

State	Funded Ratio	Shared Risk Provision	Fund Referenced
DC	118%	Unsure	<a href="#">DCRB</a>
		Hybrid Plan, Actuarial Stabilization Account, Variable COLA, Variable Contribution Rates, Reduction in Benefit Accruals, Moving Employer Contributions from the DC plan	
TN	115%	to the DB plan, Plan Closure if Necessary	<a href="#">TCRS</a>
		State Contribution if payroll contributions do not meet the actuarial required	
NE	107%	contribution, Annuity Rate Changes, Variable COLA	<a href="#">NPERS</a>
		Variable Contribution Rates, Annuity Adjustments, Annual Dividend based on pension	
WI	106%	performance instead of normal COLA	<a href="#">WRS</a>
WA	103%	Hybrid Plan Option, Variable Contribution Rates, Variable COLA	<a href="#">WDRS</a>
		Hybrid Plan, Employer Contribution to Amortize Older Plan, Variable Contribution	
UT	100%	Rates	<a href="#">URS</a>
SD	100%	Variable COLA	<a href="#">SDRS</a>
WV	100%	No automatic COLA	<a href="#">WVCPRB</a>
MN	95%	Capped COLA of 1.5%	<a href="#">MSRS</a>
NC	94%	Variable COLA, Variable Contribution Rates	<a href="#">NCRS</a>
NY	94%	Variable Capped COLA, Variable Contribution Rates	<a href="#">NYSLRS</a>
DE	93%	No automatic COLA	<a href="#">DPERS</a>
IA	93%	Variable Contribution Rates	<a href="#">IPERS</a>
VA	93%	Hybrid Plan, Capped COLA	<a href="#">VRS</a>
WY	92%	Variable Contribution Rates	<a href="#">WRS</a>
ID	91%	Variable Contribution Rates	<a href="#">PERSI</a>
ME	91%	Variable Contribution Rates and Variable COLA based on actuarial experience	<a href="#">MainePERS</a>
OK	90%	Variable COLA approved by Legislature	<a href="#">OKPERS</a>
AR	87%	Variable COLA and Benefit Calculations	<a href="#">APERS</a>
NV	86%	Variable Contribution Rates, Reduced Benefits for New Hires	<a href="#">NVPERS</a>
		Hybrid System, Employee Pension Stability Account offsets employer contribution	
OR	86%	hikes	<a href="#">Oregon PERS</a>
FL	86%	No COLA benefit for employment after July 2011	<a href="#">FRS</a>
GA	85%	Hybrid Plan, Variable COLA	<a href="#">ERSGA</a>
CA	84%	Mandatory Risk Pool Participation for small employers, Variable Contribution Rates	<a href="#">CalPERS</a>
		New Employees are on a Cash Balance Plan, longer vesting period and relatively higher	
KS	84%	contribution rate	<a href="#">KPERS</a>
		Hybrid Plan, Pension Stabilization Fund, Variable Contribution Rates, No automatic	
IN	84%	COLA	<a href="#">INPRS</a>
OH	84%	Variable Contribution Rates	<a href="#">OPERS</a>
MO	83%	Variable Contribution Rates	<a href="#">MOSERS</a>
TX	82%	No automatic COLA	<a href="#">Texas ERS</a>
LA	82%	COLA tied to Funded Level of Pension	<a href="#">LASERS</a>
		Variable Contribution Rates, Possible Increases of the Normal Retirement Age, Plan	
MI	82%	Closure to new members if it fails to reach a specific funding ratio consistently	<a href="#">MPERS</a>

