

PSERS UPDATE:

To: Board of Directors, Dr. Glasspool, Dr. Rossi, Mr. Brewer
CC: Mr. Price
From: Eugene J. Marraccini
Date: 10/22/2013
Re: PSERS & Plum - Looking backwards and forward.



Plum's PSERS pension contributions costs has become a big ticket budget item over the past few years. In 2008-09 the District's full contribution rate was 4.76%, of total payroll or a net rate of 2.37% after the fifty percent (50%) state reimbursement factor. This cost is currently at **16.93% or 8.465%** after state reimbursement.

This fiscal year (2013-14) the district budgeted to pay \$4,757,054 in employer's PSERS contributions (\$28,098,370 salaries and wages times 16.93%) or a net rate 8.465% after the fifty percent (50%) state reimbursement and will be **21.31%** or a net rate of **10.065%**. The situation is amplified by increasing wages.

Projecting the PSERS impact for the 2014-15 General Fund Budget is a little more difficult because of upcoming negotiations unknowns for teachers, secretaries, custodians, paraprofessionals, food service workers and Cook Managers and Act 93 administrators. I am conservatively projecting the total wages for 2014-15 at \$28,250,000, up from \$28,098,390 budgeted 2013-14 wages.

The PSERS full rate is increasing from 16.93% to 21.31% which presents a **+26.55 %** increase. The net increase after state reimbursement equates to an additional cost to the district of **\$631,510** (\$3,010,038 less \$2,378,527).

Bottom Line: The District is anticipating to pay a net total of **\$ 3,010,038 in PSERS** contributions for 2014-15, after state reimbursement (\$28,250,000M payroll times 21.31% times 50%).

October 11, 2013

Total District Wages	PSERS Employers' Rate	Plum Total PSERS Contribution	Less: 50% State Reimbursement	Net PSERS Contributions	Plum's PSERS Increases (\$)	Percent of Incr. Over Prior Yrs.
\$ 27,471,759	8.65%	\$ 2,376,307	\$ 1,188,154	\$ 1,188,154	N/A	N/A
\$ 28,146,678	12.36%	\$ 3,478,929	\$ 1,739,465	\$ 1,739,465	\$ 551,311	46.40%
\$ 28,098,370	16.93%	\$ 4,757,054	\$ 2,378,527	\$ 2,378,527	\$ 639,062	36.74%
\$ 28,250,000	21.31%	\$ 6,020,075	\$ 3,010,038	\$ 3,010,038	\$ 631,510	26.55%

Plum Borough School District
PSERS CONTRIBUTIONS

**PSERS NET COST AND INCREASES TO DISTRICT
2011-12 TO 2014-15**

PSERS - EMPLOYER'S SHARE HISTORY AND PROJECTIONS
(AT 50% TO ADJUST FOR STATE REIMBURSEMENTS)

