 Years Arlington County 3 Years</p>	<p>City of Alexandria 4 Years Arlington County 3 Years</p>
<p>VRS Hybrid Plan 5 Years (Alexandria, FCPS, Loudoun, Prince William)</p>	<p>VRS Plan 2 5 Years (Loudoun, Prince William)</p>	<p>VRS Plan 2 5 Years (Loudoun, Prince William)</p>									
<p>Federal Government 3 Years (FERS)</p>	<p>Federal Government 3 Years (FERS)</p>	<p>Federal Government 3 Years (FERS)</p>									
<p>Arlington County 3 Years</p>	<p>City of Alexandria 4 Years Arlington County 3 Years</p>	<p>City of Alexandria 4 Years Arlington County 3 Years</p>									
<p>Previous Related Benefit Changes:</p> <ul style="list-style-type: none"> <li data-bbox="203 1255 284 1287">• N/A <li data-bbox="620 1255 701 1287">• N/A <li data-bbox="1029 1255 1110 1287">• N/A 											

Summary of Potential Plan Design Changes

#4 – Eliminate Pre-Social Security Supplement

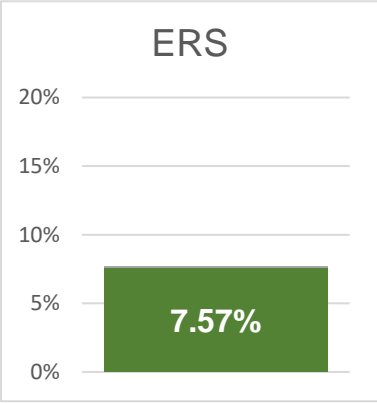
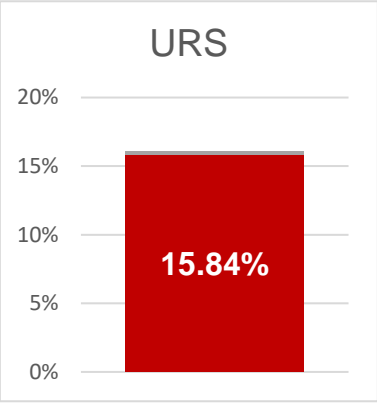
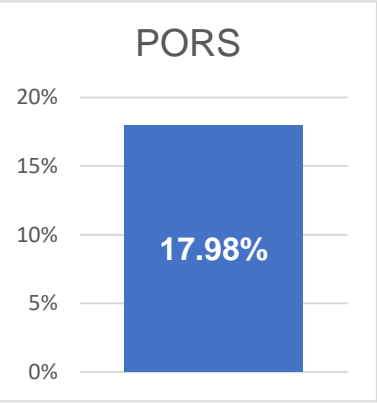
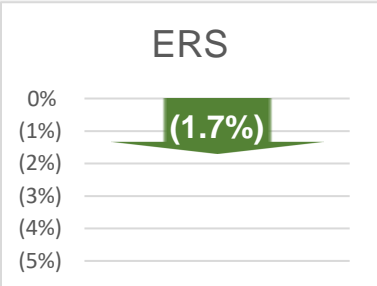
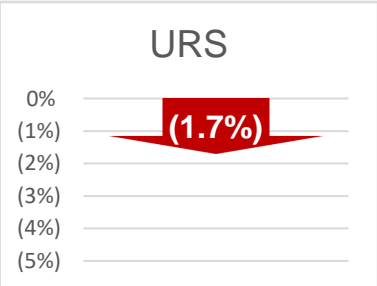
Potential Change:		
Eliminate Pre-Social Security Supplement for Employees' and Uniformed Systems As Police Officers do not participate in Social Security, there is no impact to the Police System		
Employees'	Uniformed	Police
New Normal Cost:		
<ul style="list-style-type: none"> Normal Cost decreases from 7.70% to 7.12% of pay 	<ul style="list-style-type: none"> Normal Cost decreases from 16.12% to 15.20% of pay 	<ul style="list-style-type: none"> Normal Cost remains at 17.98% of pay
<p>ERS</p> <p>20% 15% 10% 5% 0%</p> <p style="font-size: 1.2em; font-weight: bold; color: green;">7.12%</p>	<p>URS</p> <p>20% 15% 10% 5% 0%</p> <p style="font-size: 1.2em; font-weight: bold; color: red;">15.20%</p>	<p>PORS</p> <p>20% 15% 10% 5% 0%</p> <p style="font-size: 1.2em; font-weight: bold; color: blue;">17.98%</p>
Percentage Change in Normal Cost:		
<ul style="list-style-type: none"> Normal Cost decreases by 7.5% 	<ul style="list-style-type: none"> Normal Cost decreases by 5.7% 	
<p>ERS</p> <p>0% (2%) (4%) (6%) (8%)</p> <p style="font-size: 1.2em; font-weight: bold; color: green;">(7.5%)</p>	<p>URS</p> <p>0% (2%) (4%) (6%) (8%)</p> <p style="font-size: 1.2em; font-weight: bold; color: red;">(5.7%)</p>	
<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 19.6% decrease in the Normal Cost (from 8.86% to 7.12%) 	<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 10.6% decrease in the Normal Cost (from 17.01% to 15.20%) 	<ul style="list-style-type: none"> The changes in 2013 decreased the Normal Cost by 3.0% (from 18.54% to 17.98%)
Employee Share of New Normal Cost:		
<ul style="list-style-type: none"> 43% Based on 5.33% EE Rate 	<ul style="list-style-type: none"> 32% Based on 7.08% EE Rate 	<ul style="list-style-type: none"> 32% Based on 8.65% EE Rate

Potential Change:

Eliminate Pre-Social Security Supplement for Employees' and Uniformed Systems
 As Police Officers do not participate in Social Security, there is no impact to the Police System

