Current Provisions vs. House Bill 2095 (Including 8.65% for Last Half of FY15 and No Additional Funding from Expanded Lottery Act Revenue Fund (ELARF))

KPERS State/School Group

FOR ILLUSTRATION PURPOSES ONLY

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
		Employer Contribution Rate			Employer Contribution Amount (In millions)						Bond Debt Service (In millions)		Employer Contribution + Bond Debt Service Amount (In millions)		
					Current										
Fiscal Year	Total Payroll	Current	HB 2095	Effective Rate HB 2095 + Bond Payment (14)/(2)	Payroll Based (2)*(3)	ELARF	Total (6)+(7)	HB 2095 (2)*(4)	Difference (9)-(8)	Present Value[2]	Debt Service Payment[3]	Present Value[2,4]	HB 2095 Contributions + Bond Payment (9)+(12)	Difference from Current Law (14)-(8)	Present Value[2,4]
2015	$ 4,440.00	11.27%	11.27%/8.65%	11.27%/8.65%	$ 500.39	$ -	$ 500.39	$ 442.22	$ (58.16)	$ (62.82)	$ -	$ -	$ 442.22	$ (58.16)	$ (62.82)
2016	4,554.81	12.37% [1]	12.37%	14.35%	563.43	39.67	603.09	563.43	(39.67)	(39.67)	90.30	90.30	653.73	50.64	50.64
2017	4,663.16	13.57% [1]	11.63%	13.57%	632.79	40.56	673.35	542.33	(131.03)	(121.32)	90.30	83.61	632.63	(40.73)	(37.71)
2018	4,784.85	14.77% [1]	12.83%	14.72%	706.72	41.48	748.20	613.90	(134.31)	(115.15)	90.30	77.42	704.20	(44.01)	(37.73)
2019	4,918.20	14.83% [1]	12.18%	14.02%	729.60	42.41	772.01	599.27	(172.75)	(137.13)	90.30	71.68	689.57	(82.45)	(65.45)
2020	5,061.65	14.51% [1]	11.75%	13.54%	734.50	43.37	777.87	594.80	(183.07)	(134.56)	90.30	66.37	685.10	(92.77)	(68.19)
2021	5,215.15	14.19% [1]	11.40%	13.13%	739.97	44.34	784.31	594.47	(189.84)	(129.20)	90.30	61.46	684.77	(99.54)	(67.75)
2022	5,378.89	14.09% [1]	11.30%	12.97%	757.66	45.33	802.99	607.59	(195.40)	(123.14)	90.30	56.90	697.89	(105.10)	(66.23)
2023	5,552.28	13.96% [1]	11.23%	12.86%	775.25	51.59	826.85	623.68	(203.17)	(118.55)	90.30	52.69	713.98	(112.87)	(65.86)
2024	5,734.26	13.85% [1]	11.19%	12.76%	793.98	52.63	846.61	641.45	(205.16)	(110.84)	90.30	48.79	731.75	(114.86)	(62.05)
2025	5,925.05	13.72% [1]	11.14%	12.67%	813.02	53.68	866.70	660.16	(206.54)	(103.32)	90.30	45.17	750.46	(116.24)	(58.15)
2026	6,124.89	13.58%	11.11%	12.59%	831.84	-	831.84	680.55	(151.28)	(70.07)	90.30	41.83	770.85	(60.98)	(28.25)
2027	6,334.01	13.41%	11.07%	12.50%	849.37	-	849.37	701.16	(148.22)	(63.57)	90.30	38.73	791.46	(57.92)	(24.84)
2028	6,553.23	13.21%	11.04%	12.42%	865.54	-	865.54	723.34	(142.21)	(56.47)	90.30	35.86	813.64	(51.91)	(20.61)
2029	6,782.71	12.98%	11.00%	12.33%	880.10	-	880.10	745.80	(134.30)	(49.38)	90.30	33.20	836.10	(44.00)	(16.18)
2030	7,022.28	12.85%	10.94%	12.23%	902.70	-	902.70	768.58	(134.13)	(45.66)	90.30	30.74	858.88	(43.83)	(14.92)
