

North Dakota Teachers' Fund for Retirement

Retirement Trends and Projections



January 2012

Retirement: Now or Later?



- ◆ The decision to retire is intensely personal and prompted by both non-financial and financial reasons
- ◆ Non-financial considerations:
 - ◆ Age of teacher (and spouse)
 - ◆ Health of teacher (and spouse)
 - ◆ Family issues (spouse, children, parents)
 - ◆ Personal reasons (job satisfaction vs. job stress)
 - ◆ Federal regulations
 - ◆ State and local issues (school closings, school consolidations)

Retirement: Now or Later?

- ◆ Financial considerations – Active employment
 - ◆ Salary
 - TFFR plan changes – Increase in contributions
 - ◆ Fringe benefits- most importantly, health insurance
 - ◆ Other financial incentives to continue teaching

- ◆ Financial considerations – Retirement
 - ◆ TFFR benefits
 - ◆ Social Security and Medicare
 - ◆ TSA's and other personal savings
 - ◆ Health insurance benefits – rising cost of medical care
 - ◆ Employment in another state or profession
 - ◆ Part-time teaching re-employment in ND
 - ◆ Inflation

- ◆ Future of Education in ND

TFFR Members



- ◆ TFFR member count includes number of people, not FTE's.
- ◆ TFFR members may be full time, part time, or temporary teachers, but must be licensed and contracted. Noncontracted substitute teachers are not TFFR members.

TFFR Member Categories

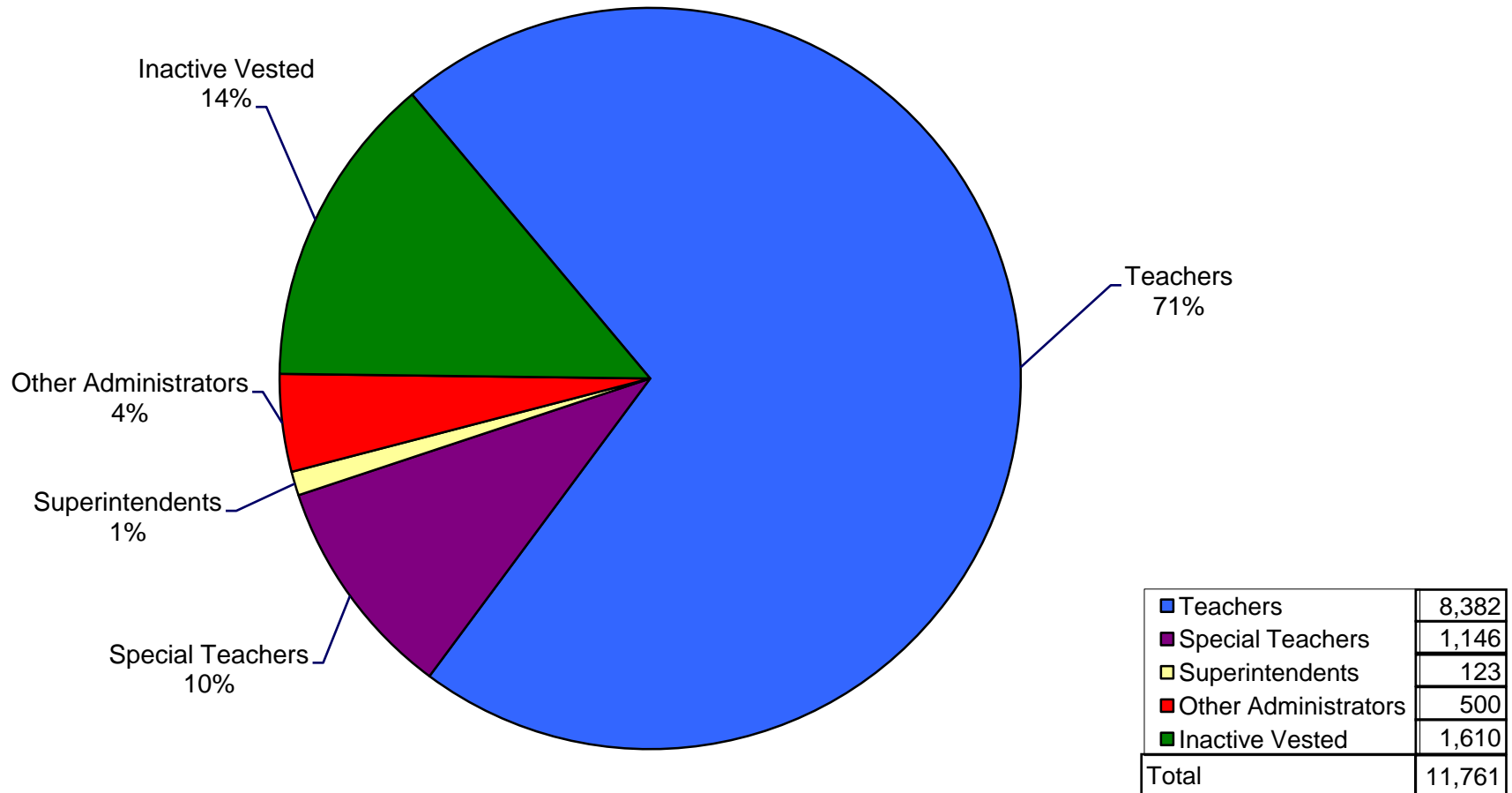
TFFR member categories are based on DPI title codes and presented according to teacher and administrator categories defined in NDCC 15.1-02-13.6.