Employees'	Uniformed	Police
Projected General Fund Savings*:		
<ul style="list-style-type: none"> \$2.15 million 	<ul style="list-style-type: none"> \$1.52 million 	
Total Savings of \$3.67 million across systems *Based on current payroll		
Impact to Employees:		
<ul style="list-style-type: none"> Annuity payments would be lower between retirement and normal Social Security age 	<ul style="list-style-type: none"> Annuity payments would be lower between retirement and normal Social Security age 	
Comparison to Other Jurisdictions*:		
VRS Hybrid Plan (Alexandria, FCPS, Loudoun, Prince William) Option	VRS Plan 2 (Loudoun, Prince William) Supplement	VRS Plan 2 (Loudoun, Prince William) Supplement
Federal Government (FERS) Supplement	Federal Government (FERS) Supplement	Federal Government (FERS) Supplement
Arlington County Option	City of Alexandria None Arlington County Option	City of Alexandria None Arlington County Option
* Details regarding these plan benefits are included on Pages 44 and 45 of the October 3, 2017 presentation		
Previous Related Benefit Changes:		
<ul style="list-style-type: none"> In 2013, Pre-Social Security supplement was eliminated from DROP balances for new hires only 	<ul style="list-style-type: none"> In FY 1997, pre-Social Security supplement was eliminated in conjunction with an increase in the multiplier from 1.8% to 2.3% Pre-Social Security supplement was reinstated at 0.3% in FY 2002 In 2013, Pre-Social Security supplement was eliminated from DROP balances for new hires only 	<ul style="list-style-type: none"> N/A

Summary of Potential Plan Design Changes #5 – Limit Pre-Social Security Supplement

Potential Change:		
Limit Pre-Social Security Supplement to 5 Years for the Employees' System and 7 Years for the Uniformed System As Police Officers do not participate in Social Security, there is no impact to the Police System		
Employees'	Uniformed	Police
New Normal Cost:		
<ul style="list-style-type: none"> Normal Cost decreases from 7.70% to 7.57% of pay 	<ul style="list-style-type: none"> Normal Cost decreases from 16.12% to 15.84% of pay 	<ul style="list-style-type: none"> Normal Cost remains at 17.98% of pay
 <p>ERS</p> <p>20% 15% 10% 5% 0%</p> <p style="font-size: 1.2em; font-weight: bold; color: green;">7.57%</p>	 <p>URS</p> <p>20% 15% 10% 5% 0%</p> <p style="font-size: 1.2em; font-weight: bold; color: red;">15.84%</p>	 <p>PORS</p> <p>20% 15% 10% 5% 0%</p> <p style="font-size: 1.2em; font-weight: bold; color: blue;">17.98%</p>
Percentage Change in Normal Cost:		
<ul style="list-style-type: none"> Normal Cost decreases by 1.7% 	<ul style="list-style-type: none"> Normal Cost decreases by 1.7% 	
 <p>ERS</p> <p>0% (1%) (2%) (3%) (4%) (5%)</p> <p style="font-size: 1.2em; font-weight: bold; color: green;">(1.7%)</p>	 <p>URS</p> <p>0% (1%) (2%) (3%) (4%) (5%)</p> <p style="font-size: 1.2em; font-weight: bold; color: red;">(1.7%)</p>	<ul style="list-style-type: none"> The changes in 2013 decreased the Normal Cost by 3.0% (from 18.54% to 17.98%)
<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 14.6% decrease in the Normal Cost (from 8.86% to 7.57%) 	<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 6.9% decrease in the Normal Cost (from 17.01% to 15.84%) 	
Employee Share of New Normal Cost:		
<ul style="list-style-type: none"> 41% Based on 5.33% EE Rate 	<ul style="list-style-type: none"> 31% Based on 7.08% EE Rate 	<ul style="list-style-type: none"> 32% Based on 8.65% EE Rate

Potential Change:

Limit Pre-Social Security Supplement to 5 Years for the Employees' System and 7 Years for the Uniformed System

As Police Officers do not participate in Social Security, there is no impact to the Police System

Employees'	Uniformed	Police																								
<p>Projected General Fund Savings*:</p> <ul style="list-style-type: none"> • \$0.48 million • \$0.46 million <p style="text-align: center;">Total Savings of \$0.94 million across systems *Based on current payroll</p>																										
<p>Impact to Employees:</p> <ul style="list-style-type: none"> • Supplement would begin no earlier than age 62 for ERS • Supplement would begin no earlier than age 60 for URS 																										
<p>Comparison to Other Jurisdictions*:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">VRS Hybrid Plan (Alexandria, FCPS, Loudoun, Prince William)</td> <td style="width: 10%;">Option</td> <td style="width: 33%;">VRS Plan 2 (Loudoun, Prince William)</td> <td style="width: 10%;">Supplement</td> <td style="width: 33%;">VRS Plan 2 (Loudoun, Prince William)</td> <td style="width: 10%;">Supplement</td> </tr> <tr> <td>Federal Government (FERS)</td> <td>Supplement</td> <td>Federal Government (FERS)</td> <td>Supplement</td> <td>Federal Government (FERS)</td> <td>Supplement</td> </tr> <tr> <td>Arlington County</td> <td>Option</td> <td>City of Alexandria</td> <td>None</td> <td>City of Alexandria</td> <td>None</td> </tr> <tr> <td></td> <td></td> <td>Arlington County</td> <td>Option</td> <td>Arlington County</td> <td>Option</td> </tr> </table> <p style="text-align: center;">* Details regarding these plan benefits are included on Pages 44 and 45 of the October 3, 2017 presentation</p>			VRS Hybrid Plan (Alexandria, FCPS, Loudoun, Prince William)	Option	VRS Plan 2 (Loudoun, Prince William)	Supplement	VRS Plan 2 (Loudoun, Prince William)	Supplement	Federal Government (FERS)	Supplement	Federal Government (FERS)	Supplement	Federal Government (FERS)	Supplement	Arlington County	Option	City of Alexandria	None	City of Alexandria	None			Arlington County	Option	Arlington County	Option
VRS Hybrid Plan (Alexandria, FCPS, Loudoun, Prince William)	Option	VRS Plan 2 (Loudoun, Prince William)	Supplement	VRS Plan 2 (Loudoun, Prince William)	Supplement																					
Federal Government (FERS)	Supplement	Federal Government (FERS)	Supplement	Federal Government (FERS)	Supplement																					
Arlington County	Option	City of Alexandria	None	City of Alexandria	None																					
		Arlington County	Option	Arlington County	Option																					
<p>Previous Related Benefit Changes:</p> <ul style="list-style-type: none"> • In 2013, Pre-Social Security supplement was eliminated from DROP balances for new hires only • In FY 1997, pre-Social Security supplement was eliminated in conjunction with an increase in the multiplier from 1.8% to 2.3% • Pre-Social Security supplement was reinstated at 0.3% in FY 2002 • In 2013, Pre-Social Security supplement was eliminated from DROP balances for new hires only • N/A 																										

