Pensions
More Than You Wanted to Know

by Bob Nash, National FOP Research Section
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In my early years as a negotiator for our Lodge, from time to time a member would ask, "If you can't get us a raise this year, maybe you can get us a pension improvement." This member's question reflects a common misconception about pension provisions—a belief that somehow, because a pension benefit is deferred, that its cost is also. In fact, pension improvements must be funded from their inception and represent the same basic issue as a pay improvement or any other item requiring funding. Pension issues are all MONEY issues. For example, if the cost of reducing an average wage calculation from three years to two years is actuarially determined to cost 3% of payroll and the employer is only capable of a 3% increase in employee compensation, negotiators, given that there are no other funding sources, are faced with a choice of having that 3% go to purchasing the pension improvement or forgoing the pension improvement and taking the 3% in wages or another benefit. All pension improvements have a cost. In this article, we will give members a good overview of the many issues surrounding police pensions. We will also answer some of the more common questions members have about pensions. How are they funded? What are actuarial assumptions? What is vesting? What is the difference between a defined benefit plan and a defined contribution plan?

As stated earlier, when you talk about pensions, you are talking about money, and, often, lots of it. Pension benefits are employee compensation, albeit deferred compensation. Money must be collected today for the benefits that will be paid to members in their future retirement. That money must also be invested so as to maximize the pension fund's growth while minimizing unacceptable risk. Therefore, most pension oversight committees will call upon two types of consultants. One is a pension actuary, who evaluates an array of financial data that impact upon a given pension plan, called actuarial assumptions, and then makes recommendations on the appropriate level of contributions that should be made to keep the pension funded on a financially sound basis. The second consultant is an investment advisor whose job it is to make sure that the money sitting in the pension fund is wisely invested to achieve competitive growth. Any Lodge wishing to seriously discuss pension issues will definitely need the services of an actuary with whom to consult. You may also need the services of an investment advisor if questions arise about the investment returns of your pension fund or if you have reason to suspect the funds are being invested unwisely. You might remember in 1994 when Orange County, California filed for bankruptcy after a seven-term County Treasurer lost $1.5 billion dollars invested in derivatives (a very high risk investment much like commodity futures, only for stock prices). "This action froze funds in 185 school districts, towns, and local agencies, casting doubt on pensions and payrolls for everyone from teachers to trash haulers."[1] (We presume this included police officers as well.)

As we will discuss later, making a change in one provision of a pension plan can automatically change other factors. For instance, lowering the service requirement for being eligible to receive a pension not only increases the cost of the employee's basic pension benefit, but also increases the cost of any cost-of-living adjustment that may be in the plan as well. Actuaries set up computer models to track all the assumptions. One pension we will show you has 27 different actuarial assumptions. All these factors must be taken into account when contemplating pension changes.

Retirement Benefits: Defined Benefits vs. Defined Contributions

According to a 1990 survey of State and local governments conducted by the Bureau of Labor Statistics, 97% of all full-time police officers and firefighters were covered by a retirement plan. Ninety-two percent of full-time police officers and firefighters were covered by a defined benefit pension plan. Twenty-one percent of those were fully funded by the employing entity, with another 72% partially financed by the

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[1] "The California Wipeout," TIME, December 19, 1994, Volume 144, No. 25.

employer. Another 13% of police and firefighters were covered by defined contribution plans, 1% fully funded by the employer, the other 12% partially funded by their employers. Three percent participated in both types of plans.[2]

The differences between a defined benefit plan and a defined contribution plan are for the most part summarized as their names imply. A defined benefit plan guarantees a certain retirement benefit usually calculated by a predetermined formula that includes such factors as "salary" and/or "years of service." In defined benefit plans, the employer bears the risks related to fluctuations in pension fund earnings on investments. In defined contribution plans, the employer and/or employee are required to contribute a specific amount of money to a plan. Each employee has a separate account. The eventual amount of benefit paid to the employee is determined by the total amount of funds contributed to that account plus its earnings on investments. Here, the risk associated with fluctuations in investment earnings is borne by the employee.

DEFINED BENEFIT PLANS

The vast majority of police officers, as noted above, are participants in Defined Benefit retirement plans. The benefits officers receive are generally based on calculations using factors related to a "final wage" and service time. Final wage may be defined as anything from an employee's salary for the last year they were employed, including overtime and other additional income, to an average of the employee's salary for his or her highest five consecutive years of employment (or anything between or near the two). Most typically, 69% of the time[3], final average earnings or "terminal earnings" are defined as the average of the three consecutive years that produced the employee's highest earnings. This is the figure that is then used to calculate an employee's benefit.