- ◆ “Teacher” includes positions of teacher, special ed teacher, and tutor in training.
- ◆ “Special Teacher” includes positions of coordinator, counselor, instructional programmer, library media specialist, pupil personnel, psychologist, speech/language pathologist, supervisor.
- ◆ “Superintendent” includes only school superintendents.
- ◆ “Other Administrators” includes positions of assistant superintendent, director, assistant director, principal, assistant principal, county superintendent, and other administrative positions.

Today

Current TFFR Membership

There are 11,761 active and inactive vested TFFR members in January 2012.



Note: There are also 441 inactive non-vested TFFR members and 6,915 retired members and beneficiaries.

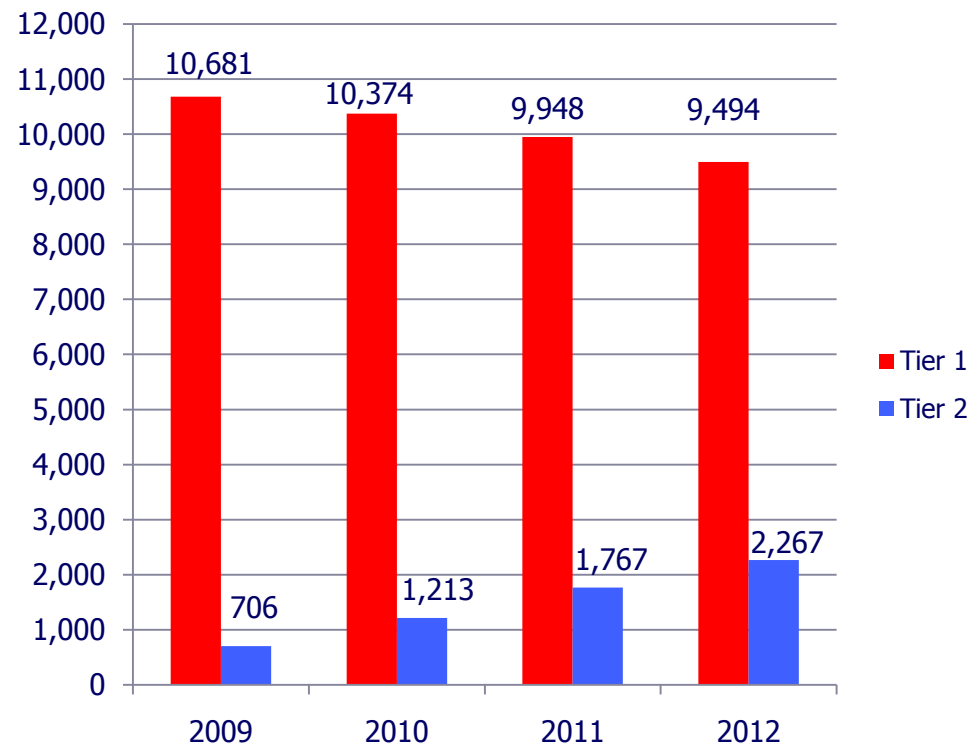
Today

TFFR Tier Membership

Active and inactive vested Tier membership in January 2012.