Organization	Title	Publishing Date	Link
NASRA	In-depth: Risk Sharing in Public Retirement Pland	2018	<a href="https://www.nasra.org/files/Spotlight/Risk%20Sharing%20in%20Public%20Retirement%20Plans.pdf">https://www.nasra.org/files/Spotlight/Risk%20Sharing%20in%20Public%20Retirement%20Plans.pdf</a>
NPERS	Nebraska PERS Actuarial Valuation Results	2025	<a href="https://npers.ne.gov/SelfService/public/howto/publications/ActuarialReports/ActuaryState2025.pdf">https://npers.ne.gov/SelfService/public/howto/publications/ActuarialReports/ActuaryState2025.pdf</a>
NC Treasurer	Press Release	2026	<a href="https://www.nctreasurer.gov/news/press-releases/2026/01/29/nc-retirement-systems-boards-vote-changes-make-retiree-colas-easier">https://www.nctreasurer.gov/news/press-releases/2026/01/29/nc-retirement-systems-boards-vote-changes-make-retiree-colas-easier</a>
Equable	State of Pensions End of Year Update - January	2025	<a href="https://equable.org/wp-content/uploads/2026/01/State-of-Pensions-2025-January-Update-Final.pdf">https://equable.org/wp-content/uploads/2026/01/State-of-Pensions-2025-January-Update-Final.pdf</a>
NY State Comptroller	NYSLRS Announces Employer Contrubution Rates	2025	<a href="https://www.osc.ny.gov/press/releases/2025/09/nyslrs-announces-employer-contribution-rates-sfy-2026-27">https://www.osc.ny.gov/press/releases/2025/09/nyslrs-announces-employer-contribution-rates-sfy-2026-27</a>
IPERS	IPERS Did You Know		<a href="https://ipers.org/about/ipers-did-you-know">https://ipers.org/about/ipers-did-you-know</a>
Wyoming	2025 Report	2025	<a href="https://retirement.wyo.gov/wp-content/uploads/2025-Summary-Report.pdf">https://retirement.wyo.gov/wp-content/uploads/2025-Summary-Report.pdf</a>
Equable	Arkansas Pension Laws	2021	<a href="https://equable.org/arkansas-pension-laws/">https://equable.org/arkansas-pension-laws/</a>
AARP	AARP In The States: Public Employees Retirement System of Nevada	2025	<a href="https://www.nirsonline.org/wp-content/uploads/2025/01/AARP-In-The-States-Snapshot-NV-Public-Employee-Retirement-System-1.pdf">https://www.nirsonline.org/wp-content/uploads/2025/01/AARP-In-The-States-Snapshot-NV-Public-Employee-Retirement-System-1.pdf</a>
CalPERS	CalPERS Risk Pooling		<a href="https://www.calpers.ca.gov/employers/actuarial-resources/risk-pooling">https://www.calpers.ca.gov/employers/actuarial-resources/risk-pooling</a>
Kansas Legislature	Reviewing KPERS 3 Retirement Plan	2024	<a href="https://www.kslpa.gov/wp-content/uploads/2024/02/R-24-003-KPERS-3.pdf">https://www.kslpa.gov/wp-content/uploads/2024/02/R-24-003-KPERS-3.pdf</a>
IPRS	Understanding Indiana's Largest Pension System	2024	<a href="https://www.in.gov/inprs/files/UnderstandingINPRS_DBPensionPlans.pdf">https://www.in.gov/inprs/files/UnderstandingINPRS_DBPensionPlans.pdf</a>
LASERS	LASERS Benefits Louisiana	2025	<a href="https://lasersonline.org/wp-content/uploads/2025/01/LASERSBenefitsLA0126web.pdf">https://lasersonline.org/wp-content/uploads/2025/01/LASERSBenefitsLA0126web.pdf</a>
Minnesota Legislature	SF 3192; HF 2821 Analysis	2025	<a href="https://www.lcpr.mn.gov/documents/mtgmaterials/2025/S3192-H2821_Summary.pdf">https://www.lcpr.mn.gov/documents/mtgmaterials/2025/S3192-H2821_Summary.pdf</a>