Summary of Potential Plan Design Changes #6 – Limit Retiree COLA

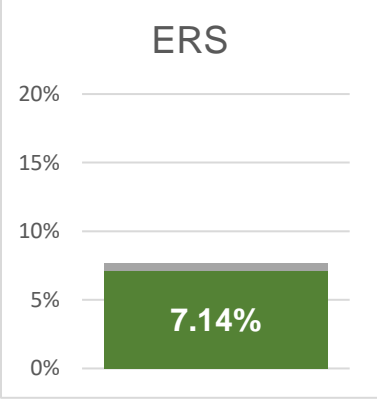
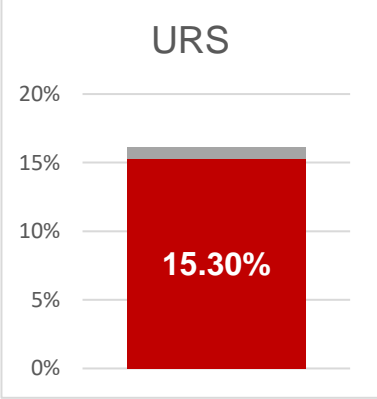
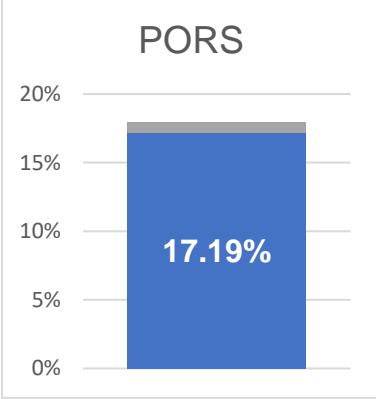
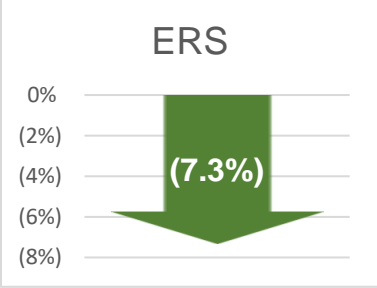
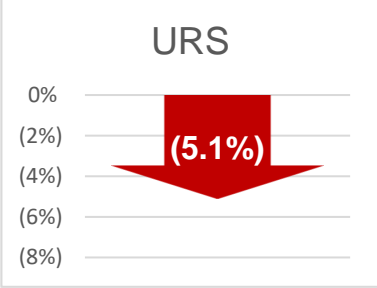
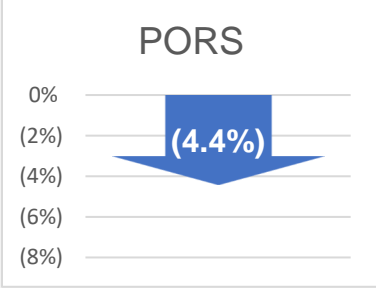
Potential Change:		
Limit application of the Retiree COLA to the first \$30,000 in benefits (increased by COLA in subsequent years)		
Employees'	Uniformed	Police
New Normal Cost:		
<ul style="list-style-type: none"> Normal Cost decreases from 7.70% to 7.61% of pay 	<ul style="list-style-type: none"> Normal Cost decreases from 16.12% to 15.06% of pay 	<ul style="list-style-type: none"> Normal Cost decreases from 17.98% to 16.88% of pay
<p style="text-align: center;">ERS</p> <p style="text-align: center;">20% 15% 10% 5% 0%</p> <p style="text-align: center; font-size: 24px; color: green;">7.61%</p>	<p style="text-align: center;">URS</p> <p style="text-align: center;">20% 15% 10% 5% 0%</p> <p style="text-align: center; font-size: 24px; color: red;">15.06%</p>	<p style="text-align: center;">PORS</p> <p style="text-align: center;">20% 15% 10% 5% 0%</p> <p style="text-align: center; font-size: 24px; color: blue;">16.88%</p>
Percentage Change in Normal Cost:		
<ul style="list-style-type: none"> Normal Cost decreases by 1.2% 	<ul style="list-style-type: none"> Normal Cost decreases by 6.6% 	<ul style="list-style-type: none"> Normal Cost decreases by 6.1%
<p style="text-align: center;">ERS</p> <p style="text-align: center;">0% (2%) (4%) (6%) (8%)</p> <p style="text-align: center; font-size: 24px; color: green;">(1.2%)</p>	<p style="text-align: center;">URS</p> <p style="text-align: center;">0% (2%) (4%) (6%) (8%)</p> <p style="text-align: center; font-size: 24px; color: red;">(6.6%)</p>	<p style="text-align: center;">PORS</p> <p style="text-align: center;">0% (2%) (4%) (6%) (8%)</p> <p style="text-align: center; font-size: 24px; color: blue;">(6.1%)</p>
<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 14.1% decrease in the Normal Cost (from 8.86% to 7.61%) 	<ul style="list-style-type: none"> Including the changes in 2013, this change would result in an 11.5% decrease in the Normal Cost (from 17.01% to 15.06%) 	<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 9.0% decrease in the Normal Cost (from 18.54% to 16.88%)
Employee Share of New Normal Cost:		
<ul style="list-style-type: none"> 41% Based on 5.33% EE Rate 	<ul style="list-style-type: none"> 32% Based on 7.08% EE Rate 	<ul style="list-style-type: none"> 34% Based on 8.65% EE Rate

Potential Change:

Limit application of the Retiree COLA to the first \$30,000 in benefits (increased by COLA in subsequent years)

