MICHIGAN PUBLIC SCHOOLS EMPLOYEE RETIREMENT SYSTEM

BREAKDOWN OF HISTORICAL RETIREMENT RATE

2012-13

2012 10	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	1999-00	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	2003-04	<u>2004-05</u>	2005-06	<u>2006-07</u>	2007-08	2008-09	2009-10	2010-11*	<u>2010-11**</u>	Hired Pre- 7/1/2010 2011-12	(See No Hired Post 7/1/2010 2011-12	te ***) Hired Pre- 7/1/2010 2012-13	Hired Post 7/1/2010 2012-13
Health Cost Surcharge due to injuction****	3.68%	3.95%	3.98%	4.04%	4.60%	5.55%	6.05%	6.05%	6.05%	6.55%	6.55%	6.55%	6.55%	6.81%	6.81%	7.25%	8.50%	5.50% 3.00%	5.50% 3.00%	5.75% 3.00%	5.75% 3.00%
Normal Pension Cost	7.60%	7.62%	7.14%	6.73%	6.47%	6.42%	6.06%	6.26%	6.26%	6.31%	5.47%	5.49%	5.28%	5.17%	3.98%	3.74%	3.74%	3.47%	2.24%	3.47%	2.24%
Unfunded Pension Cost	3.28%	3.60%	0.00%	0.00%	0.59%	0.19%	0.06%	0.68%	0.68%	2.01%	4.32%	5.70%	4.89%	4.56%	6.15%	8.42%	8.42%	12.49%	12.49%	12.49%	12.49%
Not Charged (subsidized) Early Retirment Incentive Program*****									1.38%	1.73%	0.48%	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00% 2.66%	0.00% 2.66%
Calculated Rate	14.56%	15.17%	11.12%	10.77%	11.66%	12.16%	12.17%	12.99%	14.37%	16.60%	16.82%	18.74%	17.72%	16.54%	16.94%	19.41%	20.66%	24.46%	23.23%	27.37%	26.14%
Less Subsidy	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-1.38%	-1.73%	-0.48%	-1.00%	-1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Actual Rate Charged	14.56%	15.17%	11.12%	10.77%	11.66%	12.16%	12.17%	12.99%	12.99%	14.87%	16.34%	17.74%	16.72%	16.54%	16.94%	19.41%	20.66%	24.46%	23.23%	27.37%	26.14%
Year to Year Increase	N/A	0.61%	-4.05%	-0.35%	0.89%	0.50%	0.01%	0.82%	0.00%	1.88%	1.47%	1.40%	-1.02%	-0.18%	0.40%	2.47%	1.25%	3.80%		2.91%	2.91%

^{*} This rate was in place for the period of October 1, 2010 - October 31, 2010 only

** This rate was in place for the period of November 1, 2010 - September 30, 2011

*** Rate is applied based on date employee was hired due to the intrduction of the "Hybrid" or "Pension Plus" Plan

**** This rate is being applied to the employer rate during the period of a lawsuit on the legitimacy of Pension Reform legislation that requires a 3% employee contribution toward the retiree health care funding

**** This rate is being applied to fund the retirment incentive offered during FY2010