These "final average earnings" are then normally multiplied by some fixed percentage for each year of service. For police officers, the average percentage rate was 2.2%.

Example: Officer Retirement Ray has decided to take his pension. During old Retirement's top three consecutive years of service, he earned $36,300, $38,400, and $41,500 for an "average final earnings" of $38,733. If Officer Ray had been employed by the Village of Laidback for 27 years, and the Village police pension provided our average service credit of 2.2% per year, Ray's pension benefit would be calculated using the following formula:

						Annual Benefit
(Yrs. of service)	x	(Service credit/yr.)	x	(Final avg. wage)	=	
(27)	x	(2.2%)	x	($38,733)	=	
(59.4%)			x	($38,733)	=	$23,007.40

This provides us a good opportunity to discuss final average compensation and its effect on salary replacement ratios. Salary replacement ratio is defined as the percentage of one's salary that is replaced by his or her pension benefit. It is one of the best measures of a pension's true value. Salary replacement is affected by the number of years of service used in calculating a retiree's final average compensation. If you will look at the example above, you will see that although Ray's pension was 59.4% of his final average wage of three years, $38,733, the annual pension benefit Ray will receive actually only replaces 55.4% of Ray's final year's salary of $41,500. This lowering of a benefit's actual salary replacement value is exacerbated as wage increases become greater (a factor most prevalent in high inflation years). This averaging effect also becomes greater, given that there are regular salary increases, with the greater number of years used to determine final average wage. From an employee representative's perspective, the best pension formula would use an employee's highest single year for benefit calculations. Employer's

[2] "Employee Benefits in State and Local Governments, 1990," U.S. Department of Labor, Bureau of Labor Statistics, February 1992, Bulletin 2398.
[3] Employee Benefits in State and Local Governments, 1990," U.S. Department of Labor, Bureau of Labor Statistics, February 1992, Bulletin 2398, pg. 71.

resist this type of formula for fear that employee's will "pad" their final year with increased overtime and the like to increase their pension benefit. The main point is that as an employee representative, you want to keep the number of years used in wage calculations to a minimum. (There will be more discussion of salary replacement ratio in the section on Social Security integration.)

Payout Options

Social Security Integration

Although most police and fire pensions are not integrated with Social Security, some are. Benefits provided by these types of plans often are reduced when a retiree begins collecting social security benefits. It may be a dollar-for-dollar reduction or a recalculation of the pension using a reduced service credit—say, 1.75% instead of a 2.2% service credit. In the Bureau of Labor Statistics survey on police pensions, although 63% were participating in Social Security, only 3% had integrated formulas. The study also demonstrated the benefits of being covered both by a pension and Social Security. For instance, for a group retiring after 25 years of service, the average salary replacement of the pension benefit for those pensioners also covered by Social Security was about 43%. For those not covered by Social Security, the salary replacement ratio was about 50%. For those receiving pension benefits plus Social Security, the replacement ratio increased to about 70% of salary.

The current return on Social Security is extremely good. Most persons make back their investment in about five years. Obviously, if you have watched the news lately, Social Security and its benefits will very likely be undergoing some major overhauling. This more than likely will mean some reductions in benefits. As a professional association representing rank and file interests, we will need to watch these changes very closely.

In plans with a Social Security offset, members will often say that the offset is "unfair." They feel that they have earned their pension and that they have also earned their Social Security. Therefore, one should not affect the other. However, once again, it must be remembered that every pension feature has a price tag. In plans with Social Security offsets, that offset has been calculated into the cost (or, more correctly, the cost reduction) of the plan. There is a cost involved in abolishing such an offset. It may be as much as an additional 2% or 3% of payroll. One might say it is unfair not to have a car without air conditioning. However, if you want air conditioning, someone has to pay for it. Likewise with pension enhancements.