2031	7,271.88	12.74%	10.90%	12.14%	926.12	-	926.12	792.32	(133.80)	(42.18)	90.30	28.47	882.62	(43.50)	(13.71)
2032	7,532.39	12.61%	10.83%	12.03%	949.67	-	949.67	815.59	(134.08)	(39.14)	90.30	26.36	905.89	(43.78)	(12.78)
2033	7,804.13	4.97%	4.38%	5.53%	387.51	-	387.51	341.46	(46.04)	(12.44)	90.30	24.41	431.76	44.26	11.96
2034	8,087.28	3.67%	3.29%	4.41%	297.12	-	297.12	266.38	(30.73)	(7.69)	90.30	22.60	356.68	59.57	14.91
2035	8,382.76	2.36%	2.18%	3.26%	197.81	-	197.81	182.73	(15.09)	(3.50)	90.30	20.92	273.03	75.21	17.43
2036	8,690.60	1.46%	1.42%	2.46%	127.24	-	127.24	123.77	(3.48)	(0.75)	90.30	19.37	214.07	86.82	18.63
2037	9,010.83	1.08%	1.10%	2.10%	97.34	-	97.34	99.15	1.80	0.36	90.30	17.94	189.45	92.10	18.30
2038	9,344.71	0.85%	0.90%	1.87%	79.37	-	79.37	84.04	4.67	0.86	90.30	16.61	174.34	94.97	17.47
2039	9,693.54	0.75%	0.82%	1.75%	72.77	-	72.77	79.56	6.79	1.16	90.30	15.38	169.86	97.09	16.54
2040	10,057.93	0.72%	0.80%	1.70%	72.66	-	72.66	80.70	8.05	1.27	90.30	14.24	171.00	98.35	15.51
2041	10,440.12	0.75%	0.83%	1.69%	77.81	-	77.81	86.16	8.35	1.22	90.30	13.19	176.46	98.65	14.40
2042	10,842.35	0.80%	0.87%	1.70%	86.79	-	86.79	94.38	7.59	1.03	90.30	12.21	184.68	97.89	13.23
2043	11,264.17	0.86%	0.93%	1.73%	96.46	-	96.46	104.34	7.88	0.99	90.30	11.30	194.64	98.18	12.29
2044	11,704.70	0.93%	0.99%	1.77%	109.28	-	109.28	116.31	7.02	0.81	90.30	10.47	206.61	97.32	11.28
2045	12,163.69	1.01%	1.06%	1.80%	123.14	-	123.14	129.22	6.08	0.65	90.30	9.69	219.52	96.38	10.34
2046	12,640.67	1.08%	1.12%	1.12%	136.75	-	136.75	141.80	5.06	0.50	-	-	141.80	5.06	0.50
TOTAL:					$ 15,914.73	$ 455.06	$ 16,369.78	$ 13,640.63	$ (2,729.15)	$ (1,577.70)	$ 2,709.00	$ 1,097.90	$ 16,349.63	$ (20.15)	$ (479.80)

[1] Indicates additional contributions from ELARF are added to this contribution rate to get the total contribution amount shown.

[2] Present Value is calculated as of 12/31/15

[3] Debt Service is based on a 30-year level repayment of a taxable, non-callable $1.5 billion with an all inclusive cost at 4.42%.

[4] Present Value of the debt service payments is calculated as of 12/31/15 using the 8% investment return assumption, as opposed to the assumed bond rate of 4.42%. The total present value of the difference between the alternate plan and current law (column 16) reflects the arbitrage that would be realized if bonds were sold at 4.42% and all actuarial assumptions are met in the future. This does not reflect savings to the State as the investment earnings are in the KPERS trust fund, but debt service payments are from another source.

NOTE: Current and Alternate employer contribution rates and amounts were taken from an exhibit attached to a cost study letter from Cavanaugh Macdonald dated January 27, 2015.