



Benefit Inflation Control

September 2021

Per the Board’s direction at the June Sustainability discussion, staff consulted with Cavanaugh Macdonald to analyze a Contribution Based Benefit Cap (CBBC) on SERS member retirements between May 2020 and June 2021. Those results are set forth below. As a reminder, extensive information on the CBBC is set forth in the April, May, and June 2021 sustainability materials.

Query Results

- Time Frame May 2020 – June 2021
- 3,480: Total retirements (age and service and new disability conversion)
- 3,270: Total age and service retirements (excluding new disability conversion retirements)
- Lowest CBBC: 0.749
- Highest CBBC (excluding new disability conversion retirements): 7.70
- 206 age and service retirements (excluding new disability conversion retirements) with a CBBC greater than or equal to 4.50 (6.3% of the 3,270 non-conversion retirements)
- 83 age and service retirements (excluding new disability conversion retirements) with a CBBC greater than or equal to 5.0 (2.5% of the 3,270 non-conversion retirements)
- 28 age and service retirements (excluding new disability conversion retirements) with a CBBC greater than or equal to 5.5 (0.9% of the 3,270 non-conversion retirements)
- 11 age and service retirements (excluding new disability conversion retirements) with a CBBC greater than or equal to 6.0 (0.3% of the 3,270 non-conversion retirements)

CBBC factor	All Age and Service Including Conversion Disability Retirements 5/2020- 6/2021	Age and Service Excluding Conversion Disability Retirements 5/2020- 6/2021
<2	330	
≥2 but <3	1,380	
≥3 but < 4	1,179	
≥ 4 but <4.50	309	
≥ 4.50 but < 5	141	123
≥ 5 but < 5.50	66	55
≥ 5.50 but <6	28	17
≥ 6.0	47	11