



Teacher Retirement Boards: 50-State Analysis

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Teacher Retirement Boards

- Composition of boards (how many members, selection process, term length, occupations and/or sector represented)
- Duties and powers of board members
- Teacher COLAs
- Size of plans (assets and participants) managed and status of funds
- Comparison of Ohio teachers' retirement board with neighboring state retirement boards



Board Composition

Board Size and Selection

- Teacher retirement boards range in size from 3 members in Florida to 20 in Tennessee
- Average number of board members across all 50 states + DC: ~10.75
- Term lengths vary from 2-6 years, average term length: 4 years
- The selection process of most boards includes both elections and appointments (or nominations)
 - Around 20 states have board members selected by appointment and/or ex-officio only
 - In some states, appointments must be confirmed by the Senate



Board Composition



Representation

- Approximately 41 states require active and/or retired teacher (or in some cases, public-school employee) member representation on their retirement boards
- Nine states do not explicitly require teachers but have roles that may include them (e.g. DC requires three members elected from active police, firefighters and teachers)
- Florida does not have teacher or public-school representation on their retirement board: Three board members are ex-officio only
- Eight of the nine states that do not explicitly require teachers have teacher retirement funds managed by general retirement boards for all public employees; New Mexico has a retirement board for all public-school employees
- While most boards require representation from teachers and public schools, some instead focus on experience and knowledge (e.g. education, investment, finance, business management etc.)

Duties and Powers

- Duties
 - Oversee management of plan and assets, including pension related investments
 - Approve actuarial assumptions
 - Monitor investment performance and benefit administration
 - Set and/or adopt rules and procedures
 - Ensure compliance with regulations
- Voting Powers
 - One vote per member; majority required to pass. Ties typically fail
 - Six boards have at least one non-voting member



Teacher COLAs

2024

- IN: 13th checks for public retirees, including teachers)
- MD: 4.116% for Employees and Teachers Retirement System members; 2.5-3% for pension system members
- MO: 2%, effective January 1, 2025
- NY: 1.8% for 2024 FY, decreasing to 1.2% in September 2025
- RI: FY25 budget bill provides retirees with annual COLAs sooner than originally scheduled)
- WA: 3% COLA for Plan 1 retirees of PERS and TRS)

2025

- OH: 1.5% effective July 1, 2025
- RI: 2.89% for 2025, and .72% for those eligible for a ¼ COLA
- WA: 3% for most DRS participants, legislation being considered for TRS1 benefit increase
- Other states considering COLAs (Texas)



Size of Plans and Status of Funds



Largest Teachers Retirement Plans by Assets

- California State Teachers: \$349.7 billion
- Texas Teachers: \$243 billion
- New York State Teachers: \$145.8 billion
- Ohio Teachers (DB default with DC and hybrid alternatives): \$95.3 billion
- Illinois Teachers: \$73.13 billion

California and Texas are also the largest plans by number of participants (active and retired)

Plans with the Highest Funded Ratio

- Michigan Public School Employees Retirement System PPP2 and PPP (DC default, hybrid alternative. Legacy DB closed): 186.6% and 120.9%
- Nebraska Public School Employees Retirement System (Cash Balance Plan): 113.8%
- Tennessee Teacher Retirement System (Hybrid default): 113.3%
- DC Teacher Retirement System: 102.1%
- New York State Teachers Retirement System: 101.2%

Comparison of Ohio with Neighboring States

State/Plan	Members	Selection	Sectors and/or Occupations	Term Length	Duties	Member-ship
Ohio	11	Election and appointment	Contributing teachers, elected retired teachers, investment experts appointed by Governor, Speaker of House + Senate President, Treasurer and Dir. of Dept of Ed	4 years	Oversee system administration. Adopt policies for investment program, manage investment of funds, monitor investment performance	543,940
Pennsylvania	15	Ex-officio, election and appointment	Ex-officio (Sec of Ed, State Treasurer, Banking and Securities, Exec Sec of School Boards Ass.), active system members, member of school boards, two Senators and two members of the House	3 years	Manage and invest the fund, observe standards of fiduciary conduct and other terms, conditions, limitations of investment, payment of benefits, determine type of investments allowed	535,879
Indiana	9	Nomination	Experience in economics, finance, investment, management. Active and retired members, auditor and treasurer or individual with similar experience. Ex-officio	4 years	Administration of funds and assets, promulgate rules to administer funds, adopt annual budget	223,153
Kentucky	11	Two ex-officio, two by appt. by Governor and 7 elected	Education Commissioner and State Treasurer, investment experience, TRS active members and retirees, one outside TRS system	4 years	Oversees administration and operation of funds, establishes governance and investment policies, hires personnel, appoints standing committees, approves annual reporting and investment strategies	148,329

NCSL Bill Tracking and Pension Database

- The Employment, Labor and Retirement Program tracks public pension bills on a wide variety of topics, including but not limited to: defined benefit plan changes; contribution rates; deferred option retirement plans; hybrid plans, government investment policies; reemployment after retirement; retiree benefits; service credit; divestiture; ethics and privacy; cost-of-living adjustments; and the taxation of retirement income
- From 2012-2023, NCSL's pension database included both successful and unsuccessful legislation. From 2024 onward, the database features enacted pension legislation only (archived data can still be accessed publicly)
- The database is updated quarterly and can be accessed by using the following link:
<https://www.ncsl.org/fiscal/pension-and-retirement-legislation-information-by-state>



Thank you for joining today!

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