

CHECKLIST OF STATE DEFINED BENEFIT, DEFINED CONTRIBUTION AND HYBRID PLANS FOR STATE EMPLOYEES AND TEACHERS

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National Conference of State Legislatures

August 2012

This document lists retirement plans that cover general state employees and teachers in K-12 education. Some of the plans counted here may cover additional categories of employees. The lists exclude plans limited to public safety employees, judges, elected officials and employees of higher education, for whom many states have separate plans or provisions. In some of the states listed below, the plans cover all public employees in a state, including local government employees.¹

- Defined benefit (DB) plans are the traditional pension plans that provide a lifelong annuity upon retirement, usually pinned to final earnings and length of service.
- Defined contribution (DC) plans provide individual retirement accounts, to which (in the public sector) employers and generally employees make contributions, and which, with accumulated investment returns, provide the basis for a retirement benefit.
- Hybrid plans combine elements of both, and in turn, take two forms in the public sector.²
 - In one form, members are eligible for both a DB and a DC plan. In some cases (plans found in Indiana, Oregon and Washington, for example), both components are mandatory. Employer contributions finance the defined benefit annuity and employee contributions accumulate in an individual retirement account. In the Utah version, employer contributions fund both components of the plan. In the hybrid plans created in 2008 for state employees in Georgia and in 2010 for school employees in Michigan, the defined benefit component of the hybrid plan is mandatory and the defined contribution component is optional. In the Virginia plan adopted in 2012, both components are mandatory, and employers and employees will contribute to both components of the plan.
 - Cash balance plans are a second form of hybrid plan. Like defined contribution plans, they provide each member with an individual account to which, in the public sector, both employees and employers make contributions. Funds in the members' accounts are pooled for investment purposes, members' balances are guaranteed, and members are guaranteed an annual rate of return.

Table 1 summarizes information on the kinds of statewide retirement plans. Table 2 provides information for state employee plans, and Table 3 provides comparable information for plans that cover teachers.

¹For membership of plans, see Wisconsin Legislative Council, *2010 Comparative Study of Major Public Employee Retirement System* (Madison, Wisconsin: December, 2011).
http://legis.wisconsin.gov/lc/publications/crs/2010_retirement.pdf

² See *State Hybrid Retirement Plans*, National Association of State Retirement Administrators Issue Brief, November, 2011. <http://www.nasra.org/resources/HybridBrief.pdf>

The counts in the three charts refer to plans for people who enter plan membership. In some instances, legislation in 2011 or 2012 established new plans that will become effective for new employees in the near future. In such instances, only the new plans have been counted in the three tables. The date the new plan takes effect appears next to the name of the state in Tables 2 and 3. In most states where defined contribution plans or hybrid plans are mandatory for those who enter the workforce, defined benefit plans continue in effect for people who entered the state workforce at some earlier time.

TABLE 1. DISTRIBUTION OF DEFINED BENEFIT, DEFINED CONTRIBUTION AND HYBRID PLANS BY STATE ³		
Plan Characteristics	State Employees' Plans	State Teachers' Plans
DB plan only	33 ⁴	40
DC plan only	3	1
Cash balance plan only	3	1
DB/DC hybrid only	4	5
Option: DB plan or DC plan	6	1
Option: DB plan or DB/DC hybrid	1	-
Option: DB plan or cash balance plan	-	1
Option: DC plan or DB/DC hybrid	1	2
Option: DB plan, DC plan or DB/DC hybrid	1	1

³ The table includes information for the District of Columbia and Puerto Rico

⁴ This number includes New Jersey, where, depending on amount of compensation, some employees are eligible for stacked defined benefit and defined contribution plans.

TABLE 2. DB, DC, AND HYBRID PLANS FOR STATE EMPLOYEES, BY STATE

	Defined Benefit Plan Available to Full-time State Employees	Optional or Mandatory Defined Contribution Plan	Other
Alabama	X		
Alaska		Mandatory	
Arizona	X		
Arkansas	X		
California	X		
Colorado	X	Optional	
Connecticut	X		
Delaware	X		
Florida	X	Optional	
Georgia			Mandatory DB/DC hybrid
Hawaii	X		
Idaho	X		
Illinois	X		
Indiana		Optional	Optional DB/DC hybrid
Iowa	X		
Kansas as of 1/1/15			Mandatory cash balance plan
Kentucky	X		
Louisiana as of 7/1/13			Mandatory cash balance plan
Maine	X		
Maryland	X		
Massachusetts	X		
Michigan		Mandatory	
Minnesota	X		
Mississippi	X		
Missouri	X		
Montana	X	Optional	
Nebraska			Mandatory cash-balance plan
Nevada	X		
New Hampshire	X		
New Jersey	X		
New Mexico	X		
New York	X		
North Carolina	X		

North Dakota	X	Optional	
Ohio	X	Optional	Optional DB/DC hybrid
Oklahoma	X		
Oregon			Mandatory DB/DC hybrid
Pennsylvania	X		
Rhode Island as of 7/1/12			Mandatory DB/DC hybrid
South Carolina	X	Optional	
South Dakota	X		
Tennessee	X		
Texas	X		
Utah		Optional	Optional DB/DC hybrid
Vermont	X		
Virginia as of 1/1/14			Mandatory DB/DC hybrid
Washington	X		Optional DB/DC hybrid
West Virginia	X		
Wisconsin	X		
Wyoming	X		
Washington, DC		Mandatory	
Puerto Rico	X		

**TABLE 3. DB, DC, AND HYBRID PLANS FOR PUBLIC SCHOOL TEACHERS, BY STATE
(EXCLUDES HIGHER EDUCATION)**

	Defined Benefit Plan Available to Teachers	Optional or Mandatory Defined Contribution Plan	Other
Alabama	X		
Alaska		Mandatory	
Arizona	X		
Arkansas	X		
California	X		
Colorado	X		
Connecticut	X		
Delaware	X		
Florida	X	Optional	
Georgia	X		
Hawaii	X		
Idaho	X		
Illinois	X		
Indiana			Mandatory DB/DC hybrid
Iowa	X		
Kansas as of 1/1/15			Mandatory cash balance plan
Kentucky	X		
Louisiana as of 7/1/13	X		Optional cash balance plan
Maine	X		
Maryland	X		
Massachusetts	X		
Michigan as of 9/4/12		Optional	Optional DB/DC hybrid
Minnesota	X		
Mississippi	X		
Missouri	X		
Montana	X		
Nebraska	X		
Nevada	X		
New Hampshire	X		
New Jersey	X		
New Mexico	X		
New York	X		
North Carolina	X		

North Dakota	X		
Ohio	X	Optional	Optional DB/DC hybrid
Oklahoma	X		
Oregon			Mandatory DB/DC hybrid
Pennsylvania	X		
Rhode Island as of 7/1/12			Mandatory DB/DC hybrid
South Carolina	X		
South Dakota	X		
Tennessee	X		
Texas	X		
Utah		Optional	Optional DB/DC hybrid
Vermont	X		
Virginia as of 1/1/14			Mandatory DB/DC hybrid
Washington			Mandatory DB/DC hybrid
West Virginia	X		
Wisconsin	X		
Wyoming	X		
Washington, DC	X		
Puerto Rico	X		