Employees'	Uniformed	Police
<p>Projected General Fund Savings*:</p> <ul style="list-style-type: none"><li data-bbox="203 407 389 436">• \$0.33 million<li data-bbox="618 407 805 436">• \$1.75 million<li data-bbox="1029 407 1216 436">• \$1.28 million <p data-bbox="542 453 1081 483">Total Savings of \$3.36 million across systems</p> <p data-bbox="691 485 932 514">*Based on current payroll</p>		
<p>Impact to Employees:</p> <ul style="list-style-type: none"><li data-bbox="203 579 574 758">• The COLA provided to new hires when they retire would be calculated on only the portion of retirement income that falls below a certain threshold<li data-bbox="203 764 574 821">• Annuity payments later in retirement would be reduced<li data-bbox="203 827 574 915">• Provides inflation protection to a core level of annuity payments	<ul style="list-style-type: none"><li data-bbox="618 579 990 758">• The COLA provided to new hires when they retire would be calculated on only the portion of retirement income that falls below a certain threshold<li data-bbox="618 764 990 821">• Annuity payments later in retirement would be reduced<li data-bbox="618 827 990 915">• Provides inflation protection to a core level of annuity payments	<ul style="list-style-type: none"><li data-bbox="1029 579 1401 758">• The COLA provided to new hires when they retire would be calculated on only the portion of retirement income that falls below a certain threshold<li data-bbox="1029 764 1401 821">• Annuity payments later in retirement would be reduced<li data-bbox="1029 827 1401 915">• Provides inflation protection to a core level of annuity payments
<p>Comparison to Other Jurisdictions:</p> <ul style="list-style-type: none"><li data-bbox="203 989 451 1018">• Data not available<li data-bbox="618 989 867 1018">• Data not available<li data-bbox="1029 989 1278 1018">• Data not available		
<p>Previous Related Benefit Changes:</p> <ul style="list-style-type: none"><li data-bbox="203 1100 289 1129">• N/A<li data-bbox="618 1100 704 1129">• N/A<li data-bbox="1029 1100 1115 1129">• N/A		

Summary of Potential Plan Design Changes #7 – Reduce Multiplier

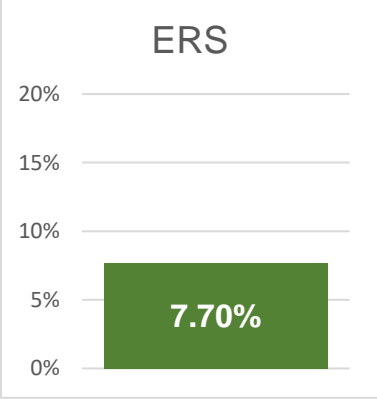
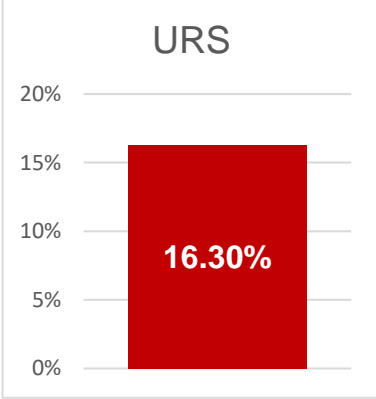
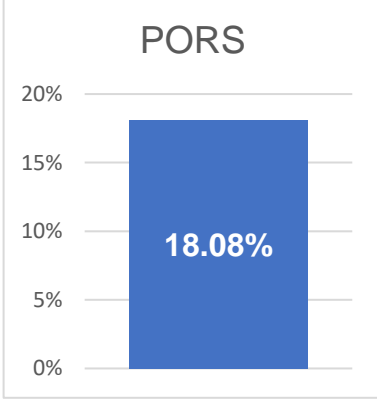
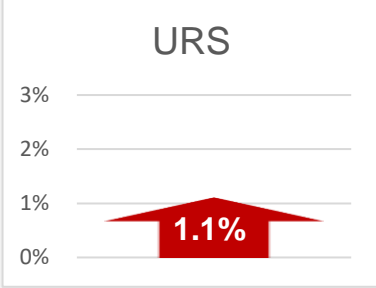
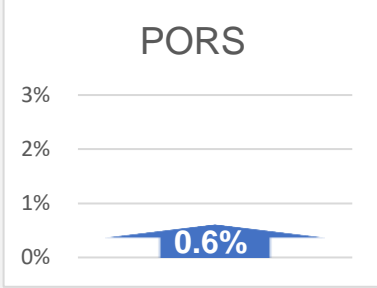
Potential Change:		
Reduce base multiplier (currently 2.0% in Employees', 2.5% in Uniformed, and 2.8% in Police) by 0.1%		
Employees'	Uniformed	Police
New Normal Cost:		
<ul style="list-style-type: none"> Normal Cost decreases from 7.70% to 7.14% of pay  <p style="text-align: center;">ERS</p> <p style="text-align: center;">20% 15% 10% 5% 0%</p> <p style="text-align: center; font-size: 24px; color: green;">7.14%</p>	<ul style="list-style-type: none"> Normal Cost decreases from 16.12% to 15.30% of pay  <p style="text-align: center;">URS</p> <p style="text-align: center;">20% 15% 10% 5% 0%</p> <p style="text-align: center; font-size: 24px; color: red;">15.30%</p>	<ul style="list-style-type: none"> Normal Cost decreases from 17.98% to 17.19% of pay  <p style="text-align: center;">PORS</p> <p style="text-align: center;">20% 15% 10% 5% 0%</p> <p style="text-align: center; font-size: 24px; color: blue;">17.19%</p>
Percentage Change in Normal Cost:		
<ul style="list-style-type: none"> Normal Cost decreases by 7.3%  <p style="text-align: center;">ERS</p> <p style="text-align: center;">0% (2%) (4%) (6%) (8%)</p> <p style="text-align: center; font-size: 24px; color: green;">(7.3%)</p>	<ul style="list-style-type: none"> Normal Cost decreases by 5.1%  <p style="text-align: center;">URS</p> <p style="text-align: center;">0% (2%) (4%) (6%) (8%)</p> <p style="text-align: center; font-size: 24px; color: red;">(5.1%)</p>	<ul style="list-style-type: none"> Normal Cost decreases by 4.4%  <p style="text-align: center;">PORS</p> <p style="text-align: center;">0% (2%) (4%) (6%) (8%)</p> <p style="text-align: center; font-size: 24px; color: blue;">(4.4%)</p>
<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 19.4% decrease in the Normal Cost (from 8.86% to 7.14%) 	<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 10.1% decrease in the Normal Cost (from 17.01% to 15.30%) 	<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 7.3% decrease in the Normal Cost (from 18.54% to 17.19%)
Employee Share of New Normal Cost:		
<ul style="list-style-type: none"> 43% Based on 5.33% EE Rate 	<ul style="list-style-type: none"> 32% Based on 7.08% EE Rate 	<ul style="list-style-type: none"> 33% Based on 8.65% EE Rate

