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FINANCIAL EDUCATION AND CHOICE IN STATE PUBLIC PENSION SYSTEMS

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ABSTRACT

As more and more public pension systems are shifting away from a defined benefit only framework, the complexity of the financial decisions facing public employees is increasing. This raises some concerns about the financial literacy of participants and their ability to make informed decisions. While surveys addressing financial education in private plans are available, little is known about what types of education and advice are offered in public plans. This paper fills this gap by presenting new results from the first National Public Pension Plan Financial Education Survey. The paper focuses specifically on primary defined contribution and hybrid plans. The results indicate that some form of education or advice is offered by every surveyed plan and that the sponsoring entity is actively involved in the development of the programs. However, it appears that legal uncertainties related to advice and education may be a problem for a few plans. In addition, more rigorous evaluation methods to test programs are needed. The paper concludes with suggestions for areas of future research.

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An online appendix is available at:
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Financial Education and Choice in State Public Pension Systems

1. Introduction

Until recently, defined benefit plans in the public sector offered public employees a reliable income in retirement without the responsibility of making important investment choices. This has changed in recent years as a shift away from defined benefit only systems to public systems with defined contribution and hybrid plan options has emerged. New employees in these systems now must make critical financial decisions, such as what type of plan to choose and how to allocate contributions among asset choices. In the long run, these decisions will directly affect the employees' financial well being in retirement. Given the documented low levels of financial literacy in the U.S., it is natural to wonder if public plans are helping prepare members to make financial decisions and, if so, what approaches they are taking. While data to answer these questions exist for the private sector where defined contribution plans prevail, there is little public information available to address these questions in the public sector. To fill this gap, this paper presents new survey evidence from large state primary systems with a specific focus on those that offer plan and investment choice. This survey documents the type of financial education and advice offered to members. In addition, the evidence from plans with choice is contrasted with data collected from state systems offering only a defined benefit option.

This paper is laid out as follows. Section 2 begins by discussing why financial literacy matters. The section documents the lack of financial literacy in the U.S. and how it may affect financial decisions. Section 3 continues with a short overview of the literature related to the effectiveness of financial education and advice associated with retirement plans and describes an important legal distinction between advice and education that plan sponsors must consider. In addition, this section addresses the different legal environments facing public and private plans. Section 4 provides details behind the recent public sector shift away from defined benefit only systems and offers reasons why this new trend has lagged the private sector movement. In addition, this section highlights important differences between public and private sector employees and explains why this matters in the context of financial decisions and literacy. Section 5 presents the new results from the National Public Pension Plan Financial Education Survey and contrasts these findings with evidence from the private sector. The final section provides conclusions and implications.

2. Financial Literacy: Why Might it Matter?

Studies consistently find that Americans generally lack an understanding of basic financial concepts. For example, Lusardi and Mitchell (2011a) find in a recent survey of American adults that less than one third (30 percent) of respondents can correctly answer three basic questions related to interest rates, inflation and risk diversification. Their findings are in line with earlier studies (for example, Bernheim 1998; Hilgert et al. 2003). Many studies also find that certain demographic groups score significantly lower than others and these patterns are consistent across many countries (Mitchell and Lusardi 2011b). In most studies, women, individuals with less education and younger people underperform in financial literacy tests. As women and the least educated individuals currently have the highest poverty rates in old age and statistics suggest that younger people are not actively saving, these findings are of particular concern (Munnell 2004; Smeeding et al. 2011).¹

¹ Workers under 35 have the lowest participation rate in 401(k) plans of any age group (Vanguard 2011)

Additional research suggests that lack of financial knowledge can influence financial decision-making related to retirement.² For example, Lusardi and Mitchell (2011a) find that individuals who cannot correctly answer their basic financial questions are less likely to be retirement planners. They confirm the causality from financial literacy to retirement planning using an instrumental variable approach. Given that research demonstrates that planners accumulate more retirement wealth than non-planners, it follows that low financial literacy can lead to inadequate savings outcomes (for example, Lusardi and Beeler 2007; Lusardi and Mitchell 2007 a,b, 2011). In addition, Mottola and Utkus (2008) find that less financially sophisticated investors are more likely to hold inappropriately conservative asset allocations in their retirement plans leading to substantial welfare losses. Furthermore, Agnew and Szykman (2005) and Brown, Farrell and Weisbenner (2011) find that individuals with less financial knowledge are significantly more likely to invest in the default option. In these cases, if the defaults are not carefully chosen, suboptimal retirement outcomes may result (Goda and Manchester 2010). Taken together, these studies highlight why basic financial literacy matters.

Beyond basic financial knowledge, many Americans also frequently are unaware of the benefits and features of their own retirement plans and display an inability to correctly answer basic questions about common asset types (Choi et al. 2011, Gustman and Steinmeir 2004, Mitchell 1988). We consider plan knowledge and asset awareness to be important components of financial literacy as it seems unreasonable to expect participants to respond appropriately to plan incentives, such as employer matches, or effectively allocate their portfolios if they are unaware of their plan features and asset choices. Research supports this by providing evidence that lack of plan knowledge relates to poor plan decisions. For example, Agnew et al. (2012) find that individuals are less likely to participate in their 401(k) plan if they are unaware that their company offers a match, regardless of the enrollment arrangement.³ Furthermore, Brown et al. (2011) report that individuals with basic and more advanced knowledge of their plan features are more likely to make active decisions and not default. Finally, according to Chan and Stevens (2008), individuals who are knowledgeable about their plan features are more responsive to plan features than those who are less informed, who are more likely react to their own misperceptions of the plan features.

One final consideration is that financial illiteracy may also make it difficult for individuals to process the financial information they are given. If they are overwhelmed by the information, they may resort to relying on simple heuristics to make important decisions or procrastinate. In addition, educational materials and decision aids may not be helpful to them. Research suggests that those with low financial literacy are more prone to feelings of ‘information overload.’ Recent work also suggests that satisfaction and regret with decisions made can be linked to information issues experienced while making the decision (Agnew and Szykman 2011, Brown et al. 2011). More research is needed to fully understand this relationship but these initial findings suggest that this is another problem possibly rooted in financial illiteracy.

² While this paper focuses on the relationship between financial literacy and financial decisions related to retirement, Lusardi and Mitchell (2011b) provide a short review of additional literature that links financial literacy with other financial decisions, such as stock market participation, borrowing behavior and mutual fund selection. In addition, Calvet, Campbell and Sodini (2009) use an extensive Swedish dataset to relate a financial sophistication index to three commonly made investment mistakes: underdiversification, inertia in risk taking and the disposition effect in direct stockholdings.

³ One important caveat to this study is that the assumption that the direction of causality runs from plan knowledge to participation was not tested. Therefore, it is possible that participants acquired plan knowledge through their participation.

In total, the evidence presented here provides a convincing argument that not only basic financial knowledge but plan specific literacy and asset awareness matter. Given the documented widespread financial illiteracy in the U.S., these results present considerable challenges to plan sponsors whose members must often make complex financial decisions that will affect their retirement outcomes.

3. Financial Education and Advice in Retirement Plans: Regulatory Issues and Effectiveness

Given the complicated financial decisions individuals face in retirement plans, particularly in defined contribution and hybrid plans, questions naturally arise regarding how and if plan providers address financial literacy issues and whether their efforts are effective. One important factor that directly shapes the availability and format of the education and advice provided is the existing legislation focused on financial education and advice. It is relevant as plans sponsors may harbor concerns about their liability if their financial programs lead an individual to an unsatisfactory outcome. Therefore, this section begins with a discussion of the regulatory environment pertaining to retirement plans and financial programs in both the public and private sector. We also provide descriptions of different types of financial education and advice options as defined by law.

One of the most important pieces of legislation that has significantly affected plan education and advice programs is the Employee Retirement Income Security Act of 1974 (ERISA). Concerns about conflicts of interest by plan fiduciaries providing advice for a fee existed when this legislation was drafted. As a result, the act specifically includes ‘prohibited transaction rules’ disallowing advisors from providing fiduciary-type investment advice that produces fees or benefits to the advisor or its affiliates. Over the ensuing years, written guidance from the Department of Labor (DOL) and the passage of the Pension Protection Act of 2006 (PPA) have provided private plan sponsors with additional clarification regarding the definition of advice, what constitutes education and what type of advice is exempt from the prohibited transaction rules.⁴ This additional legislation and guidance has allayed many liability concerns that in the past may have deterred private plan sponsors from providing education and advice programs to members. Importantly, this guidance and legislation only covers private plans and does *not cover* public plans.

Public plans face a much more variable regulatory environment than do private plans. According to an industry legal expert, public plans are subject to common law trust principles within individual jurisdictions. These same principles relate to the ERISA standards. However, states vary regarding whether they codify common law trust concepts in statute or rely on case law interpretation. Thus, public plans do not benefit from one national standardized set of guidance and legislation as private plans do. ERISA case law and DOL guidance often play a role when state and local plan sponsors make decisions and, therefore, in practice public plans often follow these guidelines. However, public plans do not receive any of the legal protections afforded to private plans under these acts. Thus, it is not known whether liability concerns might affect the delivery of financial education and advice in some public plans. Therefore, a separate analysis of the public system is necessary to determine whether the various public plans, do or do not offer the financial education and advice programs available in private plans.

So what legally constitutes financial education and advice? As it stands now, guidance from the DOL states that information about plan features, investment alternatives, investing

⁴ For more background regarding the PPA and past regulations, please see Tyson and Palumbo (2011).

concepts, and asset allocation portfolios designed for hypothetical individuals are considered to be education rather than advice. In addition, there is a fine line drawn between what is considered guidance and advice under the law. According to ERISA, advice is a recommendation that is immediately actionable. Thus, a recommendation to invest in a specific fund is advice but a nearly identical recommendation to invest in a fund type without mention of a specific fund is considered guidance. This is because the latter recommendation is not immediately actionable. This very subtle distinction is clearly illustrated in Chalmers and Reuter (2012). Finally, according to the PPA, advisors can provide recommendations under the PPA ‘prohibited transaction exemption’ if they are affiliated with the underlying investments as long as they adhere to very specific conditions. Examples include ensuring that an unbiased computer model that has been certified by an independent third party makes the portfolio recommendations or that advisors receive level compensation. As a result of this guidance and legislation, plans now may provide a broad array of educational offerings and advice services to participants. Whether or not these offerings are effective is a continuing source of active academic research, since the time plans began offering financial education.⁵ While not a comprehensive summary, we will now highlight some of the major findings in this area.

Not surprisingly, the financial education and advice programs addressed in the academic research follow the history of the services and education products popular at the time. Early academic research focuses mainly on traditional educational efforts, including written communications about the company’s retirement plans, information about the financial markets and/or financial education seminars. Clark and d’Ambrosio (2003) provide a brief summary of this literature. They conclude that these early studies show a positive impact of financial education on savings behavior. Likewise, Bernheim and Garrett (2003) find using a survey of households that the availability of employer-based financial education relates positively to various measures of asset accumulation. Additionally Bayer, Bernheim and Scholz (2009) using evidence from an annual survey of employers offering voluntary savings programs, find that participation rates and contribution rates are higher for companies that offer frequent seminars and the education effects are greater for non-highly compensated employees. Lusardi (2004) also finds financial education seminars can dramatically increase wealth for families with low education and at the bottom of the wealth distribution.

On the negative side, Choi, Laibson, Madrian and Metrick (2002) and Clark and d’Ambrosio (2003) provide evidence that when the effectiveness of employer education is judged based on subsequent investment behavior and not on intentions following the seminar, the success is more limited. New insight from the growing literature in behavioral finance is providing explanations for why this inaction occurs. Most notably, research suggests that individuals follow the path of least resistance (Choi et al. 2006). Therefore, seemingly simple extra steps, for example requiring employees to fill in a large enrollment form, may prove enough of an obstacle to keep many employees from acting on their intentions. In addition, the behavioral finance literature also provides solutions to help employees overcome the psychological barriers they face. For example, new studies show that simplifying processes can improve behavior in these cases. Beshears et al. (2012) test whether providing employees simple “Quick Enrollment” and “Easy Escalation” cards improves savings behavior in retirement plans. They find significant

⁵ Hastings, Madrian and Skimmyhorn (2012) provide a thorough overview of literature related to financial literacy, financial education and economic outcomes across multiple contexts. They find little consensus on the efficacy of financial education and, like this paper, recommend more rigorous testing of financial education interventions.

increases in participation and contribution rates. In addition, social marketing approaches are proving successful. Lusardi, Keller and Keller (2008) consider obstacles to savings in their university plan and they develop a planning aid to help at-risk new employees overcome self-control issues which triples participation compared to a control group.

More recent research tests new services available via the internet, employs field study approaches and connects survey evidence to administrative data. Clark et al. (2012) provide a summary of a number of different large-scale projects they are working on that include studies using these new approaches. Their research supports earlier findings suggesting that financial education programs improve behavior. They find seminars increase both financial knowledge and retirement plan knowledge immediately and one year following participation in a seminar. They also document in preliminary work that individual retirement goals, such as the respondent's planned age of retirement, are affected by the new knowledge acquired.

Using a field study, Clark et al. (2012) test the efficacy of informational flyers mailed to non-participants and find that this information can significantly increase plan participation for the youngest workers (aged 18-24) versus the control group. However, they report that a significant difference was not found for older individuals. This suggests that a single educational effort or communication approach may not work for all. Choi et al. (2012) also use a field study to test how e-mail communications can affect behavior. Targeted e-mails are a cost-effective way for plan sponsors to educate and communicate with employees. In their study, the researchers find that very small changes, such as the content of e-mail reminders to employees about contributions, influence savings rates. Both papers demonstrate the value of field-testing educational efforts for effectiveness.