Spousal Options

Also, a pensioner's benefit may be reduced if he or she chooses an option that provides a spousal benefit. A pension is a benefit that is calculated as an employee benefit and is actuarially calculated based solely on the employee's lifetime. If an employee also chooses to provide a benefit for a spouse, that benefit would normally be assumed to have to be paid out for a longer period of time. Therefore, the amount of the benefit is generally reduced by an actuarial formula which takes into account the age and gender of the spouse and the particular spousal benefit chosen. A rule of thumb is that such reductions would average around 15 or 20 percent for an option that provided for a benefit that would remain constant upon the death of the retiree. For instance, if Retirement Ray decided that he wanted to have his wife continue to receive a pension benefit equal to his should he die before she did, his pension benefit would be reduced to something in the neighborhood of 80% of $23,007, or $18,405 per year. There are usually other options available that would reduce a spouse's benefit by half or leave the spouse no benefit at all. The exact reduction in the annual pension benefit, or cost of these options, is determined by referencing actuarial tables that take into account the age of the spouse and attempts to project how much longer a benefit would be paid out.

"Pop Ups"

Most defined benefit plans also offer several other pay-out options that can also impact a pensioner's benefit such as "pop ups." Since Retirement Ray's pension was reduced because he decided that he wanted his spouse to continue to collect his benefit in the event he died before she did, he may want to build in some protection for himself should his wife pass away first. A "pop up" provision would allow for Retirement Ray's pension benefit to go back up to a benefit close to the $23,007 figure should his spouse die first. Like all benefits, "pop ups" cost money, too. However, they are usually quite low—somewhere in the 0.2% of payroll range.

Drop Plans or Deferred Retirement Options

Although still quite rare, Deferred Retirement Options or "drop plans" appear to be a growing trend in benefit plans. It is a pension option which provides, in lieu of an immediate pension benefit, a tax deferred savings plan and, at least in theory, a deferred retirement.

A typical scenario might be that an employee has the option of retiring with a full pension benefit at 20 years of service. Instead of retiring at that time and starting to receive his or her earned benefit, the employee may choose to announce, and sign a contract stating, that he or she will retire in one year, three years, or five years. At this time, the employee's vested pension benefit is frozen and locked in at the level equal to which he or she would have been entitled if the employee had, in fact, retired at that moment. That pension benefit is then placed in a tax deferred account in the employee's name. If the employee has been contributing to the pension plan, those contributions stop. (One Pension Board representative we talked to whose plan offered this option stated that they are looking at having the employee contribution continue, as this money would then remain tax deferred and would further increase the retiree's final benefit.) The employer's contribution, in at least the plan we researched, is then divided equally—half of the contribution goes to the employee's individual account, the other half goes to the pension fund. Only the member's portion (in this case 50%) of the employer's contribution will be credited to the member's option account. The moneys in both these accounts are pooled only for investment purposes. The interest earned on the employee's portion is accredited to his or her individual account. (In one current plan, the interest earned by the employee's account is set at a rate 2% below the interest earned by the pension fund except that participants are guaranteed a minimum interest rate equal to the plan's current actuarial assumption regarding investment return. There is some discussion about changing this provision, however, and doing away with the guaranteed minimum interest rate. There was a year when the pension fund only earned a little less than 2% and was obligated to pay the 7.5% interest rate. Obviously, this was not healthy for the overall pension fund.) When the employee reaches the agreed upon retirement date, he or she may elect that payment be made in a lump sum equal to the member's account or have the money transferred to an annuity account selected by the member. If a participant dies during the period of participation in the plan, the account is paid to the participant's estate. Although such plans are often portrayed as revenue neutral, they do have actuarial implications that cost pension funds. However, these do appear to be modest costs. If a person had in fact retired and a person was hired to take the retiree's position, the pension fund would be receiving that employee's 8% contribution and interest, as well as 100% of the employer's contribution and earned interest. With this option these moneys are not in the fund. Likewise, this option costs the pension fund money when interest payments exceed interest earned by the fund. The plan also may slow promotional opportunities within a given department, at least on a short term basis, as members decide to take advantage of the option and stay an additional five years. Persons who choose to participate in such options need to make certain that they want to retire from police work. Once you sign up for the option, it is mandatory that you leave at the agreed upon retirement date. Also, at least in one plan—Oklahoma's—participants are prohibited from working in another police department in the State that participates in the State Pension Plan.