Potential Change:

Reduce base multiplier (currently 2.0% in Employees', 2.5% in Uniformed, and 2.8% in Police) by 0.1%

Employees'	Uniformed	Police																														
<p>Projected General Fund Savings*:</p> <ul style="list-style-type: none"> <li data-bbox="203 407 602 436">• \$2.08 million <li data-bbox="602 407 1019 436">• \$1.35 million <li data-bbox="1019 407 1421 436">• \$0.92 million <p style="text-align: center;">Total Savings of \$4.35 million across systems *Based on current payroll</p>																																
<p>Impact to Employees:</p> <ul style="list-style-type: none"> <li data-bbox="203 575 602 636">• Annuity payments would be lower <li data-bbox="602 575 1019 636">• Annuity payments would be lower <li data-bbox="1019 575 1421 636">• Annuity payments would be lower 																																
<p>Comparison to Other Jurisdictions:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 33%; vertical-align: top;"> VRS Hybrid Plan¹ (Loudoun, Prince William) </td> <td style="width: 33%; vertical-align: top;"> VRS Plan 2 (Loudoun, Prince William) </td> <td style="width: 33%; vertical-align: top;"> VRS Plan 2 (Loudoun, Prince William) </td> </tr> <tr> <td style="text-align: right; vertical-align: top;"> 1% </td> <td style="text-align: left; vertical-align: top;"> 1.70% <i>or</i> 1.85% </td> <td style="text-align: left; vertical-align: top;"> 1.70% <i>or</i> 1.85% </td> </tr> <tr> <td style="vertical-align: top;"> Federal Government^{2,3} (FERS) </td> <td style="vertical-align: top;"> Federal Government² (FERS) </td> <td style="vertical-align: top;"> Federal Government² (FERS) </td> </tr> <tr> <td style="text-align: right; vertical-align: top;"> 1% <i>or</i> 1.1% </td> <td style="text-align: left; vertical-align: top;"> 1.7% (1% after 20 YOS) </td> <td style="text-align: left; vertical-align: top;"> 1.7% (1% after 20 YOS) </td> </tr> <tr> <td style="vertical-align: top;"> City of Alexandria¹ (VRS Hybrid + Supplemental) </td> <td style="vertical-align: top;"> City of Alexandria </td> <td style="vertical-align: top;"> City of Alexandria </td> </tr> <tr> <td style="text-align: right; vertical-align: top;"> 1.8% </td> <td style="text-align: left; vertical-align: top;"> 2.5% </td> <td style="text-align: left; vertical-align: top;"> 2.5% </td> </tr> <tr> <td style="vertical-align: top;"> Arlington County⁴ </td> <td style="vertical-align: top;"> Arlington County </td> <td style="vertical-align: top;"> Arlington County </td> </tr> <tr> <td style="text-align: right; vertical-align: top;"> 1.7% </td> <td style="text-align: left; vertical-align: top;"> 2.7% </td> <td style="text-align: left; vertical-align: top;"> 2.7% </td> </tr> <tr> <td style="vertical-align: top;"> FCPS¹ (VRS Hybrid + Supplemental) </td> <td></td> <td></td> </tr> <tr> <td style="text-align: right; vertical-align: top;"> 1.8% </td> <td></td> <td></td> </tr> </tbody> </table> <p>¹ The VRS Hybrid Plan also includes a defined contribution component with a 1% to 3.5% employer contribution. ² Federal employees also receive a 1% to 5% employer contribution to a defined contribution plan. ³ The defined benefit component of FERS for general employees is 1%, but increases to 1.1% for those retiring at age 62 or older with 20 or more years of service. ⁴ Arlington County general employees also receive a 4.2% employer contribution to a defined contribution plan.</p>			VRS Hybrid Plan ¹ (Loudoun, Prince William)	VRS Plan 2 (Loudoun, Prince William)	VRS Plan 2 (Loudoun, Prince William)	1%	1.70% <i>or</i> 1.85%	1.70% <i>or</i> 1.85%	Federal Government ^{2,3} (FERS)	Federal Government ² (FERS)	Federal Government ² (FERS)	1% <i>or</i> 1.1%	1.7% (1% after 20 YOS)	1.7% (1% after 20 YOS)	City of Alexandria ¹ (VRS Hybrid + Supplemental)	City of Alexandria	City of Alexandria	1.8%	2.5%	2.5%	Arlington County ⁴	Arlington County	Arlington County	1.7%	2.7%	2.7%	FCPS ¹ (VRS Hybrid + Supplemental)			1.8%		
VRS Hybrid Plan ¹ (Loudoun, Prince William)	VRS Plan 2 (Loudoun, Prince William)	VRS Plan 2 (Loudoun, Prince William)																														
1%	1.70% <i>or</i> 1.85%	1.70% <i>or</i> 1.85%																														
Federal Government ^{2,3} (FERS)	Federal Government ² (FERS)	Federal Government ² (FERS)																														
1% <i>or</i> 1.1%	1.7% (1% after 20 YOS)	1.7% (1% after 20 YOS)																														
City of Alexandria ¹ (VRS Hybrid + Supplemental)	City of Alexandria	City of Alexandria																														
1.8%	2.5%	2.5%																														
Arlington County ⁴	Arlington County	Arlington County																														
1.7%	2.7%	2.7%																														
FCPS ¹ (VRS Hybrid + Supplemental)																																
1.8%																																
<p>Previous Related Benefit Changes:</p> <ul style="list-style-type: none"> <li data-bbox="203 1415 602 1444">• N/A <li data-bbox="602 1415 1019 1535">• In FY 1997, multiplier increased from 1.8% to 2.3% <li data-bbox="602 1482 1019 1535">• In FY 2000, multiplier increased from 2.3% to 2.5% <li data-bbox="1019 1415 1421 1476">• In FY 2000, multiplier increased from 2.5% to 2.8% 																																