Finally, the guidance from DOL and the passage of the PPA have made advice services more available. These advice services come in many forms, including face-to-face consultations, on-line advice engines and managed account services that allow the participant to hand over the management of their 401(k) portfolio to an outside party. Research into these products suggests that different types of advice appeal to different types of people. For example, several studies find that participants opting to use online advice and managed accounts tend to differ based on demographics (Agnew 2009; Madamba and Utkus 2012; Financial Engines and Hewitt 2010). In terms of brokerage services, Chalmers and Reuter (2012) find that younger, less highly educated and less highly paid employees prefer a plan offering broker services to one without.⁶

As far as effectiveness, the results vary. Ameriks (2001) conducts an analysis of the influence of a software-guided system and finds that the advice sessions have "a significant, positive impact on the likelihood that participants will reallocate assets or begin directing contributions to recommended investment accounts that were not being used prior to the guidance session." Two newer studies written by financial firms who provide these services suggest that managed accounts lead to better portfolios with less extreme allocations, as well as less assets invested in company stock (Madamba and Utkus 2012; Financial Engines and Hewitt 2010). In addition, Chalmers and Reuter (2012) find marked differences between the broker portfolios and non-broker portfolios in public pension plans, with the former associated with greater risk. Finally, participants may be more responsive to advice if they seek it. In an experiment, Hung and

⁶ Given that the focus of this paper is on retirement plans, which face strict rules about the type of advice that can be provided, this paper will not summarize the recent literature on financial advisors in the retail market where less restrictions exist. There are a number of recent papers that address this area (for example, Haliassos, Hackethal, Jappelli 2011, Mullainthan, Noeth and Schhoar 2012, Bhattacharya, Hackethal, Kaesler, Loos, Meyer forthcoming).

Yoong (2010) find that defined contribution participants that actively seek advice are more likely to follow the advice versus those who receive unsolicited advice.⁷

As is stands now, the extant research provides evidence that retirement plan financial education appears to work and offers mixed evidence regarding advice. The findings also raise questions and suggest that one-size-fits-all approaches may not work for communicating educational facts or providing services. That said, the promising new trend towards field studies and the large-scale projects underway, as well as the opportunity to incorporate behavioral finance theory into educational methods, suggests that many of these questions will be answered in the future. Importantly, the literature stream will benefit from the more rigorous testing methods afforded by the field study approach which can be used to test new ideas as well as confirm old findings.

4. The Public Sector versus the Private Sector: Plan Trends and Employee Types

The recent shift towards defined contribution and hybrid plans in the public sector is well documented (Beshears et al. (2011) and Munnell (forthcoming)). This transition away from defined benefit plans has significantly lagged movement in the private market, where in 2008 approximately 69 percent of private sector workers with pension coverage were covered by only a defined contribution option and not a defined benefit plan. In comparison, 97 percent of covered state and local public workers in 2010 were covered by a DB plan. However, this statistic is changing as now 14 states currently offer a primary defined contribution plan component for some or all of their employees. The recent global financial crisis has accelerated the change as fiscal realities have prompted many more states to review their pension systems.

Munnell (forthcoming) attributes the delay in the public transition to defined contribution plans to several factors including, but not limited to, the public sector's relatively higher unionization, more stable firm structure, and less costly regulatory environment relative to the private sector. She also notes that change in the public sector often requires a lengthy political process, which is an obstacle not faced by private firms. Finally, she highlights the distinct nature of the public sector work force, which differs from the private sector across several dimensions. For example, public workers tend to be older, more educated and have longer job tenures. In addition, using the University of Michigan's 1996 Panel Study of Income Dynamics, Munnell (forthcoming) finds highly risk-averse individuals are also significantly more likely to work in the public sector.⁸ She theorizes that employees who are more risk averse, older and with longer job tenures are more likely to favor a defined benefit system. It follows, she contends, that the public sector may have continued to offer defined benefit plans to attract this type of employee. Statistics also show that a higher percentage of public employees are women compared to the private sector.

⁷ This is consistent with findings in the organizational behavior literature. For a comprehensive review, see Bonaccio and Dalal (2006).

⁸ Munnell's findings are supported by a 2010 survey conducted by ING of 1,026 public employees (excluding K-12 teachers) (ING 2011). The study finds that only 26 percent of the respondents indicate that they are risk-takers. Furthermore, using the Merrill-Reid personality typing system, ING reports that a majority consider themselves good team players that prefer stability to risk. Only 9 percent categorized themselves as a "Director," who among other things, is confident, decisive, determined and a risk-taker. When asked about their retirement investment style, 50 percent considered themselves conservative, meaning they wanted to protect savings and avoid losses. Forty four percent were moderate investors and six percent considered themselves aggressive investors.

Table 1 presents an overview of the different types of primary plans offered in each state. To our knowledge, it is the most comprehensive summary of the major public state plans in the U.S. The information in this table was collected from various plan documents.⁹ In the table, under the column header ‘Primary Plan Options,’ each plan is sorted into a category based on the plan’s type (either DC (defined contribution), DB (defined benefit) or hybrid) and how the plan is selected or not selected by employees (Mandatory or Choice). The ‘Mandatory DC’ and ‘Mandatory Hybrid’ categories imply that employees have no choice but to participate in that specific plan. Similarly, a ‘DB only’ categorization indicates that only a DB option is available to the employees. The categories ‘DC choice,’ ‘DB choice,’ and ‘Hybrid choice’ indicate that the plan is part of a ‘choice set’ from which employees can select their retirement plan. The choice sets are bolded and the default option is denoted with superscript D. It is possible for a state plan to be mandatory for some employees and part of a choice set for others. In this case, both categories are put in the column and the order reflects how many employees have this option available. The category that describes the situation for most of the plan members is listed first.

This table immediately reveals one of the complications of state retirement systems. In many states, there is not one plan available to all employees but often many different plans offered to workers based on their type of employment. This is one reason that understanding the state public plan system is difficult. In addition, plan eligibility may be based on time of hire. In some cases, new employees may be required to join plans that offer choice, while older employees may be restricted to their original options or given an option to change.¹⁰ It all depends on the state. To add further complexity, in some states, certain employees may be able to choose their type of plan, while at the same time other employees may be required to participate in a plan chosen by the state. This is the current case in Virginia where a subset of state employees, including higher education workers, political appointees and school superintendents, may choose to join an optional DC plan, the ORP, instead of the DB plan that is mandatory for other state employees. This is evident by looking at the ‘Primary Plan Options’ column under the Virginia state heading. For Virginia Retirement System (VRS), ‘DB only’ is the first category that is listed and applies to most employees. ‘DB choice’ is the second category in bold that only applies to the subset. Employees eligible for the ORP plans that choose not to participate are defaulted into the VRS, as indicated by the superscript D next to ‘DB choice.’ In 2014, new state and local employees and teachers in the state will be enrolled in a new Virginia hybrid plan, with once again a small subset given the choice between the current ORP and the new hybrid.

With regard to financial education, it can be argued that the recent public plan trend towards more choice increases the need for financial literacy in its membership. While the public workforce tends to be more educated, a characteristic generally associated with greater financial literacy, there are certain public constituencies that may need more assistance than others. For example, several public plans cater to K-12 teachers only. ING present statistics from their K-12 public plans documenting that this group tends to be predominately women. This is a group identified by research as having a higher risk for low financial literacy. In addition, the ING survey finds that a large majority of this group have not developed a plan for retirement (ING 2010). Finally, it is still an outstanding question whether the risk aversion of public workers in general adversely influences their financial choices or not. If as a result they invest in

⁹ The majority of information in Table 1 was collected from state and plan-level Comprehensive Annual Financial Reports (CAFRs), the Public Plans Database (2010), and pension system websites.

¹⁰ In some cases, participants in a closed primary plan classified as “Mandatory” in Table 1, may have had the option to switch to a newly established plan.

inappropriately conservative portfolios, Mottola and Utkus (2008) calculate very high associated welfare costs with this strategy. Therefore, depending on the findings, financial education may also be helpful in this context.

5. The National Public Pension Plan Financial Education Survey

For years, the Plan Sponsor Council of America (PSCA) has conducted annual surveys on education provided in private plans. In their 2010 report, they highlight the most common approaches to education among these plans, provide information regarding the different program goals and offer statistics related to the developers of the programs (PSCA 2010). Unfortunately, this type of information is not readily available for public plans and, as a result, little is known about the educational and advice practices in this sector. Seeking to fill this gap, we fielded over the January to June 2012 time frame the first National Public Pension Plan Financial Education Survey. The survey focuses specifically on DC and hybrid state plans. While decisions associated with defined benefit plans sometimes can be complicated, DC and hybrid plans by design require many more choices influencing retirement outcomes. As a result, it is arguable that education and advice are more necessary in these types of savings vehicles.

Table 2, Panels A and B outline the state primary DC and hybrid plans targeted for the survey. We specifically chose large primary state systems. We exclude plans serving very small constituencies.¹¹ However, we do include new primary state plans that at the moment may be small but can be expected to cover a substantial number of employees within the next several years. Table 2, Panel A provides a list of the mandatory primary state plans we study while Table 2, Panel B provides a list of the targeted plans that are offered as part of a selection of plans available to employees. These tables include the market value of the plans assets.

At first glance, these tables may initially lead to some confusion as one state's name may appear under multiple subcategories. For example, Michigan appears under both 'Mandatory Hybrid' and 'Mandatory DC' subcategories in Table 2, Panel A. A closer look reveals that the official plan names that follow the Michigan name in the tables are different. It is these specific plan names that are the keys to understanding the tables. By referring back to Table 1, readers can learn more about each official plan and the types of employees eligible to participate in them. For example, Table 2 lists Michigan's mandatory DC plan as the State of Michigan Defined Contribution plan. Turning back to Table 1 and moving to the Michigan section, we see that this plan is open to all employees formerly eligible for the SERS, JRS, or LRS DB plans and opened in 1997. Under Table 2's mandatory hybrid plan section, the Michigan MPSERS-PPP plan is listed. Once again, we can learn from Table 1 the eligibility for this plan. We find this plan serves only employees of public schools, district libraries, and certain schools and universities.

In addition to the DC and hybrid plans listed in Table 2 Panel A and B, we did solicit responses from major defined benefit systems and city systems. Our full dataset includes approximately 50 percent of the state defined benefit only systems. While not the focus of our research, we will discuss some of the anecdotal findings from their responses later on. Importantly, before survey respondents took the survey, they were told upfront that their responses would be anonymous and aggregated. This was necessary to ensure a high response rate. To adhere to this condition, we will not present results by plan level nor highlight which plans completed the survey.

¹¹ We also exclude privately managed optional defined contribution plans, such as those commonly available for faculty and staff in higher education.

Table 3 provides the aggregated statistics for our survey respondents and our survey population. For mandatory DC and hybrid plans, we have responses for 80 percent of the plans, representing roughly 54 percent of active participants. For DC and hybrid plans that are part of a choice set offered to members, we collected responses from 87 percent of plans, representing 96 percent of active participants. Combined, this equates to a response rate of 84 percent of the possible 25 plans and 69 percent of active participants. For DB plans that are offered as a choice set, we have data on 89 percent of the active population.

Before moving to the discussion of the financial education programs, Table 4 provides information about important features of the plans surveyed, such as the presence of automatic enrollment and automatic escalation, whether a default investment option is offered and vesting. In addition, it provides details regarding what type of employee (new hires only or most employees) have access to these options. This information is relevant as these features are useful ways to guide behavior in plans, especially if members are not financially literate. Practitioners often debate whether certain features like automatic enrollment and automatic escalation should be used as substitutes or complements to financial education and advice. Not surprisingly, when plans are mandatory, automatic enrollment is always offered, whereas this is not the case when plans are part of a choice set. In the latter case, it is likely that the small percentage of plans that offer automatic enrollment in the choice contexts are the default DC and hybrid plans in the set. Automatic escalation is not a feature in most plans regardless of the type. Data presented in Beshears et al. (2011) provides some insight for this finding. In their study of primary defined contribution plans focused on general employees, they find that plans often have mandatory contribution levels for employees. Thus, the employee does not set the contribution level nor, in some cases, have the ability to increase it. As a result, automatic escalation in these instances is not necessary. Another interesting finding is that default investment options exist in plans offered in a choice set. This is also consistent with Beshears et al. (2011) findings that many opt-in plans also have a default investment option. Some plans do offer matches but they are not offered universally. In addition, most plans come with vesting requirements.

Table 5 combines the choice and mandatory DC and hybrid plans and reports the aggregated responses to questions regarding education and advice programs. Of those surveyed, all of the plans offered some sort of financial education and/or advice with the most popular option being one-on-one telephone consultations. The table sorts the options available by the percentage of *actives* with access to each option. The table also includes an additional measure, the percentage of plans offering the educational program. This allows comparisons with the PSCA data. Often, but not always, the popularity of the option follows the same ranking for these two metrics. The next most popular options available to over 90 percent of the surveyed respondents include group seminars, periodic newsletters, live webinars, and new hire information packets. Additionally, approximately three-quarters of actives have access to third party online financial advice. One-on-one in person consultations and internet options (financial education web component and online videos) are offered to little more than half of actives. While over half the plans use e-mails, it only equates to 19 percent of the active member population. This could indicate smaller plans are using this option more than larger plans. The least popular approach is social media. PSCA's 2010 results report that for private plans, the most popular education provided includes enrollment kits (70.2 percent of plans), seminars/workshops (63.5 percent), internet/intranet (59.3 percent), e-mail (52.5 percent) and fund performance sheets (44 percent). In addition, PSCA reports that 57.6 percent of plans offer investment advice.¹² Of those

¹² All percentages from the PSCA are as a percent of private profit sharing and 401(k) plans surveyed.

offering investment advice, 58.9 percent offer one-on-one counseling, 62 percent offer advice through the internet, 55.5 percent offer a telephone hotline. Less popular are web conferences offered by 18.2 percent.

