PSERS UPDATE:

To:

Board of Directors, Dr. Glasspool, Dr. Rossi, Mr. Brewer

CC:

Mr. Price

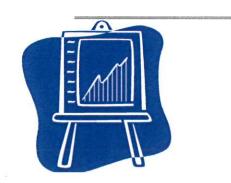
From: Eugene J. Marraccini

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'	Plum Total PSERS Contribution		Less: 50% State	Net PSERS Contributions		Plum's PSERS Increases (\$)		Percent of Incr. Over Prior Yrs.
		Rate			Reimbursement					
\$	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%