**From:** [Angela Rowe](#)  
**To:** [chuck.kopp@akleg.gov](mailto:chuck.kopp@akleg.gov)  
**Cc:** [Julia OConnor](#)  
**Subject:** Defined Benefit Plan Information  
**Date:** Thursday, March 5, 2026 2:20:29 AM  
**Attachments:** [Outlook-fmco5psc.png](#)  
[Outlook-2zhu1ojh.png](#)  
[Outlook-coxw0d11.png](#)  
[Outlook-oazs1nx3.png](#)  
[Outlook-zves3phb.png](#)  
[Outlook-crzdvir3.png](#)  
[image.png](#)  
[Risk Sharing Provisions.xlsx](#)

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Hi Representative Kopp,

I received an email from my colleague Sydne regarding you seeking information about defined benefit plans and how other states have structured their plans. I previously was in contact with one of your colleagues, Gary Zepp, and provided him with some information regarding defined benefit plans, which I've copied below. Sydne didn't provide me with much detail as to what you were looking for, so I'm sharing what I compiled for Gary. After you review this, if you have any questions or need additional information, please let me know!

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The tables below provide a brief, high-level overview of the pros and cons of both defined benefit (DB) and defined contribution (DC) plans. This information is based on various non-partisan resources (National Institute on Retirement Security, NASRA, Pew, the Economic Policy Institute, etc) but please note that this is highly simplified and does not capture all the variations or nuances across plan design.

#### Defined Benefit Plans

PROS	CONS
Guaranteed lifetime income	Less portable
Employer bears risk	Higher employer risk
Risk pooling	Funding Costs
Positive impact on recruitment and retention	Uncommon in private sector

#### Defined Contribution Plans

PROS	CONS
Portable savings	No guaranteed income/retirement uncertainty
Employee control and transparency	Employee bears investment risk
Cost predictability	Employee bears longevity risk
High coverage rates (more employers offer them)	Investment decision complexity

Defined contribution plans—and the number of participants enrolled in them—have continued to grow, especially in the private sector, while defined benefit plans remain prevalent in the public sector. However, alternative plan designs are also on the rise, and more states are starting to consider [other types of retirement plans](#), including hybrid and cash balance plans. For example, in 2025 [Mississippi enacted legislation](#) to create a new hybrid tier for the Public Employees' Retirement System, combining a reduced DB portion with a DC component for new hires.

According to comprehensive [research from the National Institute on Retirement Security \(NIRS\)](#), DC plans have more cost predictability than DB plans but are less cost effective. Costs are more predictable with DC plans because contribution rates are set in advance as a fixed percentage of payroll, and the employer's obligation generally ends once contributions are made. Government entities are not responsible for investment shortfalls and do not need to fund or manage actuarial assessments of plan funding status.

The [same NIRS study](#) found that defined benefit pensions can deliver the same retirement income at about 49% lower cost than defined contribution accounts. The savings come from longevity risk pooling (about 7%), maintaining diversified, optimally balanced portfolios over time rather than shifting to lower-return assets (about 12%), and higher net investment returns due to professional management and lower fees (about 30%).

At the same time, many nonpartisan organizations (including NIRS, NASRA, and Pew) emphasize that plan design and specific features often matter more than the plan type itself.

A number of states and municipalities have switched from defined contribution (DC) plans back to defined benefit (DB) plans-- though you'll notice that most often these changes are for specific professions, such as law enforcement or corrections- including Palm Beach (Florida), Branford (Connecticut), San Diego (California), and Memphis (Tennessee). In each case, DB plans had previously been closed to certain public employees, but after facing significant recruitment and retention challenges, the cities chose to reopen or restore these plans for certain employees. For ease, I've summarized these changes and when available, each cities buyback/conversion mechanism. (Please note that this chart is representative, not exhaustive; not every municipality that has switched back to a DB plan is listed below).