In terms of who develops the educational programs, we asked plans whether they created the programs in-house or contracted a third party to develop them. A third party could include the contracted record keeper or a company hired specifically to help with education. Table 6 presents the results. This table is sorted in the same order as Table 5, therefore the most available options to actives are listed first. The percentages are based on the number of plans that offer each option. Therefore, the rows sum to 100 percent. Interestingly, the public plans are very involved in the development of their programs. The majority of the programs are either developed by the plan in-house or in conjunction with a third party. In most cases, with the understandable exception of third party online advice, less than 35 percent of financial education is completely outsourced to a third party for development. In contrast, the 2010 PSCA report indicates that only 36 percent of retirement planning educational programs are offered by the plan sponsor. In a text response, we asked what third party groups were employed. Interestingly, a few plans had several different providers creating their financial education programs. For example, one firm designed their workshops, another firm handled communications and a third firm provided the advice.

Figure 1 provides more insight into the different topics that are covered. Most types of educational offerings cover both plan specific and general financial knowledge topics.¹³ Table 7, Panels A and B include more detail regarding the popularity of the topics within each main area (plan specific and general). Table 7, Panel A provides information about plan specific topics. Plans were permitted to choose more than one topic. In most cases, the most popular plan specific topic is a plan overview, with plan investment options and plan distribution options competing for second. Third party online advice is the only educational program that is more likely to cover plan investment options and distribution options than provide a plan overview. Regarding general financial topics (Table 7, Panel B), retirement planning dominates all other topics in all but one case, with diversification, overview of assets and basic investment principles generally ranking second or third. Other topics that are covered by some plans but are not as popular as those listed include debt management, inflation, compound interest, and budgeting.

Finally, the plans list their main goals for financial education as improving overall retirement outcomes (95 percent), highlighting the importance of retirement savings (95 percent) and helping members make better investment decisions (90 percent). The PSCA reports list the most common reasons plans cite for their plan education is to increase participation (79 percent), to increase appreciation for the plan (77 percent) and to increase deferrals (74 percent). Increasing participation and increasing deferrals could both fit under the classification of improving overall retirement outcomes. Thus, the results are fairly consistent. However, increasing the appreciation for the plan was not an option provided as a possible response in the survey so it is not clear whether this is a factor for public plans.

We also asked respondents whether they measured the success of their programs, and their responses are in Table 8. As the earlier literature review suggests, this is relevant because not all educational methods are effective overall or for specific groups. We find roughly eighty percent of our DC and hybrid plans surveyed measure success. Based on the total surveyed DC and hybrid plans indicating they measure success, about 90 percent use surveys and attendance records to assess performance. These approaches are often useful for capturing participant

¹³ Some the plans indicate that they do not offer plan specific or general financial education topics. We are following up with these plans to confirm their responses.

satisfaction but, as previously discussed in Section 3, can fall short if participants are not following through with what they have learned. In terms of following actual member decisions made, about 40 percent of plans track default rates and just 35 percent follow actual participant behavior. Only two plans have employed an experimental field study to test for statistically significant changes in behaviors.

With regards to tracking defaults, the Florida Retirement System (FRS) provides a useful case study to illustrate how plans measure success related to defaults. The FRS gave us permission to include and discuss their results. For background, the FRS is the fourth largest public pension plan in the U.S. in size and since 2002 has required new public employees within the first five months of hire to decide whether they want to participate in the DB plan, called the FRS Pension Plan, or the DC option, referred to as the FRS Investment Plan. This is a critical retirement decision for new employees, complicated by the fact that they have limited time to make their choice, while at the same time starting a new job. If no election is made, workers are defaulted into the Pension Plan. These participants are also given one 2nd election opportunity to switch plans during their active career.¹⁴ The State Board of Administration of Florida (SBA) manages the Investment Plan and has the responsibility to help members choose the appropriate plan through financial education and planning tools. An important goal set by the SBA is to promote active and informed decision-making. As a result, they track the default choices made by new employees and strive to ensure that members defaulting do so actively.¹⁵ Towards this goal, they hired a third party in 2005 to improve and simplify their plan communications using focus groups to guide the process. They refined the communication and education products over the 2007-2010 time frame. Figure 2 presents a chart that displays how the default rate has declined over time. They estimate that up to 41 percent of those listed as defaulters did so actively. The declining default rate suggests that the communications methods may have worked. However, further econometric analysis is warranted to judge significance. Regardless, Florida provides an excellent example of how one plan is actively following and evaluating decision-making around their education program. They are taking an important step beyond measuring satisfaction with educational materials that others may wish to follow.

Finally, respondents were given the opportunity to provide free text responses to discuss the issues they face offering educational programs and what they would like to know about other public plans. The responses to questions asking respondents what they view as the single largest problem with financial education gives valuable insight into the challenges facing plans. Several plans mentioned that their members' lack of financial literacy/sophistication was an issue, as was helping a diverse membership that includes a broad range of investing expertise and interest level. Several plans mentioned that getting the message to start saving early for retirement was difficult to deliver, as well as encouraging individuals to act on the information they are given. In particular, reaching young people was a common concern. Two plans also mentioned budget constraints.

Interestingly, one plan mentioned concern over crossing the line into financial advice. This comment reveals that the legal issues discussed earlier related to education and advice may affect some public plans. Finally, two plans mentioned the need to better reach out to members at important life milestones. The number of responses to the question asking plans what they would

¹⁴ After eight years of service in the FRS Pension Plan or FRS Investment Plan (five years for members hired prior to July 1, 2011), members may also choose to participate in the FRS Investment Plan Hybrid Option.

¹⁵ This means their intention is to participate in the Pension Plan and they knowingly allowed themselves to be defaulted into it.

like to know about what other plans are doing demonstrated a general interest in learning more about best practices. Methods for evaluating plan success, encouraging young workers to engage and save, and promoting supplemental savings were topics of interest. One plan wanted to know whether members value in-person education or if they prefer new electronic methods. Additionally, they wondered if life events are targeted.

Overall, the survey results suggest that large state primary public DC and hybrid systems are offering a variety of education programs and that the sponsors play a large role in their development. Plans are interested in measuring success but are more likely to use standard approaches like satisfaction surveys than more rigorous methods like tracking behavior or field studies. Nevertheless, the responses indicate an interest in improving educational approaches and measuring performance.

Finally, we did gather data on 40 primary state defined benefit only plans, representing about 5 million active members and \$1 trillion in market assets. We close this section by contrasting our previous findings with this sample. To create our target population of defined benefit only plans we used Boston College's Public Plans Database (PPD). This database provides actuarial, financial, and membership data on 107 state plans, representing over 90 percent of total actives and assets covered by state plans. From the database, we identified 92 'DB only' plans. This target sample excludes the plans classified as 'DB Choice' and encompasses about 10 million active members and \$2 trillion in market assets.¹⁶ As a result, our DB only sample from the survey represents 43 percent of the PPD sample of DB only plans, and about 50 percent of its active members and market assets. We find that not all of the DB only plans surveyed offer financial education, 80 percent of our surveyed sample does compared to 100 percent of our DC and hybrid sample. Plans not offering education were asked whether they would like to know about what other plans are doing with financial education. Interestingly, two DB plans not offering financial education specifically asked about the legal implications of offering education. Both were interested in learning more about the regulation, which indicates that there is some confusion about what is acceptable. Turning to those DB plans offering education, it is not surprising that the relative importance of some goals are different relative to the DC and hybrid plans. For example, when we look at our sample of 32 defined benefit only plans offering education, the importance of helping people make better investment decisions is only listed by about 40 percent of the plans. That said improving overall retirement outcomes (81 percent) and highlighting the importance of retirement saving (69 percent) are still chosen by a large number of plans and are consistent with the earlier sample. In general, comments from all types of DB plans echoed concerns voiced by earlier plans, such as how to engage the younger population. Finally, one plan expressed interest in how plans successfully locate member e-mails. Anecdotally, the researchers found that some very large plans had similar issues, making use of targeted e-mails and follow ups very difficult.

6. Conclusions and Implications

Prior literature suggests that financial literacy is low in the United States. This is a concern as the shift from defined benefit plans to defined contribution and hybrid arrangements continues in both the private and public sector. While the shift is near complete in the private sector, the public sector has lagged behind and only now is experiencing a major transition. Given the complicated decisions employees face in non-DB plans, employers must carefully consider

¹⁶ When possible we provided data updates to the database results.

whether to offer financial education and advice to help their members with important choices. The literature suggests that these efforts can be helpful and new research applying more rigorous testing of effectiveness through field studies promises to provide greater insight into what methodologies will lead to better outcomes.

While surveys addressing financial education in private plans are available, little is known about what is offered in public plans. In addition, given the different characteristics of public sector workers and the variable legal environment facing public plans with respect to education and advice programs, it cannot be assumed that the private plan findings apply directly to public plans. To address this, this paper provides a new analysis of the public market, specifically focusing on large state systems with primary DC and/or hybrid plans. We find that some form of education or advice is offered in every surveyed plan and that the sponsoring entity is very involved in the development of the program. However, it appears that legal uncertainties may be a problem for a few plans.

While many plans attempt to measure success, these plans most frequently use methods such as seminar attendance and surveys to judge performance, which at times can be poor measures of effectiveness. Only 41 percent tracked the default rate on important decisions and 35 percent tracked actual post education behavior. These low percentages leave room in many plans for more rigorous evaluation.

The text responses by survey respondents provide further insight into the challenges facing public plans and indicate that many plans are seeking ways to improve their financial education. In some cases, budget issues can make this a difficult task. In fact, seventy one percent of our sample indicate that with an unlimited budget they would direct more to financial education. Additionally, many plans of different types indicated in the survey that they would be willing to allow further analysis of their approaches to education. In light of this expressed interest, budgetary concerns and desire for improvement, public plans may benefit by forming partnerships with academics interested in testing financial education delivery methods. Such partnerships would allow plans to rigorously test their offerings in a cost effective manner while providing academics an opportunity to further research in their field. Published research would also benefit other plans developing programs.

For academics, studying financial education in public plans provides many interesting research opportunities. Important areas of study that require more in depth analysis include determining what types of members are attracted to various types of educational programs. Is there a bias? Are members that are more inclined to act also more likely to attend events or use resources available? If so, are there effective ways to reach those who do not voluntarily attend or seek assistance? Could mandatory training work? Given the documented risk aversion of public employees, are there more effective ways of reaching this group? What role can e-mail reminders and just-in-time education play in nudging members into action? Can financial education and advice lead to more long-term satisfaction with the decisions that are made? What particular educational methods are most likely to engage and motivate younger employees? These are just a few of the important unanswered questions in this area.

In conclusion, this paper provides a basic review of current educational and advice practices in the public sector and identifies areas in need of improvement. These areas of concern present opportunities for academics and sponsors of public plans to work together to help members achieve better retirement outcomes. Given the new analysis methods being used in the research literature and the advances in the behavioral finance field, the future for better program

evaluation and the potential for developing new and innovative ways to educate and provide advice looks promising.

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Table 1: Primary State Plans

This table provides a summary of all the major primary statewide retirement savings plans and also includes many smaller state plans administered only for certain employee groups. In addition, public university plans that are listed in the financial reports of state governments are included.¹⁷ It is the most comprehensive list of these plans to date but may omit some smaller plans that could not be identified. All discovered plan design changes through June 2012 are reflected in the table, including prospective changes that have been recently legislated. The table includes a list of employee types covered by the plans, the date the plans began and an indicator (*C) for plans that are closed to new members. If the state offers many plans under one large system, the state plan options are indented under the main system heading. The plan options may include closed plans. In addition, the column entitled Primary Plan Options provides details regarding how **NEW** members in currently active plans choose their plan. For closed plans, it highlights how the plan was chosen by **NEW** employees when it was open. ‘DB only’ indicates that a defined benefit plan is the only plan available to employees. ‘DC choice’, ‘DB choice’ and ‘Hybrid choice’ labels indicate defined contribution, defined benefit, and hybrid plans that are part of a choice set. In some cases, a plan can be a ‘DB only’ option for a majority of the employees but then for a subset of employees exist as a plan offered in a choice set. In this case, the plan categorization that comes first applies to most employees. Plans that are part of a choice set for employees are bolded. The default plan in a choice set is denoted with a D superscript. A * indicates that the information could not be located. This table was carefully constructed after reviewing state and plan-level CAFRs, the Public Plans Database, legal statutes, and other plan documents. On February 13, 2013, the table was sent out for review to representatives from all state pension systems for which we could identify a contact. All changes suggested before February 25 have been incorporated into the table. Extensive table notes are available upon request.

¹⁷ Note a more comprehensive list of public university plans can be found in Brown and Weisbenner (2013, forthcoming). Brown and Weisbenner includes plans that are not reported in state financial reports. The authors’ notes on these plans are available on request.