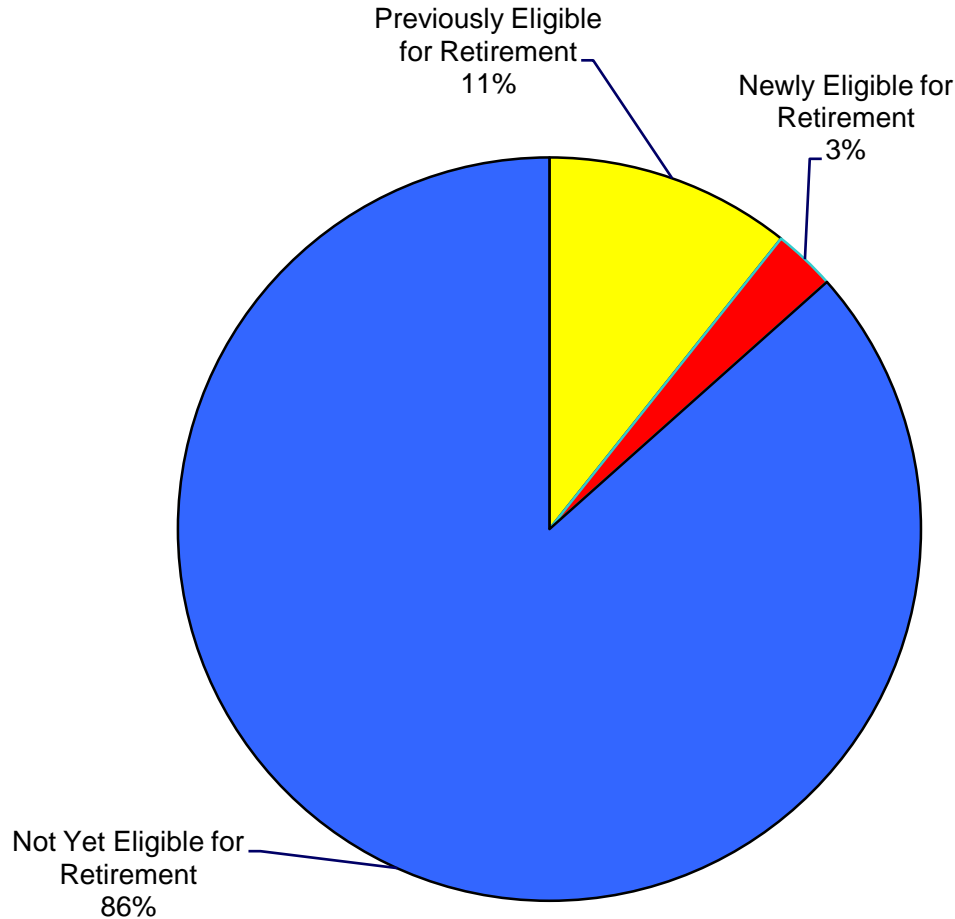
TFFR Members	Tier 1	Tier 2	Total
Teachers	6,471	1,911	8,382
Special Teachers	843	303	1,146
Superintendents	114	9	123
Other Administrators	470	30	500
Inactive Vested	1,596	14	1,610
Total	9,494	2,267	11,761

TFFR Tier Membership History



Today

Current Active TFFR Membership Eligible for Retirement



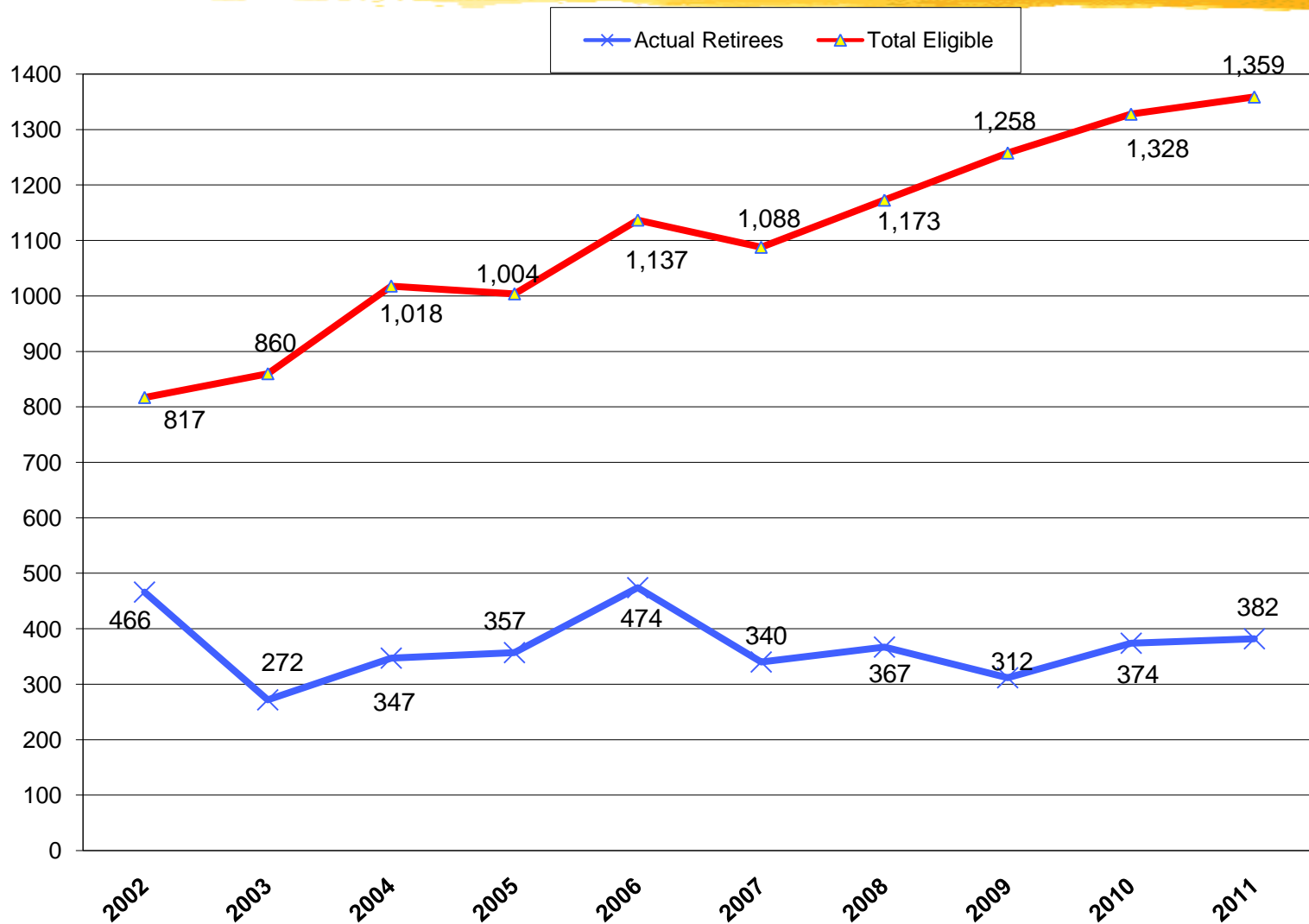
Of the 10,151 active TFFR members, 1,372 members are currently eligible to retire (14%) either under the Rule of 85 or age 65 or older.