DEFINED CONTRIBUTION PLANS

Defined contribution plans are pretty much what their name implies. An employee and/or his employer agree to make a regular contribution of some predetermined amount into an individual retirement account for that particular employee. Usually, these contributions are tax exempt (you will pay taxes on the money when you withdraw it). When the employee retires, he or she may draw from this account. Most are allowed to withdraw as much as they please, except that once the money in the employee's account is gone, that is the end of the benefits. Also, most such plans also make it mandatory that you begin to withdraw a certain amount by age 70. Depending on how sizable that amount is, it may make a portion of a retiree's Social Security subject to taxation. Participants in such plans are also cautioned to keep an eye on the investment of the funds. If the money in the account has not been invested well, it is the employee who suffers the reduction in the available benefits. The employer's commitment is fulfilled solely by making the agreed upon contribution. There is no guaranteed benefit. Where there are employer contributions, an employee may have to work a certain amount of time before he or she can quit or retire and receive benefits from the employer's portion of the retirement account. (See discussion of "vesting.")

Payout Options

Since defined contribution retirement accounts are the property of the employee (with the possible exception noted above), employees are given a great deal of control over how they wish to withdraw the money. However, many such plans are restricted in that a person cannot begin to withdraw funds from the account until they retire or reach the age of 59 and 1/2 years old. Only in emergency situations, such as unforeseen medical conditions, can funds otherwise be withdrawn from these retirement accounts. Otherwise, these funds are pretty much distributed as an employee chooses. Any remaining funds left over after an employee passes away become part of the employee's estate. This is in contrast to a defined benefit pension, in which the benefit ceases unless a deceased retiree had selected a survivor option.

Funding Concerns

When talking about pension funding, caution is always in order. Depending upon whom you believe, public pensions are very well funded or are in eminent danger of collapse. In an editorial piece in "Pensions & Investments," "The High Cost of Failing to Police Public Pensions" by Martin Stemple, senior vice president and actuary with McGinn Actuaries Ltd., Anaheim, California, it is estimated that the "unfunded liabilities for earned benefits of state and local government workers is $125 billion." Combined with the unfunded liabilities of federal civilian and military personnel pensions, the unfunded liability is over $1 trillion or 23 times the total deficit for private-sector plans.[4] In his article, Mr. Stemple states that two of the major reasons for public pensions being so underfunded were that they do not take into account how inflation will increase the cost of a pensioner's benefits and expensive cost-of-living-adjustments (COLAs). These factors are further compounded by pensions which allow for earlier retirement ages, like police pensions. Mr. Stemple also notes that public pension funds are not governed by the stringent funding requirements placed upon private pensions by the Employees Retirement Income Security Act (ERISA).

On the other hand, Thomas J. Cavanaugh, chief executive officer at Gabriel Roeder Smith & Co., of Southfield, Michigan, in an editorial response to Mr. Stemple,[5] noted that he knew of no major actuarial firm that ignores inflation and stated that a 1993 survey of over 450 public plans revealed that 92% included an inflation assumption in their actuarial calculation of employer contributions. Although not covered by ERISA, 70% of public plans are subject to funding regulations established by state law. The real issue for FOP representatives is to make sure that your pension's funds are adequately assessed and funded. Most pension funds are subject to an annual evaluation by an actuarial firm. Your Lodge should have a copy of that report. Although default of public pensions is rare, the retirement income of your membership may well depend on your association's vigilance. Although public pension plans are not regulated by ERISA, the Treasury Department's Internal Revenue Service is responsible for ensuring compliance with the Internal Revenue Code and establishes the rules for "tax qualified plans." Tax qualified plans are those which can offer special tax benefits to both the employer and the employee.[6]

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[4] "The High Cost of Failing to Police Public Plans," "Pensions & Investments", Martin Stempel, December 26, 1994, pg. 11.
[5] "Public Pension Plans and Funding Adequacy," "Pensions & Investments," Thomas J. Cavanaugh, April 3, 1995, pg. 12.
[6] "What You Should Know About Your Pension Rights," U.S. Department of Labor, Pension and Welfare Benefits Administration, 1995.

What Is Pension Vesting?

Vesting is the amount of time one must work for a given employer before he or she has earned a non-forfeitable right to the accrued benefits contributed by the employer. For most public pensions, that is between 5 and 10 years. When you are fully "vested" your pension benefits earned up to that time are yours even if you retire before reaching your pension plan's "normal" retirement age.[7] Conversely, if you do not work long enough to become vested, all or part of your employer's contributions to your pension plan are forfeited. You are always entitled to 100% vesting in your own contributions. For instance, if you worked for police department X for four years and they had contributed $2,000 to your pension during that time, you would lose that $2,000 if your plan required 5 year vesting. If you had worked there for seven years, that $2,000 would remain in the pension fund and you could collect that money in a pension benefit when you meet the retirement eligibility requirements of the plan. If you had contributed $500 to the pension plan during that time, you would be able to take that money with you in both scenarios, unless you were vested and you decided to leave the money in the plan to collect a pension benefit when eligible.