Table 1 Primary State Plans: Alabama to Arizona

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
AL ¹	Retirement Systems of Alabama (RSA)			
	Employees' Retirement System of Alabama (ERS)	DB only	General state employees, state police, and certain local employees	1945-
	Judicial Retirement Fund of Alabama (JRF)	DB only	Judges, justices, and judicial employees	1973-
	Teachers' Retirement System of Alabama (TRS)	DB only	Teachers and employees of educational institutions	1939-
AK	Alaska Judicial Retirement System (JRS)	DB only	Judges and justices	1963-
	Alaska Elected Public Officers Retirement System (EPORS) *C	DB only	Governor, Lieutenant Governor, and legislators	1976-1976
	Alaska National Guard and Alaska Naval Militia Retirement System (NGNMRS) ²	DB only	Members of the Alaska National Guard and Alaska Naval Militia	1973-
	Alaska Public Employees' Retirement System (PERS) Defined Benefit Plan (PERS-DB) *C	DB only	General state and local employees	1961-2006
	Defined Contribution Retirement Plan (PERS-DCR)	Mandatory DC	General state and local employees	2006-
	Alaska Teachers' Retirement System (TRS) Defined Benefit Plan (TRS-DB) *C	DB only	Mainly teachers	1955-2006
	Defined Contribution Retirement Plan (TRS-DCR)	Mandatory DC	Mainly teachers	2006-
AZ	Arizona Public Safety Personnel Retirement System Trust ³			
	Arizona Corrections Officer Retirement Plan (CORP)	DB only	Local detention officers and certain State corrections officers	1986-
	Arizona Elected Officials' Retirement Plan (EORP)	DB only	State, county, and elected city officials and judges	1981-
	Arizona Public Safety Personnel Retirement System (PSPRS)	DB only	Fire fighters and police officers	1968-
	Arizona State Retirement System (ASRS) ⁴ System Plan *C	Mandatory DC	State, public school, and certain local employees	1953-1971
	Defined Benefit Plan	DB only, DB choice ^D	State, public school, and certain local employees	1971-
	Arizona Universities' Retirement Plans	DC Choice	Faculty, academic and service professionals, and administrative staff of three universities	

Table 1 Primary State Plans: Arkansas to California

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
AR	Arkansas Judicial Retirement System (AJRS) ⁵	DB only	Judges and justices	1953-
	Arkansas Public Employee Retirement System (APERS)			
	Arkansas Public Employee Retirement System (APERS)	DB only, DB choice	State and local employees, college and university employees, certain non-teaching school employees, and judges	1957-
	Arkansas State Police Retirement System (ASPRS) ⁶	DB only	Police officers	1951-
	Arkansas District Judge Retirement System (ADJRS) * C ⁷	DB only	District judges	2005-2007
	Arkansas State Highway Employees Retirement System (ASHERS)	DB only	Employees of the Arkansas State Highway Department	1949-
	Arkansas Teacher Retirement System (ATRS)	DB only	Teachers, and public school, education, and university employees	1937-
Arkansas Higher Education Retirement Plans ⁸	DC choice ^D	Higher education employees who work at least 20 hours per week	1923-	
CA	California Public Employees' Retirement System (CalPERS)			
	Public Employees' Retirement Fund (PERF)	DB only	General, industrial, and California Highway Patrol employees, peace officers and fire fighters, and other safety members	1932-
	Judges' Retirement Fund (JRF) * C	DB only	Judges and justices	1937-1994
	Judges' Retirement Fund II (JRF II)	DB only	Judges and justices	1994-
	Legislators' Retirement Fund (LRF) * C	DB only	Legislators and constitutional and legislative statutory officers	1947-1990
	California State Teachers' Retirement System (CalSTRS) ⁹	DB only	Teachers and other public school employees	1913-

Table 1 Primary State Plans: Colorado to Connecticut

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
CO	Colorado Fire and Police Pension Association (FPPA) ¹⁰			
	Fire & Police Members' Benefit Investment Fund Defined Benefit System ¹¹			
	Statewide Defined Benefit Plan	DB choice	Firefighter and police employees	1978- ¹²
	Statewide Hybrid Plan	Hybrid choice	Firefighter and police employees	2004-
	Affiliated Local Defined Benefit Plans *C ¹³	DB only	Firefighter and police employees	Pre- 1978
	Fire & Police Members' Self-Directed Investment Fund			
	Members' Statewide Money Purchase Plan	DC choice	Firefighter and police employees	1995-
	Colorado Public Employees' Retirement Association (PERA)			
	Colorado PERA Defined Contribution Retirement Plan (PERAChoice) ¹⁴	DC choice	State employees and certain community college employees	2006-
	Colorado PERA Judicial Division Trust Fund	DB only	Judge and judicial employees	1949-
	Colorado PERA Local Govt. Division Trust Fund	DB only	Municipal employees	1944-
Colorado PERA School Division Trust Fund	DB only	Public school employees	1944-	
Colorado PERA State Division Trust Fund	DB Choice^D	General state employees and state troopers	1931-	
Denver Public Schools Division Trust Fund ¹⁵	DB only	Public school employees	2010-	
CT	Connecticut Alternate Retirement Program (CARP) ¹⁶	DC choice	Teachers and professional staff in higher education	1975-
	Connecticut Judicial Retirement System (JRS)	DB only	Judges, magistrates, and commissioners	1981-
	Connecticut Municipal Employees Retirement System (CMERS)	DB only	Firemen, policemen, and other municipal (non-teacher) employees	1945-
	Connecticut Probate Judges and Employees' Retirement System (CPJERS)	DB only	Judges and employees of probate courts	1968-
	Connecticut State Employees' Retirement System (SERS)			
	Tier I *C	DB only	All state employees, elected officials, and their appointees	1939-1984
	Tier II *C	DB only	All state employees, elected officials, and their appointees	1984-1997
	Tier IIA *C	DB only	All state employees, elected officials, and their appointees	1997-2011
	Tier III Hybrid Plan ¹⁷	DB only, DB choice^D	All state employees, elected officials, and their appointees	2011-
Connecticut Teachers' Retirement System (TRS)	DB choice	Teachers and professional staff in higher education	2011-	
	DB only	Public school teachers and faculty; certain professional employees in higher education	1917-	

Table 1 Primary State Plans: Delaware to Georgia

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
DE				
	Delaware Public Employees' Retirement System (DPERS) ¹⁸			
	County and Municipal Other Employees' Pension Plan	DB only	County and municipal employees other than police and firemen	1987-
	County and Municipal Police and Firefighters' Pension Plans	DB only	County and municipal police officers and firemen	1985-
	Diamond State Port Corporation Pension Plan	DB only	Employees of the Diamond State Port Corporation	1996-
	Judiciary Pension Plans ¹⁹	DB only	Members of the Delaware Judiciary	1970-
	State Employees' Pension Plan	DB only	State employees	1970-
	State Police Pension Plans ²⁰	DB only	State police officers	1970-
	Delaware Volunteer Firemen's Pension Plan	DB only	Fire department, ambulance, and ladies auxiliary volunteers	1987-
FL				
	Florida Retirement System (FRS) ²¹			
	FRS Pension Plan	DB choice^D	All state employees and participating local employees	1970-
	FRS Investment Plan	DC choice	All state employees and participating local employees	2002-
	FRS Investment Plan Hybrid Option	Hybrid choice	All state employees and participating local employees	2002-
	Senior Management Service Optional Annuity Program (SMSOAP) ²²	DC choice	Members of the Senior Management Service Class and certain legislators, managers, and judges	1987-
	State University System Optional Retirement Program (SUSORP) ²³	DC choice	State university faculty, administrators, and administrative and professional staff	1984-
GA				
	Employees' Retirement System of Georgia (ERS System)			
	Employees' Retirement System of Georgia (ERS) ²⁴			
	Old Plan *C	DB only	State employees other than teachers, including police and firemen	1950-1982
	New Plan *C	DB only	State employees other than teachers, including police and firemen	1982-2008
	Georgia State Employees' Pension and Savings Plan (GSEPS) ²⁵	Mandatory Hybrid	State employees other than teachers, including police and firemen	2009-
	Pension Plan	Mandatory DB	State employees other than teachers, including police and firemen	2009-
	401(k) Plan ²⁶	Mandatory DC	State employees other than teachers, including police and firemen	2009-
	Georgia Judicial Retirement System (GJRS)	DB only	Judges, attorneys, and legislative counsel	1998-
	Georgia Military Pension Fund (GMPF)	DB only	Georgia National Guard	2002-
	Legislative Retirement System (LRS)	DB only	General Assembly members	1971-
	Public School Employees Retirement System (PSERS) ²⁷	DB only	Public school employees not covered by the TRS	1970-
	Regents Retirement Plan	DC choice	Eligible university employees choosing not to participate in TRS	1990-
	Teachers Retirement System of Georgia (TRS)	DB only, DB choice^D	Teachers and certain staff of public schools and universities	1945-

Table 1 Primary State Plans: Hawaii to Illinois

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
HI	Hawaii Employees' Retirement System (ERS) Contributory Plan ²⁸	DB only	All state and county employees hired before 6/30/1984; mandatory occupation groups	1925-
	Noncontributory Plan *C	DB only	All state and county employees except mandatory Contributory Plan members	1984-2006
	Hybrid Plan ²⁹	DB only	All state and county employees except mandatory Contributory Plan members	2006-
ID	College and University Optional Retirement Plan (ORP) ³⁰	Mandatory DC	Faculty and staff in higher education	1990-
	Department of Labor Retirement Plan *C	DB only	Idaho Department of Labor employees	Pre- 1980
	Judge's Retirement Fund (JRF)	DB only	Judges and justices	*
	Public Employee Retirement System of Idaho (PERSI)			
	Public Employee Retirement System Base Plan (PERSI Base Plan)	DB only ³¹	State and school district employees; city, county, and district employees	1965-
Firemen's Retirement Fund (FRF) *C ³²	DB only	Local firemen	1940s-1980	
IL	Illinois General Assembly Retirement System (GARS)	DB only	General Assembly members and certain elected officials	1947-
	Illinois Judges' Retirement System (JRS)	DB only	Judges and Associate Judges	1941-
	Illinois Municipal Retirement Fund (IMRF) ³³	DB only	Local government and non-teaching school district employees, excluding those in the city of Chicago and Cook County	1941-
	Illinois State Employees' Retirement System (SERS)	DB only	Most state employee occupations	1944-
	Illinois State Universities Retirement System (SURS) ³⁴			
	Traditional Plan	DB choice^D	Faculty and staff of state universities, community colleges, and related agencies	1941-
	Portable Benefit Option Plan	DB choice	Faculty and staff of state universities, community colleges, and related agencies	1998-
	Self-Managed Plan	DC choice	Faculty and staff of state universities, community colleges, and related agencies	1998-
Illinois Teachers' Retirement System (TRS)	DB only	Public school teachers	1939-	

Table 1 Primary State Plans: Indiana to Iowa

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
IN	Indiana Public Retirement System (INPRS) ³⁵			
	Indiana Public Employees' Retirement Fund (PERF)			
	1977 Police Officers' and Firefighters' Pension and Disability Fund (PFPF)	DB only	Police officers and fire fighters	1977-
	Judges' Retirement System (JRS)	DB only	Judges and justices	1977-
	Legislators' Retirement System (LRS)			
	Legislators' Defined Benefit Plan *C	DB only	General Assembly members	Pre- 1989
	Legislators' Defined Contribution Plan	Mandatory DC	General Assembly members	1989-
	Prosecuting Attorneys' Retirement Fund (PARF)	DB only	Prosecuting attorneys	1990-
	Public Employees' Retirement Fund (PERF) Pension Benefit	Mandatory Hybrid	State and local employees	1945-
	Annuity Savings Account (ASA) ³⁶	Mandatory DB	State and local employees	1945-
		Mandatory DC	State and local employees	1955-
	State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan (ECRP)	DB only	Certain employees of the Indiana Department of Natural Resources, the Indiana Alcohol and Tobacco Commission, and certain State excise police officers, conservation enforcement officers, gaming agents, or gaming control officers	1971-
	State Police Retirement Fund (SPRF)	DB only	State police	1937-
	Indiana Teachers' Retirement Fund (TRF) Pension Benefit	Mandatory Hybrid	Public school teachers and certain employees in higher education	1921-
Annuity Savings Account (ASA) ³⁶	Mandatory DB	Public school teachers and certain employees in higher education	1921-	
	Mandatory DC	Public school teachers and certain employees in higher education	1955-	
IA	Iowa Public Employees' Retirement System (IPERS)	DB only, DB choice ^D	State, county, and local public employees, employees of school districts, and certain elected officials	1953-
	Judicial Retirement System (JRS)	DB only	Judges	*
	Municipal Fire & Police Retirement System of Iowa	DB only	Municipal police officers and fire fighters	1992-
	Peace Officers' Retirement, Accident and Disability System (PORS)	DB only	Peace officers	1949-
	Teachers Insurance and Annuity Association (TIAA) Retirement Program	DC choice	Higher education faculty and staff	*

Table 1 Primary State Plans: Kansas to Kentucky

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
KS	Board of Regents' Retirement Plan	Mandatory DC	Employees of state universities and the Board of Regents office	1962-
	Kansas Public Employees Retirement System (KPERS)			
	Kansas Police and Firemen's Retirement System (KP&F)	DB only	Police officers and firefighters	1966-
	Kansas Public Employees Retirement System (KPERS)	DB only	State and public school employees, and employees of counties, municipalities, and certain other political subdivisions	1962-
	Kansas Retirement System for Judges	DB only	Judges and justices	1975-
KY	Judicial Form Retirement System			
	Judicial Retirement Plan	DB only	Judges and justices	1960-
	Legislators' Retirement Plan	DB only	General Assembly members	1980-
	Kentucky Retirement Systems (KRS)			
	County Employees Retirement System (CERS)	DB only	Full-time employees of participating counties, cities, school boards, and any additional local agencies	1958-
	Kentucky Employees Retirement System (KERS)	DB only	Full-time employees of any state department, board, or agency	1956-
	State Police Retirement System (SPRS)	DB only	Full-time state troopers	1960-
Kentucky Teachers' Retirement System (KTRS)	DB only	Employees of local school districts and other educational agencies	1938-	

