

## Retirement Rate Calculations - Judiciary

### Judiciary Methodology

Judiciary is asking for \$232,398 based on the following methodology

- ((Total Salary – DC plan participants) \* (new retirement rate)) – previous DB only retirement budget total
  - $((\$25,251,466 - \$4,503,372) * 21.4\%) - \$4,207,694 = \mathbf{\$232,398}$

**But . . .**

This methodology does not control for non-General Fund positions or the phased implementation of increased retirement rates.<sup>1</sup>

- (DB only Salary total – DB only Non General Fund salaries) \* controlled retirement rate
  - $(\$20,748,094 - \$2,077,436) * 20.93\% = \mathbf{122,238}$

### FY19 Actuals

- Judiciary projected a \$242,226 increase in retirement costs for FY19, but their actual increase was \$36K – only 14.7% of their projection.<sup>2</sup>
- They are currently running a vacancy savings rate of approximately 10% while budgeting 2.4% in vacancy savings (\$912,549 budgeted in vacancy savings for \$37,586,778 in total salary and benefit budgeted costs).
- Their FY19 actuals for salaries was \$23,334,644 (including temp costs), while their FY19 budget for salaries was \$24,692,379 (not including temps), for a positive balance in their salaries account code of \$1,357,735.

### FY20 Projections

- In reviewing FY20 YTD actuals, Finance & Management projects Judiciary will have a positive balance in their retirement account of at least \$53K<sup>3</sup>.
- In the last two years Judiciary has had carryforward amounts of \$1.1M (FY18) and \$1.98M (FY19).
- Judiciary has their own Pay Act appropriation of \$1,090,441 for FY20 – which is 2.1% of their total FY20 budget.

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<sup>1</sup> There were 2 pay periods at 18.71%, 6 at 20.28%, and 18 at 21.4% - which is an effective retirement rate of 20.93%.

<sup>2</sup> Worth noting is that they had a positive balance in their FICA account code of \$42,121, which itself can more than cover that FY19 retirement impact.

<sup>3</sup> This analysis takes YTD costs for the retirement account code (up until 1/2 pay date), projects based on remaining pay periods (including the 1.35% COLA increase in January) and controlling for DB portion of retirement population (82%)