



# News Release

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## STATE UNIVERSITIES RETIREMENT SYSTEM

FOR IMMEDIATE RELEASE

### ***Changes to the Money Purchase factors to become effective July 2, 2012.***

At its meeting on June 10, 2011, the Board of Trustees of the State Universities Retirement System set the effective date of the Money Purchase factor changes as July 2, 2012.

The changes to the Money Purchase factors are a result of a recent actuarial experience study which recommended a reduction of the assumed rate of investment return and updated the mortality tables due to increased life expectancy. State statute requires SURS to conduct an experience study at least every five years to test the economic and demographic assumptions used to prepare the annual actuarial valuation report. The results of this process are then evaluated to determine which, if any, of the assumptions need modification to provide better estimates of future liability and asset growth for the System.

The last experience study was conducted in 2006. Based on changing market conditions and the current economic environment, the SURS actuary recommended that the latest experience study be conducted one year early.

For individuals retiring after July 2, 2012, the change in Money Purchase factors will result in an approximately 8% downward adjustment in the member's annuity if their Money Purchase calculation was higher than the General Formula calculation. Members can offset the adjustment by delaying retirement by approximately 10 to 11 months for active participants and 12 to 14 months for inactive participants.

The changes to the Money Purchase factors will not affect:

- Current annuitants
- Members in the Self-Managed Plan
- Members who began participation on or after July 1, 2005
- The General Formula calculation

The monthly annuity calculation using Money Purchase Formula is unique to each individual. For this reason, SURS encourages all participants to log on to their account on the SURS Member Website. The online Benefit Estimator now reflects these new factors.

For additional details, please refer to the May 2011 edition of *[the Advocate](#)* or contact the SURS office.