Table 1 Primary State Plans: Louisiana

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
LA	Louisiana State Employees' Retirement System (LASERS) ³⁷			
	Regular Employees Plan	DB only	Regular state employees and specialty positions not covered by the Hazardous Duty or Judicial Plan	2011-
	Regular Employees Plan *C	DB only	Regular state employees	1947-2010
	Hazardous Duty Employees Plan	DB only	Employees in hazardous duty positions	2011-
	Alcohol & Tobacco Control Agents Plan *C	DB only	Alcohol and tobacco control officers	2007-2010
	Appellate Law Clerks Plan *C	DB only	Appellate law clerks	Pre- 2010
	Bridge Police Plan *C	DB only	Bridge police for Crescent City Connection	1997-2010
	Corrections Primary Plan *C	DB only	Correctional officers in Department of Public Safety and Corrections	1975-2001
	Corrections Secondary Plan *C	DB only	Correctional officers in Department of Public Safety and Corrections	2002-2010
	Legislative Plan *C	DB only	State legislative officers and elected officials	1959-2010
	Peace Officers Plan *C	DB only	Peace officers	2006-2010
	Wildlife & Fisheries Plan *C	DB only	Department of Wildlife and Fisheries agents	1972-2010
	Judicial Plan	DB only	Elected judges	1976-
	Optional Retirement Plan (ORP) *C	DC choice	Certain unclassified employees	1999-2007
	Louisiana Lottery Corporation Basic Retirement Plan	Mandatory DC	Employees of the Louisiana Lottery Corporation	1993-
	Louisiana School Employees' Retirement System (LSERS)	DB only	School bus drivers, school janitors, school custodians, and school maintenance employees	1947-
	Louisiana State Police Retirement System (LSPRS)	DB only	Law enforcement officers and the Superintendent of the Office of State Police	1938-
	Municipal Employees' Retirement System of Louisiana	DB only	Public employees of incorporated villages, towns, and cities	1955-
	Teachers' Retirement System of Louisiana (TRSL) ³⁸			
	TRSL Regular Plan	DB only, DB choice ^D	Public school teachers, academic employees in higher education, and certain board members	1936-
	TRSL Plan A *C	DB only	School lunch employees without Social Security coverage	1983-2010
	TRSL Plan B	DB only	School lunch employees with Social Security coverage	1983-
	Optional Retirement Plan (ORP)	DC choice	Academic employees in higher education and certain board Members	1990-

Table 1 Primary State Plans: Maine to Massachusetts

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
ME	Maine Public Employees Retirement System (MainePERS) ³⁹			
	Consolidated Plan for Participating Local Districts (PLDs)	DB only	Municipal and other local employees	*
	Judicial Retirement System	DB only	Judges	1984-
	Legislative Retirement Program	DB only	Legislators	1986-
	State Employee and Teacher Program (SETP) ⁴⁰	DB only	State employees, public school teachers, and administrators	1947-
MD ⁴¹	Maryland State Retirement System and Pension System (SRPS)			
	Correctional Officers' Retirement System (CORS)	DB only	Municipal correctional officers	*
	Employees' Combined System (ECS)			
	Employees' Retirement System *C	DB only	State and municipal employees	1941-1979
	Employees' Pension System	DB only, DB choice ^D	State and municipal employees	1980-
	Judges' Retirement System	DB only	Judges and members of the State Workers' Compensation Comm.	1969-
	Law Enforcement Officers' Pension System (LEOPS)	DB only	Law enforcement officers	1990-
	Optional Retirement Program (ORP) ⁴²	DC choice	Professional employees of public higher education institutions	1975-
	State Police Retirement System	DB only	State police officers	1949-
	Teachers' Combined System (TCS)			
Teachers' Retirement System *C	DB only	Personnel of Maryland public schools, public libraries, and certain colleges	1927-1979	
Teachers' Pension System	DB only, DB choice ^D	Personnel of Maryland public schools, public libraries, and certain colleges	1980-	
MA	Optional Retirement Plan (ORP)	DC choice	Public higher education employees	1995-
	State Employees' Retirement System (SERS)	DB only, DB choice ^D	Employees of the Commonwealth	1911-
	Teachers' Retirement System (MTRS)	DB only	Municipal teachers	1914-

Table 1 Primary State Plans: Michigan

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
MI ⁴³	Municipal Employees' Retirement System of Michigan (MERS) ⁴⁴			
	MERS Defined Benefit Plan	DB choice	Employees of cities, counties, hospitals, and other local gov. units	1945-
	MERS Defined Contribution Plan	DC choice	Employees of cities, counties, hospitals, and other local gov. units	1996-
	MERS Hybrid Plan	Hybrid choice	Employees of cities, counties, hospitals, and other local gov. units	2006-
	Public School Employees' Retirement System (MPERS)			
	Contributory Plan *C	DB only	Employees of public schools, libraries, and certain colleges	1945-1977
	Basic Plan *C	DB only	Employees of public schools, libraries, and certain colleges	1977-1986
	Member Investment Plan (MIP) *C	DB only	Employees of public schools, libraries, and certain colleges	1987-2010
	Pension Plus Plan (PPP)	Mandatory Hybrid	Employees of public schools, libraries, and certain colleges	2010-
	State of Michigan Defined Contribution Retirement Plan	Mandatory DC	All employees formerly eligible for the SERS, JRS, or LRS DB plans	1997-
	Judges' Retirement System (JRS) *C	DB only	Judges and elected State officials ⁴⁵	1992-1997
	Legislative Retirement System (LRS) *C	DB only	Legislators	1957-1997
	State Employees' Retirement System (SERS) *C	DB only	Civil service employees, appointed officials in the Executive branch, employees of the Legislature and Judiciary	1943-1997
State Police Retirement System (SPRS)	DB only	Sworn State Police officers	1987-	

Table 1 Primary State Plans: Minnesota

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
MN	Minnesota State Colleges and Universities (MnSCU) State Colleges and Universities Retirement Fund (CURF)	DC choice ^D	Unclassified teachers and certain other full-time staff members in higher education	*
	Minnesota State Retirement System (MSRS) ⁴⁶ Correctional Employees Retirement Plan	DB only	Correctional officers and certain employees in the Departments of Corrections and Human Services	1973-
	Elective State Officers Retirement Plan *C	DB only	State constitutional officers	1967-1997
	General Employees Retirement Plan	DB only, DB choice	Most state employees, University of Minnesota non-faculty employees, and selected metropolitan agency employees	1929-
	Judges Retirement Plan	DB only	Supreme Court, Court of Appeals, and district court judges	1931-
	Legislators Retirement Plan *C	DB only	Certain members of the House of Representatives and Senate	1965-1997
	State Patrol Retirement Plan	DB only	State troopers, conservation officers, and certain crime bureau and gambling enforcement agents	1943-
	Unclassified Retirement Plan ⁴⁷	Mandatory DC, DC choice ^D	Employees in “unclassified service” of the state, various statutorily designated employees, legislators, and certain judges	1971-
	Public Employees Retirement Association of Minnesota (PERA)			
	General Employees Retirement Fund (GERF)	DB only, DB choice ^D	Employees of counties, cities, school districts, and related units	1931-
	Minneapolis Employees Retirement Fund (MERF) *C ⁴⁸	DB only	Regular employees of Minneapolis, certain personnel at Minneapolis schools, some employees of the MnSCU and the Metropolitan Airports Commission	1919-1978
	Public Employees Police and Fire Fund (PEPFF)	DB only	Police officers and firefighters of local government units and subdivisions of the state	1959-
	Public Employees Correctional Fund (PECF)	DB only	Certain employees of county correctional facilities	1999-
	Public Employees Defined Contribution Plan (PEDCP) ⁴⁹	DC only, DC choice	Physicians, elected local government officials, city managers, and governmental ambulance service personnel	1987-
	Statewide Volunteer Firefighter Retirement Plan (SVF) ⁵⁰	DB only	Employees of municipal volunteer fire departments	2010-
Teachers Retirement Association of Minnesota (TRA) Teachers Retirement Fund (TRF)	DB only, DB choice	Teachers and related professionals	1931-	

Table 1 Primary State Plans: Mississippi to Missouri

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
MS	Public Employees' Retirement System of Mississippi (the System) ⁵¹			
	Mississippi Highway Safety Patrol Retirement System (MHSPRS)	DB only	Sworn Officers of the Mississippi Highway Safety Patrol	1958-
	Mississippi Public Employees' Retirement System (PERS)	DB only	Employees of the state, state universities, community and junior colleges, and public school teachers and employees	1952-
	Municipal Retirement Systems (MRS) *C	DB only	Municipal employees, fire fighters, and police officers who were not already members of PERS	Pre- 1987
MO ⁵²	Missouri County Employees' Retirement Fund (CERF) ⁵³	DB only	Elective or appointee officers and other county employees	1994-
	Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS)	DB only	Qualified employees of the Missouri Department of Transportation, members of the Missouri State Highway Patrol, and MPERS staff	1955-
	Missouri Local Government Employees' Retirement System (LAGERS)	DB only	General employees and police and fire employees of political Subdivisions	1967-
	Missouri State Employees' Retirement System (MOSERS)			
	Judicial Plan	DB only	Certain judges, justices, and court commissioners	1976-
	Missouri State Employees Plan' (MSEP)	DB only	Full-time state employees	1957-
	Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS)			
	Public School Retirement System of Missouri (PSRS)	DB only	Certified, full-time employees of public schools, public two-year colleges, PSRS, and certain non-profit associations	1946-
Public Education Employee Retirement System of Missouri (PEERS)	DB only	Certain employees of public schools, public two-year colleges, and PEERS not covered by PSRS	1965- ⁵⁴	

Table 1 Primary State Plans: Montana to Nebraska

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
MT	Public Employees' Retirement Board (PERB)			
	Firefighters' Unified Retirement System (FURS)	DB only	Municipal firefighters and firefighters hired by the Montana Air National Guard on or after October 1, 2001	1981-
	Game Wardens' and Peace Officers' Retirement System (GWORS)	DB only	Game wardens, warden supervisory personnel, and state peace officers	1963-
	Highway Patrol Officers' Retirement System (HPORS)	DB only	Members of the Montana Highway Patrol, including supervisory personnel	1945-
	Judges' Retirement System (JRS)	DB only	Judges of district courts, justices of the Supreme Court, and the Chief Water Judge	1967-
	Municipal Police Officers' Retirement System (MPORS)	DB only	Municipal police officers	1974-
	Public Employees' Retirement System (PERS)			
	Defined Benefit Retirement Plan (PERS-DBRP)	DB choice^D	Almost all public employees not covered by another plan,	1945-
	Defined Contribution Retirement Plan (PERS-DCRP)	DC choice	Almost all public employees not covered by another plan	2002-
	Optional Retirement Program ⁵⁵	DC choice	Employees of the Montana University System	2002-
	Sheriffs' Retirement System (SRS)	DB only	Sheriffs and certain State Dept. of Justice investigators and detention officers	1974-
	Volunteer Firefighters Compensation Act (VFCA)	DB only	Volunteer firefighters of qualified volunteer fire companies in unincorporated areas	1965-
	Optional Retirement Program (ORP) ⁵⁵	Mandatory DC	Faculty and staff of the Montana University System	1988-
Teachers Retirement System (TRS)	DB only	Teachers and professional staff of public schools, state agencies, Community colleges, and units of the university system	1937-	
NE	Nebraska Public Employees Retirement Systems (PERS)			
	County Employees Pension Plan			
	Defined Contribution Plan *C	Mandatory DC	County public employees	1966-2002
	Cash Balance Plan	Mandatory Cash Balance	County public employees	2002-
	Judges Pension Plan	DB only	Judges	1955-
	School Pension Plan	DB only	Permanent public school employees	1945-
	State Employees Pension Plan ⁵⁶			
	Defined Contribution Plan *C	Mandatory DC	State employees not covered by another plan	1964-2002
	Cash Balance Plan	Mandatory Cash Balance	State employees not covered by another plan	2002-
State Patrol Pension Plan	DB only	State Patrol employees	1947-	

Table 1 Primary State Plans: Nevada to New Jersey

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
NV	Public Employees Retirement Board Judicial Retirement System of Nevada (JRS)	DB only	Justices of the Supreme Court, district judges, municipal court judges, and justices of the peace	2001-
	Legislators' Retirement System of Nevada (LRS)	DB only	State legislators	1967-
	Public Employees' Retirement System of Nevada (PERS)	DB only	Full-time state and local government employees	1947-
NH	Judicial Retirement Plan	DB only	Judges of supreme courts, district courts, and probate courts	2005-
	New Hampshire Retirement System	DB only	State employees, public school teachers and administrators, permanent firefighters, and police officers	1967-
NJ⁵⁷	Judicial Retirement System (JRS)	DB only	Members of the New Jersey judiciary system	1973-
	New Jersey Defined Contribution Retirement Program (DCRP) ⁵⁸	Mandatory DC	State or local officials and certain PERS, TPAF, PFRS, and SPRS members	2007-
	Police and Firemen's Retirement System (PFRS)	DB only	County and municipal policemen and firemen and state firemen	1944-
	Public Employees' Retirement System (PERS)	DB only	Most full-time employees of the state or any county, municipality, school district, or public agency that do not participate in another state plan	1955-
	State Police Retirement System (SPRS)	DB only	Uniformed officers and troopers of the New Jersey State Police	1965-
	Teachers' Pension and Annuity Fund (TPAF)	DB only	Most full-time certified teachers or professional staff of public school systems in the state	1955-

