

ANALYSIS & COMPARISON PTU RETIREMENT BENEFITS

Presented to:

Subcommittee on Education

Presented by:

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Objective & Summary of Presentation

- The objective of this presentation is analyze retirement benefits provided to teachers in Providence and to compare the benefits with those available to teachers in other communities in Rhode Island
- Sick severance, pre-65 health coverage and post-65 health coverage are reviewed in this presentation
- The retirements benefits provided to teachers in the following communities are considered in this report:
 - Central Falls
 - Cranston
 - East Providence
 - Johnston
 - Newport
 - North Providence
 - Pawtucket
 - West Warwick
 - Woonsocket

Top Salary Steps

- At a top step of \$73,270, which will be effective on the last day of the current school year, Providence's top salary step ranks five out of the ten communities included in this analysis
- Later in this presentation, the annual value of potential retirement benefits will be combined with the this salary range to create an all inclusive annual top step

Rank	District	Top Step
1	Newport	\$75,694
2	West Warwick	\$75,607
3	Central Falls	\$74,280
4	Cranston	\$73,900
5	Providence	\$73,270
6	Pawtucket	\$72,632
7	Johnston	\$72,152
8	North Providence	\$70,228
9	Woonsocket	\$70,042
10	East Providence	\$68,525

Sick Severance

- A teacher who has a minimum of ten years with the PPSD and has a minimum of 100 accrued sick days, will be eligible for a payment sick leave payout
- Last year, retired teachers who were eligible for a sick leave payout received payment on an average of 111 sick days at an average payout of \$13,753
- The eligibility criteria for sick severance varies between communities
- The comparison on this page is based upon an eligible teacher with 111 day sick days

Rank	District	Lump Sum Payment	Total Payout (111 days)
1	Providence	\$0	\$13,753
2	West Warwick	\$0	\$12,210
3	Newport	\$0	\$11,831
4	Woonsocket	\$0	\$7,725
5	North Providence	\$0	\$6,105
6	Central Falls	\$0	\$5,550
7	Johnston	\$250	\$4,741
8	Pawtucket	\$1,750	\$1,750
9	Cranston	\$0	\$0
10	East Providence	\$0	\$0

Pre-65 Healthcare Benefits

- A teacher who retires in Providence is eligible to receive an individual health plan with a co-share equal to the amount at retirement
- The average age of a retired Providence teacher over the past three years is 62.9
- Therefore, with the exception of Central Falls, 2 years of pre-65 health coverage was used in this comparison
- For the purposes this analysis, the following healthcare working rates were applied to all communities:
 - Individual Plan = \$10,865
 - Individual + Spouse = \$21,730

Rank	District	# Yrs	Cov.	Co-Pay	Total Value Net of Co-Share
1	Pawtucket	2	SS	10%	\$39,114
2	Central Falls	4	S	20%	\$34,768
3	West Warwick	2	SS	20%	\$34,768
4	Newport	2	SS	25%	\$32,595
5	North Providence	2	SS	50%	\$21,730
6	Johnston	2	S	\$350	\$21,030
7	Providence	2	S	\$1,086	\$19,558
8	Cranston	2	S	20%	\$17,384
9	East Providence	2	S	25%	\$16,298
10	Woonsocket	-	0	0%	\$0

Post-65 Healthcare Benefits

- A teacher who retires in Providence is eligible to receive an individual health plan with a co-share equal to the amount at retirement until the retiree reaches age 65
- Only three of the ten communities in this analysis (Providence, Newport and North Providence) absorb the cost associated with a retirees' post-65 healthcare
- For the purpose of this comparison, a annual premium cost of \$1,884 for Medicare is assumed. No inflation was applied
- According to the SSA, a person reaching age 65 today can expect to live, on average, until age 85

Rank	District	Available	Yrs	Co-Pay	Value
1	Johnston	Y	20	0%	\$37,680
1	Providence	Y	20	0%	\$37,680
2	Newport	Y	20	25%	\$28,260
3	Central Falls	N	-	NA	\$0
3	Cranston	N	-	NA	\$0
3	East Providence	N	-	N/A	\$0
3	North Providence	N	-	NA	\$0
3	Pawtucket	N	-	NA	\$0
3	West Warwick	N	-	NA	\$0
3	Woonsocket	N	-	0%	\$0

All-In Comparison (Salary & Retirement Benefits)

Rank	District	Top Step	Sick Severance	Pre-65 Health	Post-65 Health	Total Benefits	Benefits/yr (25)	Top Step + Benefits
1	Newport	\$75,694	\$11,831	\$32,595	\$28,260	\$72,686	\$2,907	\$78,601
2	West Warwick	\$75,607	\$12,210	\$34,768	\$0	\$46,978	\$1,879	\$77,486
3	Providence	\$73,270	\$13,753	\$19,558	\$37,680	\$70,991	\$2,840	\$76,110
4	Central Falls	\$74,280	\$5,550	\$34,768	\$0	\$40,318	\$1,613	\$75,893
5	Johnston	\$72,152	\$4,741	\$21,030	\$37,680	\$63,451	\$2,538	\$74,690
6	Cranston	\$73,900	\$0	\$17,384	\$0	\$17,384	\$695	\$74,595
7	Pawtucket	\$72,632	\$1,750	\$39,114	\$0	\$40,864	\$1,635	\$74,267
8	North Providence	\$70,228	\$6,105	\$21,730	\$0	\$27,835	\$1,113	\$71,341
9	Woonsocket	\$70,042	\$7,725	\$0	\$0	\$7,725	\$309	\$70,351
10	East Providence	\$68,525	\$0	\$16,298	\$0	\$16,298	\$652	\$69,177