Of the 1,372 active TFFR members eligible to retire, 79% are previously eligible and 21% are newly eligible in 2011-12.

Previously Eligible	1,080
Newly Eligible in 2011/12	292
Not Eligible	8,779
Total	10,151

Yesterday

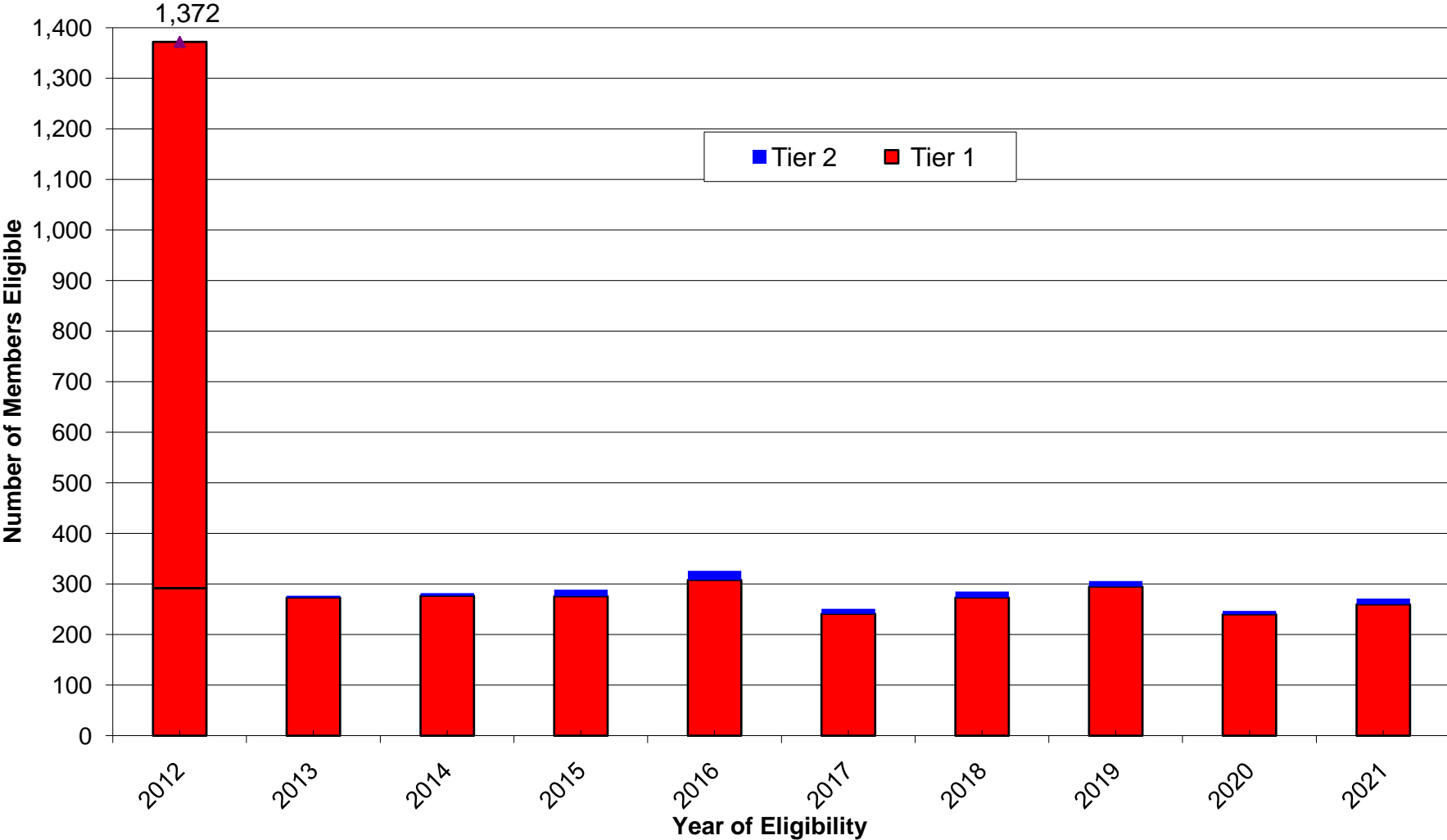
Actual Retirees and Total Eligible



10 Year History 2002-2011