Table 1 Primary State Plans: New Mexico to New York

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
NM	New Mexico Educational Retirement Board (ERB) ⁵⁹ New Mexico Educational Employees' Retirement System (EERS) Alternate Retirement Plan (ARP)	DC choice	Faculty and professional employees of the state's higher education institutions and community colleges	1991-
	Defined Benefit Plan	DB only, DB choice	Certified teachers and other employees of educational and technical-vocational institutions and junior colleges	1957-
	New Mexico Public Employees' Retirement Association (PERA) Judicial Retirement System (JRS)	DB only	Judges and justices	*
	Magistrate Retirement System (MRS)	DB only	Magistrates	*
	Public Employees Retirement System (PERS)	DB only	General state and municipal employees, state policemen, and other hazardous duty employees, municipal policemen and firemen, and employees of the state legislature	1947-
	Volunteer Firefighter Retirement System (VFRS)	DB only	Volunteer non-salaried firefighters	1983-
NY⁶⁰	New York State and Local Retirement System New York State and Local Employees' Retirement System (ERS)	DB only	State and local employees in non-teaching positions, including uniformed services personnel	1921-
	New York State and Local Police and Fire Retirement System (PFRS)	DB only	Police officers and firefighters who work for participating employers	1966-
	New York State Teachers Retirement System (NYSTRS)	DB only	Most New York State public school teachers and administrators	1921-

Table 1 Primary State Plans: North Carolina to North Dakota

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
NC	Consolidated Judicial Retirement System (CJRS)	DB only	Elected judges and justices, district attorneys, clerks, and public defenders	1985- ⁶¹
	Firemen’s and Rescue Squad Workers’ Pension Fund	DB only	Certified firemen and rescue squad workers	1959-
	Legislative Retirement System (LRS)	DB only	Members of the General Assembly	1983-
	Local Governmental Employees’ Retirement System (LGERS)	DB only	Employees of the cities, towns, counties, boards, commissions, and other entities of local government	1945- ⁶²
	North Carolina National Guard Pension Fund	DB only	National Guardsmen	1979- ⁶³
	Teachers’ and State Employees’ Retirement System (TSERS)	DB only, DB choice ^D	Full-time teachers and state employees in public schools, universities, departments, institutions, and state agencies	1941-
	Optional Retirement Program ⁶⁴	DC choice	Faculty and administrators with faculty rank in institutions of the UNC System	1971-
ND	North Dakota Public Employees Retirement System ⁶⁵			
	North Dakota Highway Patrolman’s Retirement System (NDHPRS)	DB only	Substantially all sworn officers of the North Dakota Highway Patrol	1949-
	North Dakota Defined Contribution Retirement Plan	DC choice	State employees in unclassified positions	2000-
	North Dakota Public Employees’ Retirement System (PERS) ⁶⁶	DB only, DB choice ^D	Most employees of the state, its agencies, and various political subdivisions; certain judges, the National Guard Security officers and Firefighters, local peace officers, and corrections officers	1966-
	Retirement Plan for the Employees of Job Service North Dakota (JSND) * C	DB only	Employees of Job Service North Dakota	1961-1980
	North Dakota Teachers’ Fund for Retirement (TFFR) Teachers’ Insurance and Annuity Association (TIAA-CREF)	DB only DC only	All North Dakota public teachers and certain non-public teachers Faculty and administrative staff in higher education	1913- *

Table 1 Primary State Plans: Ohio

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
OH	Alternative Retirement Plan (ARP) ⁶⁷	DC choice	Higher education faculty and staff, and certain unclassified civil service employees	1997-
	Ohio Police and Fire Pension Fund (OP&F)	DB only	Full-time municipal police officers; full-time state and municipal firefighters	1967-
	Ohio Public Employees Retirement System (OPERS) ⁶⁸			
	Traditional Pension Plan	DB choice^D	Public employees of Ohio not covered by another state retirement system or by the Cincinnati Retirement System	1935-
	Member-Directed Plan	DC choice	Public employees of Ohio not covered by another state retirement system or by the Cincinnati Retirement System	2003-
	Combined Plan	Hybrid choice	Public employees of Ohio not covered by another state retirement system or by the Cincinnati Retirement System	2003-
	Ohio School Employees Retirement System (SERS)	DB only	Non-teaching employees of public schools and certain public institutions of higher education	1937-
	State Highway Patrol Retirement System (SHPRS)	DB only	Members of the Ohio State Highway Patrol	1944-
	State Teachers Retirement System of Ohio (STRS) ⁶⁹			
	Defined Benefit Plan	DB choice^D	Teachers and faculty of public education boards, state-supported colleges and universities, and the state of Ohio and its political subdivisions	1919-
Defined Contribution Plan	DC choice	Teachers and faculty of public education boards, state-supported colleges and universities, and the state of Ohio and its political subdivisions	2001-	
Combined Plan	Hybrid choice	Teachers and faculty of public education boards, state-supported colleges and universities, and the state of Ohio and its political subdivisions	2001-	

Table 1 Primary State Plans: Oklahoma to Oregon

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
OK ⁷⁰	Oklahoma Firefighters Pension and Retirement System (OFPRS)	DB only	Municipal firefighters	1981-
	Oklahoma Law Enforcement Retirement System (OLERS)	DB only	Qualified law enforcement officers	1947-
	Oklahoma Police Pension and Retirement System (OPPRS)	DB only	Qualified police officers of participating municipalities	1981-
	Oklahoma Public Employees Retirement System (OPERS)			
	Oklahoma Public Employees Retirement System (OPERS)	DB only	Most employees of the state not covered by another plan and employees of participating counties and local agencies	1964-
	Uniform Retirement System for Justices and Judges (URSJJ)	DB only	Judges and justices	1968-
	Teachers Insurance and Annuity Association (TIAA) Teachers' Retirement System of Oklahoma	DC choice DB only, DB choice ^D	Certain employees in higher education institutions Public education employees in the common schools, career technology centers, colleges and universities, and other educational agencies	* 1943-
OR	Optional Retirement Plan (ORP) ⁷¹	DC choice	Unclassified faculty and staff of the Oregon University System	1996-
	Oregon Health and Science University Pension Plan (UPP) ⁷²	DC choice	Employees of Oregon Health and Science University	1996-
	Oregon Public Employees Retirement System (PERS) ⁷³			
	Tier 1 Defined Benefit Plan *C	Mandatory DB	Employees of the State, school districts, community colleges, and political subdivisions	1967-1995
	Tier 2 Defined Benefit Plan *C	Mandatory DB	Employees of the State, school districts, community colleges, and political subdivisions	1996-2003
	Oregon Public Service Retirement Plan (OPSRP) Pension Program	Mandatory Hybrid, Hybrid choice ^D Mandatory DB	Employees of the State, school districts, community colleges, and political subdivisions Employees of the State, school districts, community colleges, and political subdivisions	2003- 2003-
	Individual Account Program (IAP) ⁷⁴	Mandatory DC	Employees of the State, school districts, community colleges, and political subdivisions	2003-

Table 1 Primary State Plans: Pennsylvania to South Carolina

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
PA	Pennsylvania Public School Employees' Retirement System (PSERS)	DB only	Public school employees of the Commonwealth	1917-
	Pennsylvania State Employees' Retirement System (SERS)	DB only	Employees of the Commonwealth and certain other public agencies	1923-
RI ⁷⁵	Employees' Retirement System of Rhode Island (ERSRI)			
	Employees' Retirement System (ERS)			
	Defined Benefit *C	DB only	Most state employees	1936-2012
	Hybrid	Mandatory Hybrid	Most state employees	2012-
	Judicial Retirement Benefits Trust (JRBT)	DB only	Judges and justices	1989-
	Municipal Employees' Retirement System (MERS)			
	Defined Benefit *C	DB only	Employees of municipalities, housing authorities, water and Sewer districts, and certain municipal police and fire persons	1951-2012
Hybrid	Mandatory Hybrid	Employees of municipalities, housing authorities, water and Sewer districts, and certain municipal police and fire persons	2012-	
State Police Retirement Benefits Trust (SPRBT)	DB only	State police and superintendents	1987-	
Higher Education Defined Contribution Plans	Mandatory DC	Certain faculty and staff of the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island	*	
SC	South Carolina Retirement Systems			
	National Guard Retirement System (NGRS)	DB only	National Guard members who served in South Carolina	1975-
	Retirement System for Judges and Solicitors of the State of South Carolina (JSRS)	DB only	Judges, solicitors, and circuit public defenders of the State	1979-
	Retirement System for Members of the General Assembly of the State of South Carolina (GARS)	DB only	Members of the South Carolina General Assembly	1966-
	South Carolina Police Officers' Retirement System (PORS)	DB only	State and local police officers and fire fighters, peace officers, coroners, probate judges, and magistrates	1962-
	South Carolina Retirement System (SCRS)	DB choice ^D	Teachers and employees of the State and political subdivisions	1945-
	State Optional Retirement Program (State ORP) ⁷⁶	DC choice	Newly hired state, public school, and higher education employees	2002-

Table 1 Primary State Plans: South Dakota to Texas

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
SD ⁷⁷	South Dakota Retirement System (SDRS) ⁷⁸	DB only	Employees of the State and its political subdivisions	1974-
TN	Optional Retirement Plan (ORP)	DC choice	Certain faculty and staff of the Tennessee Board of Regents institutions and the University of Tennessee system	1978-
	Tennessee Consolidated Retirement System (TCRS) ⁷⁹	DB only	Public employees of participating political subdivisions	1972-
	Political Subdivision Pension Plan (PSPP)	DB only, DB choice ^D	Employees of the state, teachers with Local Education Agencies (LEAs) and higher education employees	1972-
	State Employees, Teachers, and Higher Education Employees Pension Plan (SETHHEPP)			
TX ⁸⁰	Employees Retirement System of Texas (ERS)			
	Employees Retirement System of Texas Plan (ERS Plan)	DB only	State employees and officers	1947-
	Judicial Retirement System of Texas (JRS)			
	Plan One (JRS1) * C	DB only	Judges	1949-1985
	Plan Two (JRS2)	DB only	Judges	1985-
	Law Enforcement and Custodial Officer Supplemental Retirement Plan (LECOS)	DB only	Certain law enforcement officers and certified custodial Officers	1979-
	Optional Retirement Program (ORP)	DC choice	Full-time faculty, librarians, and certain professionals and administrators employed in public higher education	1967-
	Texas County & District Retirement System (TCDRS)	Mandatory Cash Balance	County public service officers, emergency service providers, nurses, county judges, and commissioners	1967-
	Texas Emergency Services Retirement System (TESRS) ⁸¹	DB only	Volunteer municipal fire fighters and EMS personnel	1977-
	Texas Municipal Retirement System (TMRS)	Mandatory Cash Balance	Employees of participating municipalities	1947-
	Teacher Retirement System of Texas (TRS)	DB only, DB choice ^D	Employees of public education institutions	1937-

Table 1 Primary State Plans: Utah

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
UT	Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF) and Fidelity Investments	Mandatory DC	Faculty and staff of state colleges and universities	*
	Utah Retirement Systems (URS)			
	Firefighters Retirement System *C	DB only	State and local govt. employees directly involved in fire fighting	1970s-2011
	Judges Retirement System	DB only	Judges and justices	1997-
	Public Safety Retirement System *C	DB only	State and local govt. employees directly involved in law enforcement	1970s-2011
	Tier 2 Public Safety and Firefighters Retirement System ⁸²			
	Tier 2 Hybrid Retirement System	Hybrid choice^D	State and local govt. employees directly involved in law enforcement or fire fighting	2011-
	Tier 2 Defined Contribution Plan	DC choice	State and local govt. employees directly involved in law enforcement or fire fighting	2011-
	Tier 1 Public Employees Contributory Retirement System *C	DB only	Public employees and public education employees of Utah and its political subdivisions	1967-2011 ⁸³
	Tier 1 Public Employees Noncontributory Retirement System *C	DB only	Public employees and public education employees of Utah and its political subdivisions	1986-2011
	Tier 2 Public Employees Contributory Retirement System ⁸⁴			
	Tier 2 Hybrid Retirement System	Hybrid choice^D	Public employees and public education employees of Utah and its political subdivisions	2011-
	Tier 2 Defined Contribution Plan	DC choice	Public employees and public education employees of Utah and its political subdivisions	2011-
	Utah Governors and Legislative Retirement Plan *C	DB only	Governors and legislators	Pre- 2011

Table 1 Primary State Plans: Vermont

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
VT ⁸⁵	Vermont Municipal Employees' Defined Contribution Plan	DC ⁸⁶	Certain groups of employees eligible for VMERS	2000-
	Vermont Municipal Employees' Retirement System (VMERS)	DB only	School districts and other municipal employees	1975-
	Vermont State Defined Contribution Plan	DC choice	Exempt state employees eligible for VSERS	1999-
	Vermont State Employees' Retirement System (VSERS)	DB only, DB choice ^D	Substantially all general State employees and State police	1944-
	Vermont State Teachers Retirement System (VSTRS)	DB only	Most public day school and nonsectarian private high school teachers and administrators; teachers in schools and teacher training institutions	1947-

Table 1 Primary State Plans: Virginia

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
VA ⁸⁷	Virginia Retirement System (VRS)			
	Plan 1			
	Judicial Retirement System (JRS) *C	DB only	Judges and certain judicial employees	1970-2010
	Optional Retirement Plan for Higher Education (ORPHE) *C	DC choice	Full-time faculty and certain administrative staff of the Commonwealth's colleges and universities	1985-2010
	Optional Retirement Plan for Political Appointees (ORPPA) *C	DC choice	Elected or appointed officers, executive branch chief deputies, and confidential assistants	1998-2010
	Optional Retirement Plan for School Superintendents (ORPSS) *C	DC choice	School superintendents	2001-2010
	State Police Officers' Retirement System (SPORS) *C	DB only	State police officers	1950-2010
	Virginia Law Officers' Retirement System (VaLORS) *C	DB only	Virginia law officers other than State police	1999-2010
	Virginia Retirement System (VRS) *C	DB only, DB choice ^D	State and local employees, teachers, and other school employees	1942-2010
	Plan 2 ⁸⁸			
	Judicial Retirement System (JRS)	DB only	Judges and certain judicial employees	2010-
	Optional Retirement Plan for Higher Education (ORPHE)	DC choice	Full-time faculty and certain administrative staff of the Commonwealth's colleges and universities	2010-
	Optional Retirement Plan for Political Appointees (ORPPA)	DC choice	Elected or appointed officers, executive branch chief deputies, and confidential assistants	2010-
	Optional Retirement Plan for School Superintendents (ORPSS)	DC choice	School superintendents	2010-
	State Police Officers' Retirement System (SPORS)	DB only	State police officers	2010-
	Virginia Law Officers' Retirement System (VaLORS)	DB only	Virginia law officers other than State police	2010-
	Virginia Retirement System (VRS)	DB only, DB choice ^D	State and local employees, teachers, and other school employees	2010-2013
	Hybrid Plan ⁸⁹			
	Virginia Retirement System (VRS)	Mandatory Hybrid, Hybrid choice ^D	State and local employees, teachers, and other school employees	2014-