Summary of Potential Plan Design Changes #8 – Add Longevity Steps

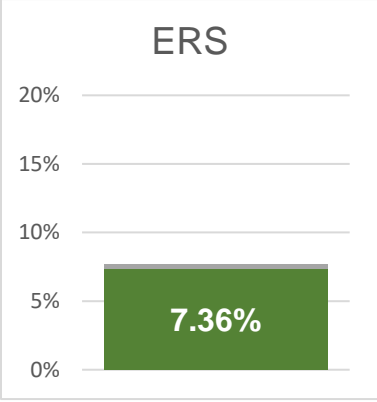
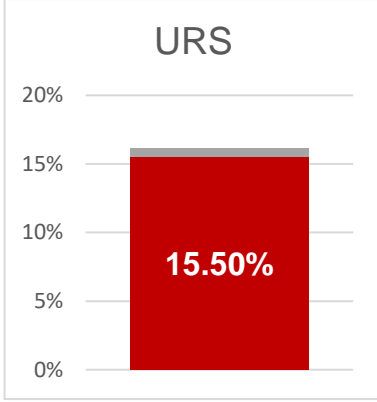
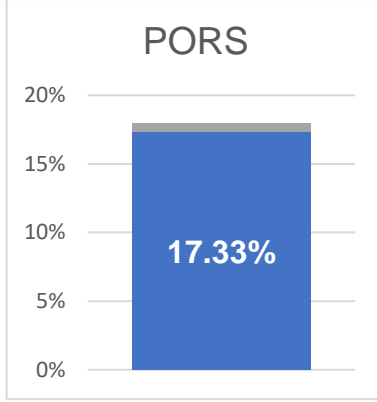
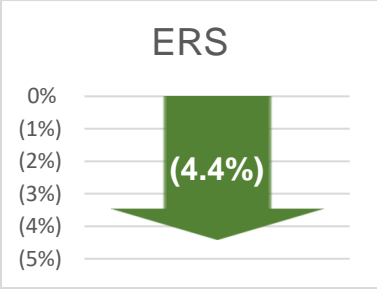
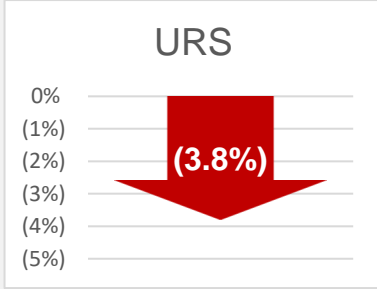
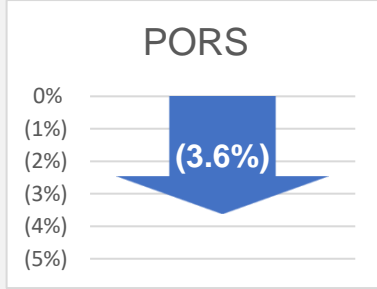
Potential Change:		
Add 5% longevity steps at 25 and 30 years for Pay Plans in the Uniformed and Police Systems; Would create separate pay plans for new hires		
Employees'	Uniformed	Police
New Normal Cost:		
<ul style="list-style-type: none"> Normal Cost remains at 7.70% of pay 	<ul style="list-style-type: none"> Normal Cost <i>increases</i> from 16.12% to 16.30% of pay 	<ul style="list-style-type: none"> Normal Cost <i>increases</i> from 17.98% to 18.08% of pay
 <p style="text-align: center;">ERS</p> <p style="text-align: center;">20% 15% 10% 5% 0%</p> <p style="text-align: center; font-size: 1.2em; font-weight: bold;">7.70%</p>	 <p style="text-align: center;">URS</p> <p style="text-align: center;">20% 15% 10% 5% 0%</p> <p style="text-align: center; font-size: 1.2em; font-weight: bold;">16.30%</p>	 <p style="text-align: center;">PORS</p> <p style="text-align: center;">20% 15% 10% 5% 0%</p> <p style="text-align: center; font-size: 1.2em; font-weight: bold;">18.08%</p>
Percentage Change in Normal Cost:		
<ul style="list-style-type: none"> The changes in 2013 decreased the Normal Cost by 13.1% (from 8.86% to 7.70%) 	<ul style="list-style-type: none"> Normal Cost <i>increases</i> by 1.1% 	<ul style="list-style-type: none"> Normal Cost <i>increases</i> by 0.6%
 <p style="text-align: center;">URS</p> <p style="text-align: center;">3% 2% 1% 0%</p> <p style="text-align: center; font-size: 1.2em; font-weight: bold;">1.1%</p>	 <p style="text-align: center;">PORS</p> <p style="text-align: center;">3% 2% 1% 0%</p> <p style="text-align: center; font-size: 1.2em; font-weight: bold;">0.6%</p>	<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 4.2% decrease in the Normal Cost (from 17.01% to 16.30%)
<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 2.5% decrease in the Normal Cost (from 18.54% to 18.08%) 	Employee Share of New Normal Cost:	
<ul style="list-style-type: none"> 41% Based on 5.33% EE Rate 	<ul style="list-style-type: none"> 30% Based on 7.08% EE Rate 	<ul style="list-style-type: none"> 32% Based on 8.65% EE Rate

Potential Change:

Add 5% longevity steps at 25 and 30 years for Pay Plans in the Uniformed and Police Systems; Would create separate pay plans for new hires

Employees'	Uniformed	Police
<p>Projected General Fund Savings*:</p> <ul style="list-style-type: none">• (\$0.30) million• (\$0.12) million <p>Total <u>Cost</u> of \$0.42 million across systems. Does not include cost impact related to the pay increases themselves. <small>*Based on current payroll</small></p>		
<p>Impact to Employees:</p> <ul style="list-style-type: none">• Employees would be incentivized to work additional years to get longevity increases; however, any financial benefits to the systems would be offset by higher annuity payments• Employees would be incentivized to work additional years to get longevity increases; however, any financial benefits to the systems would be offset by higher annuity payments		
<p>Comparison to Other Jurisdictions:</p> <ul style="list-style-type: none">• N/A• N/A• N/A		
<p>Previous Related Benefit Changes:</p> <ul style="list-style-type: none">• N/A• N/A• N/A		