- ◆ On average, 1,100 teachers have been eligible to retire each year over the last 10 years.
- ◆ On average, 370 teachers actually retired each year, or total of nearly 3,700 for 10 year period.
- ◆ Approximately 34% of eligible members actually retired over the past 10 years.

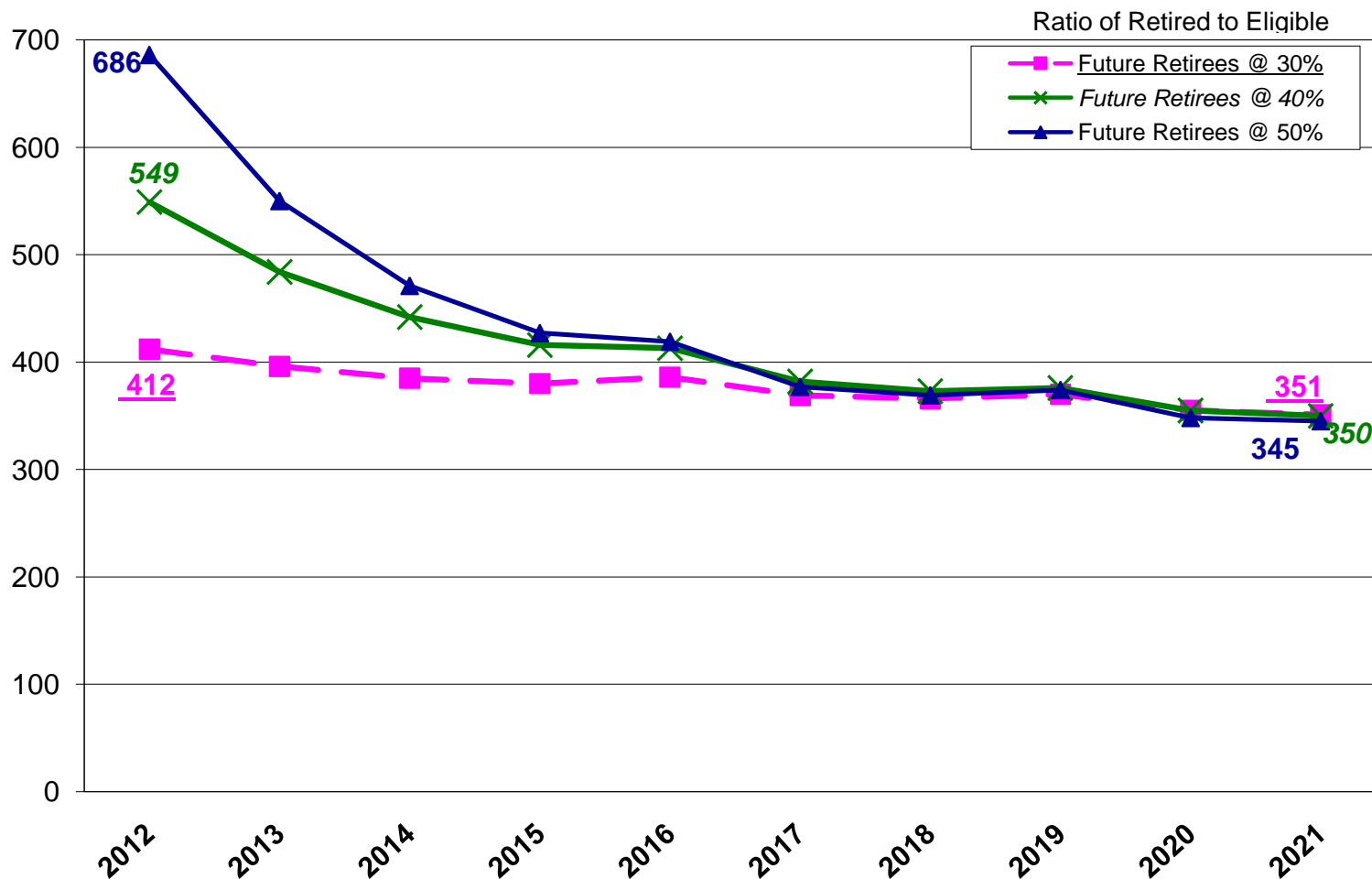
2011-12 TFFR Active Member Retirement Eligibility Profile



