

EMPLOYER BULLETIN

END OF CAREER SALARY INCREASES OVER 3 PERCENT REQUIRE EMPLOYER CONTRIBUTION

June 2018

On June 4, 2018, Public Act 100-0587 was signed into law lowering the 6 percent threshold for end of career salary increases to 3 percent after July 1, 2018.

Public Act 94-004 signed in 2005

Public Act 94-0004, signed into law in June 2005, requires employer contributions for salary increases in excess of 6 percent. When a member retires, the employer is required to pay TRS contributions equal to the actuarial value of a pension benefit that results from any salary increase over 6 percent that is used in a retiring member's final average salary calculation.

Public Act 100-0587 signed in 2018

Public Act 100-0587 lowers the 6 percent threshold to 3 percent after July 1, 2018. The threshold will remain at 6 percent for salary increases awarded under contracts or collective bargaining agreements (CBAs) entered into, amended, or renewed prior to June 4, 2018.

TRS's website has been updated with the most current information regarding this part of the legislation: <https://www.trsil.org/Pension-Code-Action-By-GA>. We will continue to send [Employer Bulletins](#) as more detailed information becomes available.