To Contribute or Not to Contribute?

The issue of vesting leads to a discussion of the pros and cons of employee contributions to pension plans. There is a growing trend away from contributory plans. The reason is two-fold. By employers making the pension contributions, the compensation is tax free to employees. Also, it causes pension items to cost less because actuarial costs don't have to be adjusted to account for plan participants terminating their employment and withdrawing their pension contributions. A rule of thumb is that the cost of a given pension improvement increases approximately 25% when it is paid for by an employee contribution (this figure will vary based on the projected employee turnover rate of a given employing agency).

On the other hand, employee contributions do give the participants a more credible voice when addressing pension concerns. Their money is in the pot, also. There is also a philosophical argument that employees value those benefits to which they contribute more than those that are just given to them.

Probably the most forceful argument for employee contributions is that most often, to achieve the level of benefits many employee groups wish to see, employee contributions must be made. There is a reasonable limit, and it will vary from region to region, to an employer's overall funding of employee benefits. When that limit is reached, employees must look at funding additional improvements as an alternative. If you look at the plans across the country that offer the earliest retirement options and best benefit formulas, they almost always will be partially funded by a sizable employee contribution. However, employee representatives must be sensitive to the expectations of their members. It may be that your members would rather have such money in their pay checks so they could fund an individual retirement savings account or some other investment, rather than invest in a pension plan. These are issues that must be addressed with your members when you are assessing your pension plan and contemplating improving benefits. Pay me now, or pay me later?

Early Retirement

Thirty-five percent of police officers are in plans without early retirement options. However, this figure is high in that it reflects the high percentage of police and fire pensions that allow retirement before age 55. Of the other 65%, most of the plans allow for early retirement with a reduced benefit. The formulas for determining the amount of the benefit reduction vary and are usually dependent upon the employee's service time and/or age. The reduction in benefit is based on the assumption that the employee will be drawing the benefit for a longer period of time. Some plans offer "subsidized" early retirement options where participants may elect to retire before meeting the minimum eligibility requirements for an

[7] "What You Should Know About Your Pension Rights," U.S. Department of Labor, Pension and Welfare Benefits Administration, 1995.

unreduced pension. Instead of such person's benefits being severely reduced or reduced by a true actuarial percentage, the reduction is less than the actuarial equivalent.

What If I Have a Break in Service?

Most all defined benefit pension plans have some rules governing your benefits if you have a break in service. Often the rules can be technical. If you have decided to take a leave of absence or other type of extended leave, make sure you know the rules that apply to such circumstances in your plan. ERISA rules guarantee that your service credit cannot be forfeited for absences of less than 5 consecutive years. Some public plans only allow for a one or two year break in service. Do not inadvertently put your pension benefit at risk.

How Much Does This Cost?: The Job of the Actuarial Accountant

Defined benefit pension plans require that administrators look into crystal balls and determine how many persons are going to be collecting a benefit and for how long and at what level so that current funding rates can be established that will provide adequate funds to provide the promised benefits later. This job falls to the actuarial accountant. These accountants specialize in projecting returns on investments, economic forecasting, life expectancy and the like and then putting these calculations together in a model which allows them to recommend funding rates. How accurately they forecast these actuarial assumptions can greatly affect the cost of the plan and/or the solvency of the pension fund. If the actuary uses a model which is too rosy in his forecast of investment returns, then the plan may not be funded properly over time. If an actuary is too cautious, the annual cost of funding the plan may be greater than is actually necessary and, ultimately, the pension fund will be overfunded. Normally, a pension administrator will assess its fund on a regular basis, every year or two, and adjustments are made to keep the actuarial assumptions in balance and the plan actuarially sound. The balance which must be struck is to fund the plan at a level that will be sufficient to provide promised benefits and at the same time not fund the plan to excess so as to be using money that could be used for worthy items elsewhere. Below you will find a list of twenty-seven actuarial assumptions that have been assessed in two different ways. These two different approaches both promise the same benefits. However, one set of assumptions causes the plan to require about half the funding rate used at the time.