*Note: 2012 total of 1,372 members includes 1,080 previously eligible for retirement and 292 newly eligible in 2011-12.

Tomorrow???

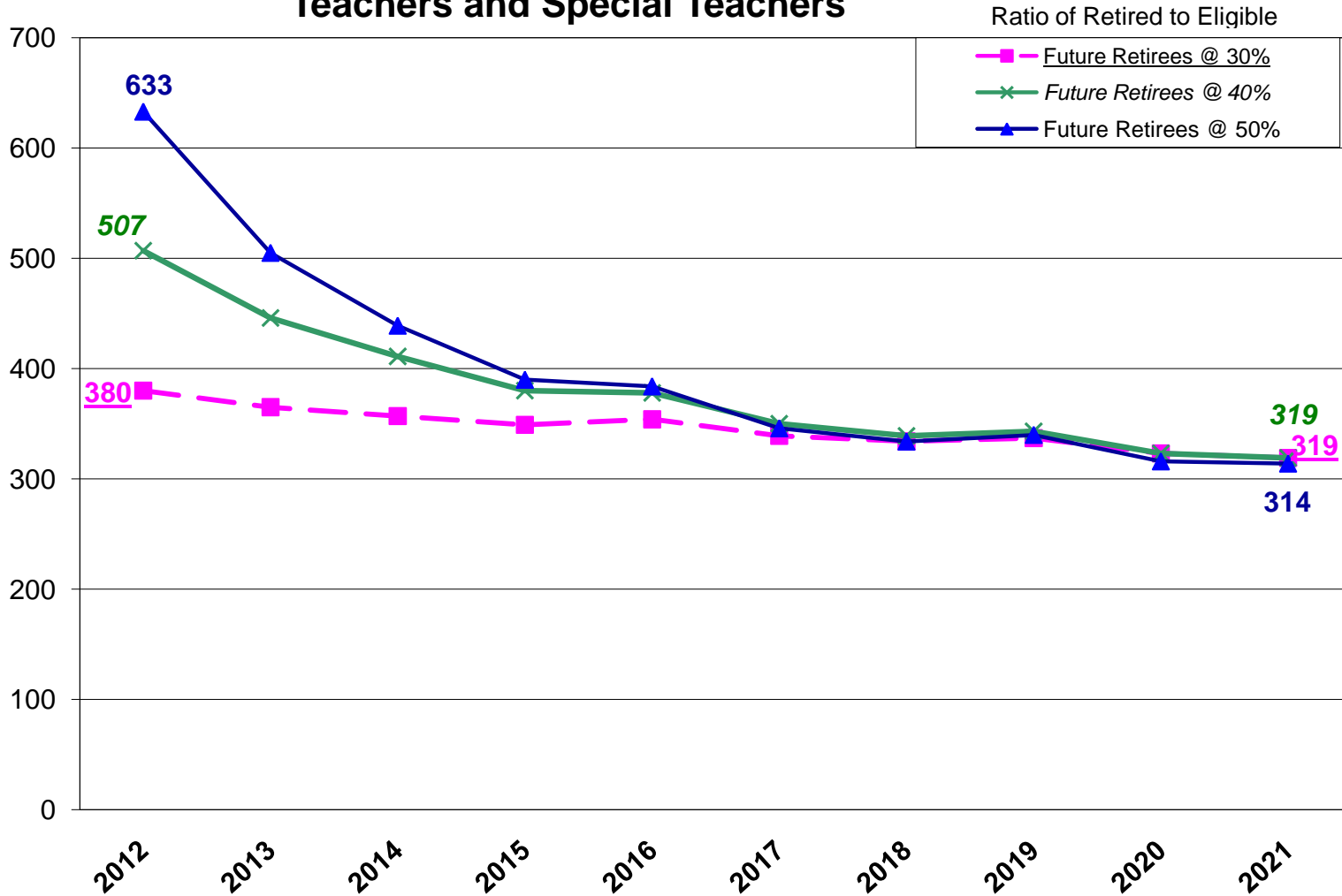
Projected Retirees All Active



Based on ratios of 30%, 40%, and 50% of actual retirements to eligible retirements, the number of active members projected to retire in the next 10 years.