Table 1 Primary State Plans: Washington

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
WA	Higher Education Retirement Plans (HERP) ⁹⁰	DC choice^D	Certain employees in higher education	*
	Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (VFFRPF)	DB only	Volunteer fire fighters, emergency workers, and reserve officers	1945-
	Washington Department of Retirement Systems (WDRS)			
	Judges' Retirement Fund *C	DB only	Supreme Court, Court of Appeals, and Superior Court judges	1937-1971
	Judicial Retirement System *C	DB only	Supreme Court, Court of Appeals, and Superior Court judges	1971-1988
	Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)			
	Plan 1 *C	DB only	Full-time local law enforcement commissioned officers, firefighters, and eligible emergency medical technicians	1970-1977
	Plan 2	DB only	Full-time local law enforcement commissioned officers, firefighters, and eligible emergency medical technicians	1977-
	Public Employees' Retirement System (PERS) ⁹¹			
	Plan 1 *C	Mandatory DB	State and local employees, elected officials, and employees of courts, legislative groups, colleges and universities	1947-1977
	Plan 2	DB choice	State and local employees, elected officials, and employees of courts, legislative groups, colleges and universities	1977-
	Plan 3	Hybrid choice^D	State and local employees, elected officials, and employees of courts, legislative groups, colleges and universities	2002-
	Public Safety Employees' Retirement System (PSERS)			
	Plan 2	DB only	Corrections officers and certain employees of the Gambling Commission, Liquor Control Board, Parks and Recreation Commission, Washington State Patrol, and Department of Natural Resources	2006-
School Employees' Retirement System (SERS) ⁹²				
Plan 2	DB choice	Classified employees of school districts and educational service districts	2000-	
Plan 3	Hybrid choice^D	Classified employees of school districts and educational service districts	2000-	

Table 1 Primary State Plans: Washington (continued) to Wisconsin

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
WA	Teachers' Retirement System (TRS) ⁹³			
	Plan 1 *C	Mandatory DB	Certain certificated public school employees	1938-1977
	Plan 2	DB choice	Certain certificated public school employees	1977-
	Plan 3	Hybrid choice^D	Certain certificated public school employees	1996-
	Washington State Patrol Retirement System (WSPRS)			
	Plan 1 *C	DB only	Any commissioned employee of the Washington State Patrol	1947-2002
	Plan 2	DB only	Any commissioned employee of the Washington State Patrol	2003-
WV	Consolidated Retirement Board of West Virginia			
	Deputy Sheriff Retirement System (DSRS)	DB only	Deputy sheriffs	1998-
	Emergency Medical Services Retirement System (EMSRS)	DB only	Eligible emergency medical service officers	2008-
	Judges' Retirement System (JRS)	DB only	Judges and justices	1949-
	Municipal Police Officers and Firefighters Retirement System (MPFRS)	DB only	Police officers in any municipality or municipal subdivision	2010-
	Public Employees' Retirement System (PERS)	DB only	Employees of the state and political subdivisions	1961-
	Public Safety, Death, Disability, and Retirement Fund (PSDDRF) *C	DB only	State troopers	1935-1994
	State Police Retirement System (SPRS)	DB only	State troopers	1994-
	Teachers' Retirement System (TRS) ⁹⁴	DB only	Public school and certain higher education employees	1941-1991; 2005-
	Teachers' Defined Contribution Retirement System (TDCRS) *C	Mandatory DC	Public school and certain higher education employees	1991-2005
	Great-West Retirement Services – New Educators Money Plan ⁹⁵	DC choice	State college and university faculty and staff	2003-
Teachers' Insurance and Annuity Association and/or College Retirement Equities Fund (TIAA-CREF)	DC choice	State college and university faculty and staff	*	
WI	Wisconsin Retirement System (WRS)	DB only	State and local government public employees, excluding those of the City of Milwaukee and Milwaukee County	1982- ⁹⁶

Table 1 Primary State Plans: Wyoming

State	Plan Name	Primary Plan Options	Type of Employees Covered	Eligibility
WY	Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF)	DC choice	Eligible University of Wyoming employees	*
	Wyoming Retirement System (WRS)			
	Air Guard Firefighters Plan	DB only	Employees of the Wyoming Air National Guard	2001-
	Paid Firemen's Pension Plan A *C	DB only	Paid firemen	Pre- 1981
	Paid Firemen's Pension Plan B	DB only	Paid firemen	1981-
	Public Employees Pension Plan	DB only, DB choice ^D	Most employees of the State and its public school systems	1949-
	State Patrol, Game & Fish Warden & Criminal Investigator Pension Plan	DB only	Certain highway patrol, law enforcement, and peace officers	*
	Volunteer Emergency Medical Technician Pension Plan	DB only	Volunteer EMTs	2008-
	Volunteer Firemen's Pension Plan	DB only	Volunteer firemen	*
	Wyoming Judicial Pension Plan	DB only	Judges and justices	1998-
	Wyoming Law Enforcement Retirement Plan	DB only	Certain sheriffs, police officers, correctional officers, probation and parole agents, dispatchers, and investigators	2002-

Table 2: Targeted DC and Hybrid Plans

For the survey, we targeted large state primary DC and hybrid plans and newly introduced plans that are expected to cover a substantial number of members in the future. All plans were opened prior to June 2012. Plans that have active members but are closed to new employees are denoted with a *C following their name. The tables include the year the plan was enacted for new hires, approximate current active members and approximate plan assets. Panel A presents DC and hybrid plans that are mandatory plans for their employees. Panel B presents DC and hybrid plans that are offered as part of an employee’s choice set.

Panel A. Mandatory DC and Hybrid Plans

	Date Enacted	Approx. Actives¹	Approx. Assets (in Thousands)¹
Mandatory DC			
Alaska PERS-DCR	2006	11,182	\$183,702
Alaska TRS-DCR	2006	2,738	\$83,972
Nebraska County Employees Defined Contribution Plan *C	1966	1,982	\$179,370
Nebraska State Employees Defined Contribution Plan *C	1964	5,224	\$706,461
State of Michigan Defined Contribution Plan	1997	26,822	\$1,555,608
	<i>Subtotal Mandatory DC</i>	47,948	\$2,709,113
Mandatory Hybrid			
Georgia ERS-GSEPS	2009	11,093	\$13,462
Indiana PERF - ASA	1997	147,933	\$2,805,023
Indiana STRF - ASA	1997	71,343	\$3,094,797
Michigan - MPSERS-PPP	2010	9,424	\$1,423
Oregon PERS - IAP	2003	183,349	\$4,036,837
	<i>Subtotal Mandatory Hybrid</i>	423,142	\$9,951,542
Total for All Primary Mandatory DC and Hybrid Plans		471,090	\$12,660,655

Panel B. DC and Hybrid Offered as a Choice Set

		Approx.	Approx. Market
Primary DC Plan Choice	Date Enacted	Actives ¹	Assets (in Thousands) ¹
Colorado PERAChoice	2006	4,029	\$63,597
FRS Investment Plan ³	2002	105,250	\$6,787,498
Illinois SURS Self-Managed Plan	1998	9,157	\$960,538
Montana PERS-DCRP	2002	2,680	\$78,990
Ohio PERS - Member Directed Plan	2003	9,175	\$316,084
Ohio STRS - Defined Contribution Plan ³	2001	7,923	\$519,202
South Carolina - ORP	2002	19,681	\$914,800
Utah - Tier 2 Defined Contribution Plan ³	2011	4,177	\$2,799
<i>Subtotal Primary DC³</i>		162,072	\$9,643,507
Primary Hybrid Plan Choice²			
FRS Investment Plan Hybrid Option ³	2002	720	NA
Ohio PERS - Combined Plan	2003	6,674	\$180,843
Ohio STRS - Combined Plan ³	2001	4,614	NA
Utah - Tier 2 Hybrid Retirement System ³	2011	600	NA
Washington PERS - Plan 3	2002	27,693	\$1,689,352
Washington SERS - Plan 3	2000	31,981	\$1,269,442
Washington TRS -Plan 3	1996	52,292	\$5,032,372
<i>Subtotal Primary Hybrid Plan³</i>		124,574	\$8,172,009
Total for Choice DC and Hybrid Plans		286,646	17,815,516
Primary DB Plan Choice			
Colorado PERA	1931	54,977	\$12,487,105
Florida FRS Pension Plan	1970	540,701	\$126,579,720
Illinois SURS Traditional and Portable Benefit Option Plans	1941,1998	66,842	\$14,274,003
Montana PERS-DBRP	1945	28,659	\$3,942,108
Ohio PERS Traditional Plan	1935	333,340	\$61,692,654
Ohio STRS - Defined Benefit Plan	1919	173,283	\$63,116,710
South Carolina SCRS	1945	196,228	\$22,395,029
Washington PERS Plan 2	1977	119,826	\$20,098,636
Washington SERS Plan 2	2000	20,358	\$2,746,456
Washington TRS Plan 2	1977	9,442	\$6,839,903
<i>Subtotal Primary DB Plan</i>		1,543,656	\$334,172,324
Total For All Primary Plans with Choice		1,830,302	\$351,987,840

1 The dates of the actives and asset variables reported in the tables range from 7/1/2010 to 12/31/2011. The majority of the actives/assets data come from state Comprehensive Annual Financial Reports (CAFRs), plan CAFRs and plan Actuarial Valuations. For the DC assets, we used the P&I Research Center's Plan Sponsor data as a check ([http://researchcenter.pionline.com/rankings/plan-sponsors/overview-contribution/?q=\[2895_0\(eq\)P\]](http://researchcenter.pionline.com/rankings/plan-sponsors/overview-contribution/?q=[2895_0(eq)P])). For a small number of missing actives values, we used the survey responses from the National Public Pension Plan Financial Education Survey. For the DB plans, we used data from Boston College's Public Plans Database (PPD) for asset values of plans that were not in our survey and as a check for reasonableness for our self-collected values. To maintain the anonymity of plans in the survey, we do not report the date the data was obtained or the source for each plan.

2 The hybrid assets pertain only to those in the DC portion of the plan.

3 The FRS system, Ohio STRS and Utah Tier 2 plans report only one asset number that includes assets from both their DC Plans and hybrid plan option. We include that combined number under their DC plans and place a NA for the hybrid options. As a result, the total for all the DC plans will overestimate the asset value of this category and the hybrid plans total will underestimate the hybrid value. The total for all the primary plans combined is correct.

Table 3: Representation of Survey Sample

This table provides an overview of the representation of the surveyed sample versus the targeted population. Panel A aggregates the DC and hybrid primary plans and Panel B highlights the DB plans that are offered as part of a choice set.

Panel A: Hybrid and DC Plans: Mandatory Plans and Plans Offered as part of a Choice Set

	Number of Plans	Approx. Actives ¹	Approx. Assets ¹
Mandatory DC and Hybrid Primary Plans			
Mandatory DC and Hybrid Plans Surveyed	8	251,814	\$6,760,836
Mandatory DC and Hybrid Plans Total	10	471,090	\$12,660,655
% of Total	80.0%	53.5%	53.4%
DC Choice and Hybrid Choice Primary Plans			
Primary Plan Choice Plans Surveyed	13	274,109	\$17,296,314
Primary Plan Choice Total	15	286,646	\$17,815,516
% of Total	86.7%	95.6%	97.1%
Total DC and Hybrid Primary Plans			
Plans Surveyed	21	525,923	\$24,057,150
Plans Total	25	757,736	\$30,476,171
% of Total	84.0%	69.4%	78.9%

Panel B: DB Plans Offered as part of a Choice Set

	Number of Plans	Approx. Actives ¹	Approx. Assets ¹
DB Choice Plans			
Primary Plan Choice Plans Surveyed	9	1,370,373	\$271,055,616
Primary Plan Choice Total	10	1,543,656	\$334,172,320
% of Total	90.0%	88.8%	81.1%

¹The total assets and actives reported in the tables are approximations and may be from sources as far back as 2010. Percentages reported are only guidelines.

Table 4: Plan Features of Plans Surveyed

This table reports the percentage of plans surveyed that offer specific plan features and whether these features are available to most employees or just new hires. The ‘New Hires Only’ and ‘Most Employees’ column sum to the percentage of plans offering the feature (any differences observed are due to rounding).

	Not Offered	Offered	New Hires Only	Most Employees
Mandatory DC and Hybrid Primary Plans- Total 8 Plans Surveyed				
automatic enrollment	0%	100%	13%	88%
automatic escalation	75%	25%	0%	25%
match	13%	88%	0%	88%
default investment	13%	88%	0%	88%
vesting	0%	100%	0%	100%
DC and Hybrid Primary Plans Offered as a Choice Set- Total 13 Plans Surveyed				
automatic enrollment	92%	8%	0%	8%
automatic escalation	77%	23%	0%	23%
match	62%	38%	0%	38%
default investment	0%	100%	38%	62%
vesting	8%	92%	8%	85%

Table 5: Financial Education and Advice Offerings in DC and Hybrid Primary State Plans

This table ranks financial education and advice offerings based on the actives eligible for each program and displays the percentage of plans offering each provision.

