

Law Enforcement Officers Pension System (LEOPS)

	Currently	Approved Reforms - Effective 7/1/11
Employee Contribution	4% of earnable compensation	6% of earnable compensation for FY 2012 and 7% of salary for FY 2013 and beyond <i>(current employees and new hires)</i>
Average Final Compensation	Calculate using 3 highest consecutive years of compensation	Calculated using 5 highest consecutive years of compensation <i>(new hires only)</i>
Vesting	5 years	10 years <i>(new hires only)</i>
Cost of Living Adjustment	Compound Annual Retiree COLA linked to Consumer Price Index (CPI) with a cap of 3% per year	Compound COLA remains linked to CPI but capped at: 2.5% if assumed rate of return * for investments in prior year is achieved. 1% if investment target not met <i>(Applies to credit earned by current and new employees on or after 7/1/2011)</i> <i>*currently 7.75%</i>
Deferred Retirement Option Program (DROP)	Accounts earn interest at rate of 6% compounded monthly	Accounts earn interest at rate of 4% compounded annually <i>(applies to DROP accounts set up by current and new employees after 7/1/2011)</i>