Tomorrow???

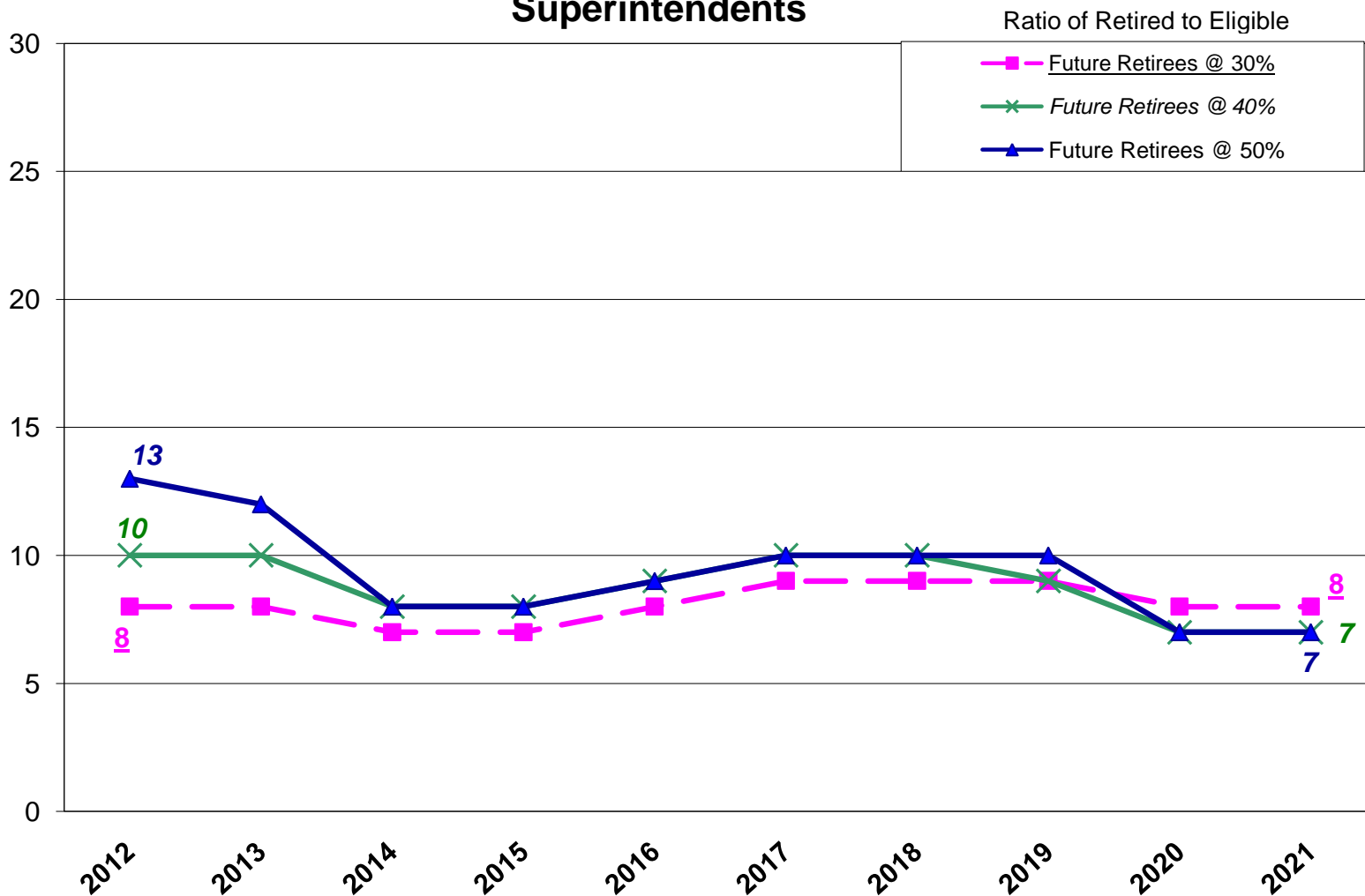
Projected Retirees Teachers and Special Teachers



Based on ratios of 30%, 40%, and 50% of actual retirements to eligible retirements, the number of teachers and special teachers projected to retire in the next 10 years.

Tomorrow???