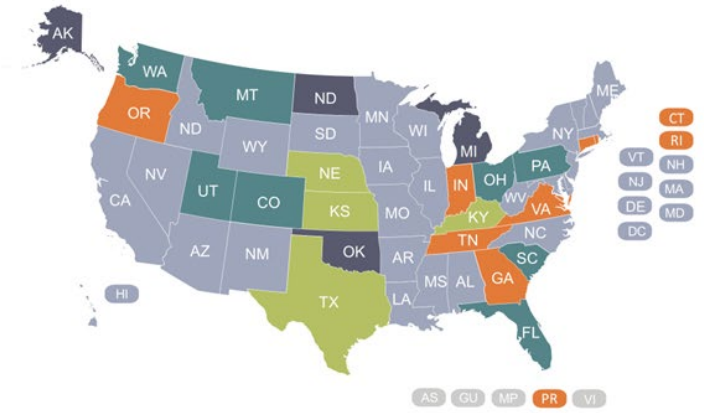
City / State	Plan Change	Year Reopened / Restored DB Plan	Buyback / Conversion Mechanism
<a href="#">Palm Beach, FL</a>	Hybrid plan → DB plan for public safety officers	2016	No publicly documented buyback mechanism; research focuses on recruitment and retention impacts rather than conversion rules
<a href="#">Branford, CT</a>	DC plan → DB plan for public safety officers	2019	Officers hired under DC system received DB pension credit from original hire date; DC account funds applied to offset pension liabilities
<a href="#">San Diego, CA</a>	DC plan → DB plan for city employees (except police initially)	2021	Employees hired 2012–2021 could purchase service credit during a limited election window; funds deposited into DB accounts, interest earned; union agreements included make-whole provisions and 7% penalty in some cases
<a href="#">Meadville, PA</a>	DC plan → DB plan for police officers	2022	<i>Buyback is tied to the police DB restoration contract allows officers to purchase prior city service, military service, and certain leave toward pension credit, with payment terms set in the contract and a limited election window following plan adoption</i>
<a href="#">Memphis, TN</a>	Hybrid/DC plan → DB plan (1978 plan) for public safety	2023	One-time irrevocable election to return to DB plan; all years of service credited as if always in DB plan; DC account balances transferred to pension trust
<a href="#">West Haven, CT</a>	Local MD/Union negotiations reinstating pensions for police officers	2023-2025	Negotiated conversion allowed police to regain pension benefits and purchase past service under defined terms
<a href="#">Maricopa County, AZ</a>	DC plan → DB plan for detention and corrections officers	2024	No explicit statutory buyback window for past DC service is described directly in <a href="#">HB 2203</a> 's legislative text or the public summaries available. The bill transfers affected employees into CORP, bringing those members into the DB system rather than leaving them in a DC plan

You'll also find a spreadsheet attached to this email that my colleague Landon created. It details all the pension plans with funding ratios above 80% that also have risk sharing provisions. It includes the state, name of the plan, funded ratio and what type of risk sharing provisions are embedded in the plan. Please note that there were a few states that had funding above 80% but for which we were unable to find risk sharing provisions – at least in publicly available information. However, we're hopeful that the information provided will be sufficient for your purposes.

Lastly, I've included a map that shows the primary retirement plan in each state. The colors in the map legend, however, show only states that have a non-DB plan as their primary plan. I did this to simplify things, as some states have cash balance plans or hybrid plans, while others have DC only or allow employees to choose between plan types. The states in light purple (the color not included in the map legend) all have DB plans as their primary plan.

# Statewide Retirement Plan Designs

(Non-Defined Benefit)



Because this can get a bit nuanced, I also included a recent publication from NASRA that provides an overview of the primary plan in each state in more detail than was possible with a map (e.g. some states have DB plans for teachers or other specific professions, but DC or hybrid plans for all other public employees). If you have

any questions or would like detail beyond what is covered in the map, I'd highly recommend checking out this overview.

Again, I hope this information is helpful, but should you have additional questions or would like more information before the committee hearing, please don't hesitate to reach out!

Warmly,

**Angela Rowe**

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