Summary of Potential Plan Design Changes #9 – Eliminate 3% Formula Increase

Potential Change:		
Eliminate the provision that increases the calculated retirement annuity by 3 percent		
Employees'	Uniformed	Police
New Normal Cost:		
<ul style="list-style-type: none"> Normal Cost decreases from 7.70% to 7.36% of pay 	<ul style="list-style-type: none"> Normal Cost decreases from 16.12% to 15.50% of pay 	<ul style="list-style-type: none"> Normal Cost decreases from 17.98% to 17.33% of pay
 <p style="text-align: center;">ERS</p> <p style="text-align: center;">20% 15% 10% 5% 0%</p> <p style="text-align: center; font-size: 1.2em; font-weight: bold;">7.36%</p>	 <p style="text-align: center;">URS</p> <p style="text-align: center;">20% 15% 10% 5% 0%</p> <p style="text-align: center; font-size: 1.2em; font-weight: bold;">15.50%</p>	 <p style="text-align: center;">PORS</p> <p style="text-align: center;">20% 15% 10% 5% 0%</p> <p style="text-align: center; font-size: 1.2em; font-weight: bold;">17.33%</p>
Percentage Change in Normal Cost:		
<ul style="list-style-type: none"> Normal Cost decreases by 4.4% 	<ul style="list-style-type: none"> Normal Cost decreases by 3.8% 	<ul style="list-style-type: none"> Normal Cost decreases by 3.6%
 <p style="text-align: center;">ERS</p> <p style="text-align: center;">0% (1%) (2%) (3%) (4%) (5%)</p> <p style="text-align: center; font-size: 1.2em; font-weight: bold;">(4.4%)</p>	 <p style="text-align: center;">URS</p> <p style="text-align: center;">0% (1%) (2%) (3%) (4%) (5%)</p> <p style="text-align: center; font-size: 1.2em; font-weight: bold;">(3.8%)</p>	 <p style="text-align: center;">PORS</p> <p style="text-align: center;">0% (1%) (2%) (3%) (4%) (5%)</p> <p style="text-align: center; font-size: 1.2em; font-weight: bold;">(3.6%)</p>
<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 16.9% decrease in the Normal Cost (from 8.86% to 7.36%) 	<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 8.9% decrease in the Normal Cost (from 17.01% to 15.50%) 	<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 6.5% decrease in the Normal Cost (from 18.54% to 17.33%)
Employee Share of New Normal Cost:		
<ul style="list-style-type: none"> 42% Based on 5.33% EE Rate 	<ul style="list-style-type: none"> 31% Based on 7.08% EE Rate 	<ul style="list-style-type: none"> 33% Based on 8.65% EE Rate

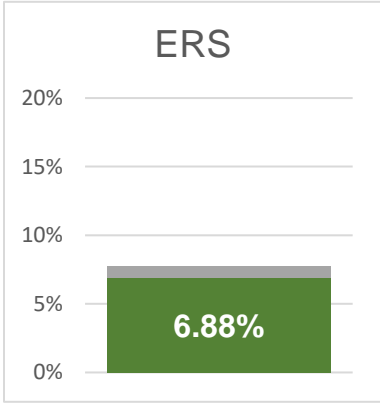
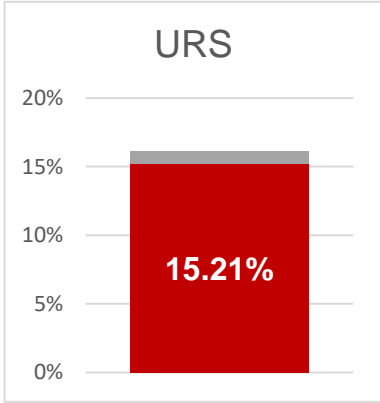
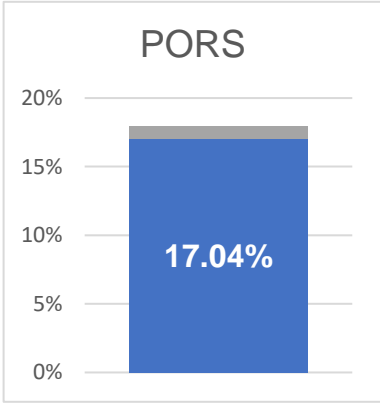
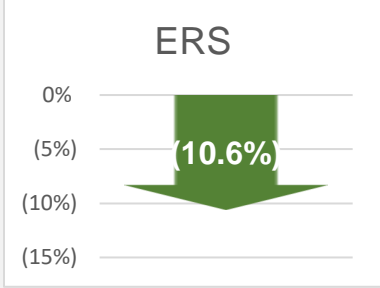
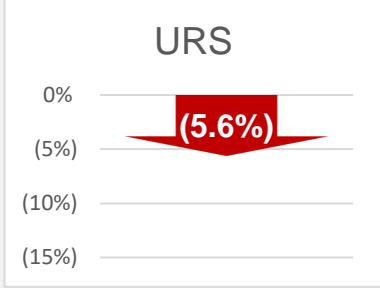
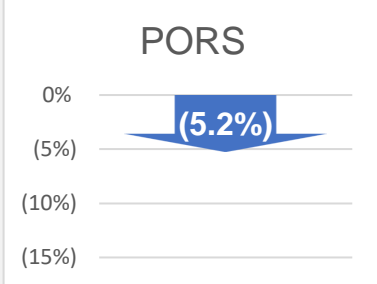
Potential Change:

Eliminate the provision that increases the calculated retirement annuity by 3 percent

Employees'	Uniformed	Police
Projected General Fund Savings*: <ul style="list-style-type: none"> <li data-bbox="203 373 604 405">• \$1.26 million <li data-bbox="604 373 1016 405">• \$1.02 million <li data-bbox="1016 373 1427 405">• \$0.75 million <p style="text-align: center; margin: 0;">Total Savings of \$3.03 million across systems *Based on current payroll</p>		
Impact to Employees: <ul style="list-style-type: none"> <li data-bbox="203 548 604 636">• Annuity payments would be approximately 3 percent lower <li data-bbox="604 548 1016 636">• Annuity payments would be approximately 3 percent lower <li data-bbox="1016 548 1427 636">• Annuity payments would be approximately 3 percent lower 		
Comparison to Other Jurisdictions: <ul style="list-style-type: none"> <li data-bbox="203 730 604 762">• N/A <li data-bbox="604 730 1016 762">• N/A <li data-bbox="1016 730 1427 762">• N/A 		
Previous Related Benefit Changes: <ul style="list-style-type: none"> <li data-bbox="203 846 604 993">• Effective July 1, 1995, the calculated retirement annuity of all current and future retirees was increased by 3 percent. <li data-bbox="604 846 1016 993">• Effective July 1, 1995, the calculated retirement annuity of all current and future retirees was increased by 3 percent. <li data-bbox="1016 846 1427 993">• Effective July 1, 1995, the calculated retirement annuity of all current and future retirees was increased by 3 percent. 		