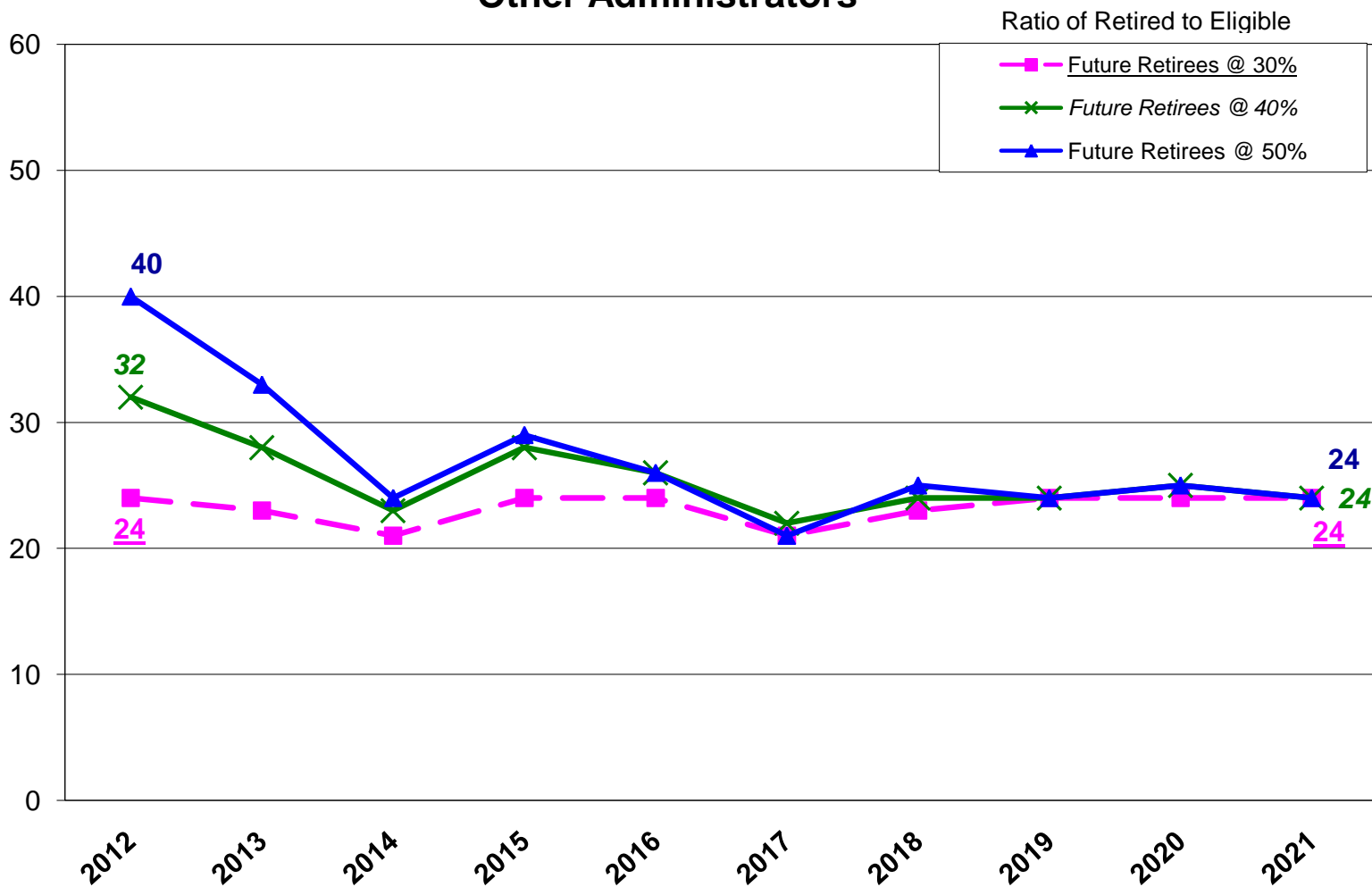
Projected Retirees Superintendents



Based on ratios of 30%, 40%, and 50% of actual retirements to eligible retirements, the number of superintendents projected to retire in the next 10 years.

Tomorrow???

Projected Retirees Other Administrators



Based on ratios of 30%, 40%, and 50% of actual retirements to eligible retirements, the number of other administrators projected to retire in the next 10 years.

Summary

Based on ratios of 30% and 40% of actual retirements to eligible retirements, approximately 3,800 to 4,100 active members are projected to retire in the next 10 years which averages about 400 per year.

	Members	# Retire		Avg/Yr	
		30%	40%	30%	40%
Teachers and Special Teachers	9,528	3,457	3,796	346	380
Superintendents	123	81	88	8	9
Other Administrators	500	232	256	23	26
Total Active Members	10,151	3,770	4,140	377	415

Note: All retirement projections are estimates only.