Method 1 is considered, at least in the context of the plan for which it was created, to be a more conservative approach. Method 2 was considered to be a more experience-based approach, and though conservative, less so than Method 1. Funding the costs of the pension plan were calculated using both sets of actuarial assumptions. Using the actuarial assumptions of Method 1, the plan would require funding at 13.05% of annual payroll. Under Method 2, the plan could be funded for 5.88% less, or 7.17% of payroll.

The point here is that it is very important to look at the actuarial assumptions being applied to your pension plan. They can make a tremendous difference in the annual cost of the plan. As you can see above, using a different set of actuarial assumptions can either lower the annual cost of the plan or free up funds for plan improvements. The latter was the approach used in this case. Using the new actuarial assumptions, this pension plan was able to abolish its integration with Social Security, lower minimum service requirements, and allow service credits for unused sick leave—all major improvements in this pension plan—without increasing the annual cost of the plan. This may or may not be a viable option for making pension improvements in your plan, but you will never know until you can have your pension plan take a critical look at its actuarial assumptions.

	Assumption or Method	**Method 1**	**Method 2**
1	Actuarial cost method	Entry age normal mix of individual and group methods	Individual entry age normal
2	Ancillary decrements begin	At current age	At entry age
3	Asset valuation method	80% book + 20% market	5-yr avg. of market values
4	Investment return	7.50%	8.00%
5	Salary scale	6.50%	5.00%

6	CPI for COLA	5.00%	3.75%
7	CPI for Social Security calcs.	6.00%	3.75%
8	Mortality	1960 GAM	1983 GAM
9	Withdrawal	Estimated experience	Experience study
10	Disability rates	1965 railroad	1985 study, classes 2 & 4
11	Death and recovery rates	1965 railroad	Experience study
12	Normal retirement	As soon as eligible	2/3 yr. after full eligibility, GG; 5 yrs. after full eligibility, P&F
13	Distribution of disabilities	Not applicable	80% medical, GG; 80% IOD, P&F
14	Social Security taxable wage base	6.00%	4.50%
15	% Married	85.00%	85.00%
16	Load for IOD death	5.00%	5.00%
17	Load for disability benefits to dependent children	5.00%	5.00%
18	Load for pop-up forms	2.00%	2.00%
19	Death benefit factor	80.00%	80.00%
20	Social Security after disability	Level earnings	No earnings
21	Eligibility for Social Security disability	75.00%	50.00%
22	COLA increases occur	Mid-year	Mid-year
23	Timing of exits	End of year	End of year
24	Timing of raises	Beginning of year	Beginning of year
25	Return to work	N/A	2/3 remain disabled; 1/3 return to work for 75% of prior pay
26	Sick credit	N/A	Half get 1/2 yr extra service, half retire 1/2 yr earlier
27	Survivor benefits	Offset for widows Social Security	Offsets only to widows as determined by Social Security

COLAs (Cost of Living Adjustments)

Cost of Living Adjustments are provided to keep a retiree's pension benefit from being eroded by inflationary increases in cost items such as food, housing, and fuel during a worker's retirement years. In a 1990 survey by the Bureau of Labor Statistics, half of all pension participants were in plans that provided an automatic increase in benefits to compensate for increases in the cost of living.[8] Four-fifths of those based the increases on the Bureau of Labor Statistics Consumer Price Index (CPI). Other plans granted increases independent of the CPI. Most cost of living adjustments have a cap, most frequently 3% for increases in any given year. Sixteen percent (16%) of the participants in the survey were in pension plans that granted discretionary or ad hoc adjustments.[9]

Summary

Pension plans are a critical part of a police officer's compensation. As retirees continue to live longer, more vital lives, very often they will be retired for as many years, if not more, as they worked. It is important that they be able to plan for their retirement and maintain their standard of living. Due to the physical demands of the police profession, members will need the ability to retire at earlier ages than many other employees. It is important that, as employee representatives, we be prepared to address this important and complex area of employee compensation. We hope that this overview of many pension issues will help get you started in your understanding of service pension issues.

[8] "Employee Benefits in State and Local Governments, 1990," U.S. Department of Labor, Bureau of Labor Statistics, February 1992, Bulletin 2398.
[9] "Employee Benefits in State and Local Governments, 1990," U.S. Department of Labor, Bureau of Labor Statistics, February 1992, Bulletin 2398.