Summary of Potential Plan Design Changes

#10 – Increase Employee Contribution Rate by 1.0%

Potential Change:		
Increase the employee contribution rate by 1.0 percent. Employee contribution rates are currently 5.33% (Employees' Plan D), 7.08% (Uniformed) and 8.65% (Police Officers).		
Employees'	Uniformed	Police
New Normal Cost:		
<ul style="list-style-type: none"> Normal Cost decreases from 7.70% to 6.88% of pay 	<ul style="list-style-type: none"> Normal Cost decreases from 16.12% to 15.21% of pay 	<ul style="list-style-type: none"> Normal Cost decreases from 17.98% to 17.04% of pay
 <p style="text-align: center; font-weight: bold; font-size: 1.2em;">ERS</p> <p style="text-align: center; font-weight: bold; font-size: 1.2em;">6.88%</p>	 <p style="text-align: center; font-weight: bold; font-size: 1.2em;">URS</p> <p style="text-align: center; font-weight: bold; font-size: 1.2em;">15.21%</p>	 <p style="text-align: center; font-weight: bold; font-size: 1.2em;">PORS</p> <p style="text-align: center; font-weight: bold; font-size: 1.2em;">17.04%</p>
Percentage Change in Normal Cost:		
<ul style="list-style-type: none"> Normal Cost decreases by 10.6% 	<ul style="list-style-type: none"> Normal Cost decreases by 5.6% 	<ul style="list-style-type: none"> Normal Cost decreases by 5.2%
 <p style="text-align: center; font-weight: bold; font-size: 1.2em;">ERS</p> <p style="text-align: center; font-weight: bold; font-size: 1.2em;">(10.6%)</p>	 <p style="text-align: center; font-weight: bold; font-size: 1.2em;">URS</p> <p style="text-align: center; font-weight: bold; font-size: 1.2em;">(5.6%)</p>	 <p style="text-align: center; font-weight: bold; font-size: 1.2em;">PORS</p> <p style="text-align: center; font-weight: bold; font-size: 1.2em;">(5.2%)</p>
<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 22.3% decrease in the Normal Cost (from 8.86% to 6.88%) 	<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 10.6% decrease in the Normal Cost (from 17.01% to 15.21%) 	<ul style="list-style-type: none"> Including the changes in 2013, this change would result in a 8.1% decrease in the Normal Cost (from 18.54% to 17.04%)
Employee Share of New Normal Cost:		
<ul style="list-style-type: none"> 48% Based on 6.33% EE Rate 	<ul style="list-style-type: none"> 35% Based on 8.08% EE Rate 	<ul style="list-style-type: none"> 36% Based on 9.65% EE Rate

Potential Change:

Increase the employee contribution rate by 1.0 percent. Employee contribution rates are currently 5.33% (Employees' Plan D), 7.08% (Uniformed) and 8.65% (Police Officers).

Employees'	Uniformed	Police			
<p>Projected General Fund Savings*:</p> <ul style="list-style-type: none"> <li data-bbox="203 407 604 436">• \$3.05 million <li data-bbox="604 407 1016 436">• \$1.50 million <li data-bbox="1016 407 1422 436">• \$1.09 million <p style="text-align: center;">Total Savings of \$5.64 million across systems *Based on current payroll</p>					
<p>Impact to Employees:</p> <ul style="list-style-type: none"> <li data-bbox="203 577 604 636">• Employee net pay would decrease <li data-bbox="604 577 1016 636">• Employee net pay would decrease <li data-bbox="1016 577 1422 636">• Employee net pay would decrease 					
<p>Comparison to Other Jurisdictions:</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; vertical-align: top;"> VRS Hybrid Plan (Loudoun, Prince William) 5-9% Federal Government (FERS) 4.4-9.4% City of Alexandria 7-11% Arlington County 4% FCPS 8-12% </td> <td style="width: 33%; vertical-align: top;"> VRS Plan 2 (Loudoun) 5% Federal Government (FERS) 4.9-9.9% City of Alexandria 8% Arlington County 7.5% Prince William County 6.44% </td> <td style="width: 33%; vertical-align: top;"> VRS Plan 2 (Loudoun, Prince William) 5% Federal Government (FERS) 4.9-9.9% City of Alexandria 8% Arlington County 7.5% Prince William County 6.44% </td> </tr> </table>			VRS Hybrid Plan (Loudoun, Prince William) 5-9% Federal Government (FERS) 4.4-9.4% City of Alexandria 7-11% Arlington County 4% FCPS 8-12%	VRS Plan 2 (Loudoun) 5% Federal Government (FERS) 4.9-9.9% City of Alexandria 8% Arlington County 7.5% Prince William County 6.44%	VRS Plan 2 (Loudoun, Prince William) 5% Federal Government (FERS) 4.9-9.9% City of Alexandria 8% Arlington County 7.5% Prince William County 6.44%
VRS Hybrid Plan (Loudoun, Prince William) 5-9% Federal Government (FERS) 4.4-9.4% City of Alexandria 7-11% Arlington County 4% FCPS 8-12%	VRS Plan 2 (Loudoun) 5% Federal Government (FERS) 4.9-9.9% City of Alexandria 8% Arlington County 7.5% Prince William County 6.44%	VRS Plan 2 (Loudoun, Prince William) 5% Federal Government (FERS) 4.9-9.9% City of Alexandria 8% Arlington County 7.5% Prince William County 6.44%			
<p>Previous Related Benefit Changes:</p> <ul style="list-style-type: none"> <li data-bbox="203 1157 604 1186">• N/A <li data-bbox="604 1157 1016 1186">• N/A <li data-bbox="1016 1157 1422 1278">• The employee contribution rate has been reduced from 12.00% to 8.65% since FY 2008 					