DC and Hybrid Primary State Plans	Number of Surveyed Plans that Offer	% of Plans Surveyed	% of Surveyed Actives Eligible
Offer Financial Education and/or Advice	21	100%	100%
Type of Financial Education/Advice Offered			
Telephone consultations	21	100%	100%
Group Seminars	20	95%	98%
Periodic Newsletter	20	95%	98%
Live Webinars	18	86%	98%
New Hire Information Packet	19	90%	97%
Third Party Online Financial Advice	11	52%	73%
One-on-one in person consultations	19	90%	64%
Financial Education Component to Website	18	86%	63%
Online Videos	18	86%	58%
Targeted E-mails	12	57%	19%
Social Media	6	29%	7%

Table 6: Who Develops the Financial Education and Advice Programs?

This table reports the number of plans that offer each type of educational and advice program by who develops the program. The program can be developed in-house by the plan, outsourced to a third party or developed in conjunction with a third party. The percentages by row sum to 100 percent as they represent the percentage of plans surveyed that offer each specific type of education or advice.

Type of Financial Education and Advice Offered	Number of Plans Develop In-House		Number of Plans Develop Through Third Party		Number of Plans Developed In-House and by a Third Party	
	Number of Plans	%	Number of Plans	%	Number of Plans	%
Telephone consultations	9	43%	2	10%	10	48%
Group Seminars	10	50%	1	5%	9	45%
Periodic Newsletter	8	40%	1	5%	11	55%
Live Webinars	7	39%	6	33%	5	28%
New Hire Information Packet	8	42%	0	0%	11	58%
Third Party Online Financial Advice	0	0%	4	36%	7	64%
One-on-one in person consultations	9	47%	1	5%	9	47%
Financial Education Component to Website	4	22%	3	17%	11	61%
Online Videos	6	33%	2	11%	10	56%
Targeted E-mails	7	58%	1	8%	4	33%
Social Media	5	83%	1	17%	0	0%

Table 7: What are the Most Popular Topics Covered By Programs?

Panel A: Ranking of Plan Specific Topics

Ranking of Plan Specific Topics (% Based on Plans Reporting Coverage of Plan Specific Topics)			
	First	Second	Third
Telephone Consultations	Plan Overview (100%)	Plan Distribution (80%)	Plan Investment Options (75%)
Group Seminars	Plan Overview (100%)	Plan Investment Options (75%)	Plan Distribution Options(70%)
Periodic Newsletter	Plan Overview (94%)	Plan Investment Options (56%)	Plan Distribution Options (50%)
Live Webinars	Plan Overview (100%)	Plan Investment Options (60%)	Plan Distribution Options (60%)
New Hire Information Packet	Plan Overview (94%)	Plan Investment Options (72%)	Plan Distribution Options (39%)
Third Party Online Financial Advice	Plan Investment Options (100%)	Plan Distribution Options (89%)	Plan Overview (67%)
One-on-one in person consultations	Plan Overview (100%)	Plan Distribution Options (79%)	Plan Investment Options (74%)
Financial Education Component to Website	Plan Overview (100%)	Plan Investment Options (94%)	Plan Distribution Options (56%)
Online Videos	Plan Overview (100%)	Plan Investment Options (80%)	Plan Distribution Options (73%)
Targeted E-mails	Plan Overview (100%)	Plan Investment Options (80%)	Plan Distribution Options (60%)
Social Media	Plan Overview (100%)	Plan Distribution (100%)	Plan Investment Options (50%)

Panel B: Ranking of General Topics

Ranking of General Topics (% of Plans Reporting Coverage of General Topics)			
	First	Second	Third
Telephone Consultations	Retirement Planning (100%)	Diversification (53%)	Overview of Asset Types (53%)
Group Seminars	Retirement Planning (100%)	Diversification (74%)	Overview of Asset Types (74%)
Periodic Newsletter	Retirement Planning (100%)	Overview of asset types (67%)	Diversification (60%) , Basic Investing Principles (60%)
Live Webinars	Retirement Planning (100%)	Diversification (82%)	Basic Investing Principles (73%)
New Hire Information Packet	Retirement Planning (100%)	Overview of Asset Types (77%)	Basic Investing Principles (59%)
Third Party Online Financial Advice	Basic Investing Principles (100%)	Diversification (100%)	Overview of Asset Types (78%), Retirement Planning (78%)
One-on-one in person consultations	Retirement Planning (100%)	Overview of Asset Types (72%)	Diversification (67%)
Financial Education Component to Website	Retirement Planning (93%)	Diversification (80%)	Overview of Asset Types (80%)
Online Videos	Retirement Planning (100%)	Basic Investing Principals (83%)	Diversification (83%), Overview of Asset Types (83%)
Targeted E-mails	Retirement Planning (100%)	Diversification (33%)	Overview of Asset Types (33%)
Social Media	Retirement Planning (100%)	Report covering Compound Interest, Budgeting, Debt Management, Inflation, Overview of Asset Types, Retirement Planning Equally	

Table 8: How is Success Measured?

This table reports how plans measure success in their financial education and advice programs. The percentage is based on the number of plans who report measuring success.

Method for Measuring Success	Percentage of DC and Hybrid Plans that Report Measuring Success (Total: 21 Plans)
Administer surveys to participants	88%
Track attendance	88%
Count unique visits to website or online education module	59%
Collect ratings from participants	47%
Track default rate	41%
Follow participant investment behavior post education	35%
Receive assessment from independent consultant	12%
Perform experimental field studies	12%

Figure 1: Type of Financial Education Topics Covered Within Each Type of Educational/Advice Program
 This figure shows the type of topics covered by different plans within each type of financial education and advice program.

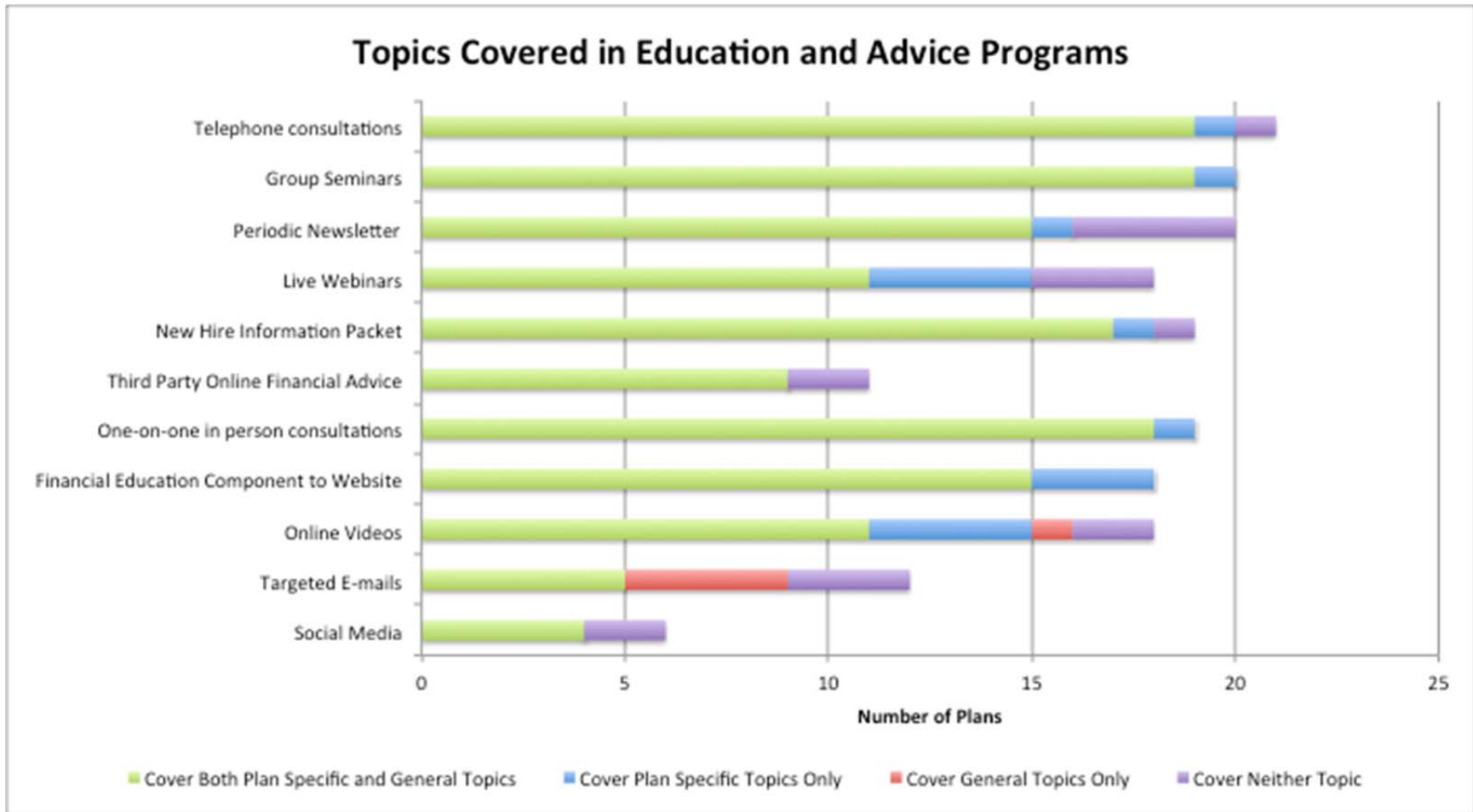
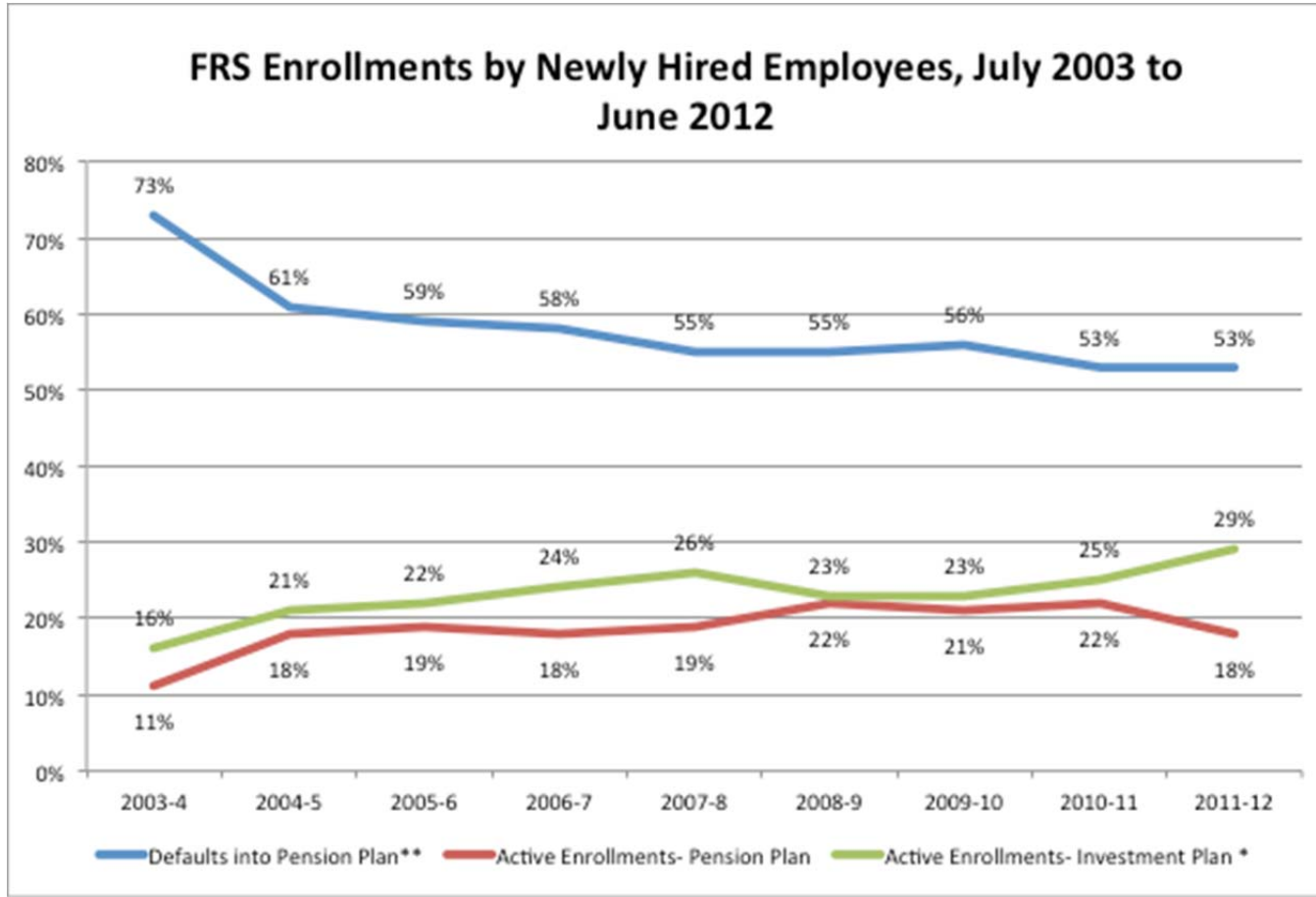


Figure 2: Florida Retirement System (FRS) Enrollments by Newly-Hired Employees

This table tracks the plan choice default rate from June 2003 to June 2012 for newly hired employees in the FRS.



* Includes active enrollments into hybrid choice ** Up to 41 percent of defaulters may be using this option as their active election to the Pension Plan. Source: Fact Sheet: Update on Choice in the Florida Retirement System,” June 30, 2012