

# How Much Are Public School Teachers Willing to Pay for Their Retirement Benefits?

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## Online Appendix

Appendix A. Worksheet Examples of Information Provided by TRS to IPS Employees for the Purpose of Assessing Upgrade Purchase Decisions

### ***Calculating Cost to Upgrade***

Enter total years under old four-step formula or <b>20</b> , whichever is less Minus years worked under new formula divided by 3 (drop any decimals) Equals number of years to upgrade Multiply by 1% (.01) Multiply by highest salary earned during last four years (do not include year of application) <b>COST TO UPGRADE</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; height: 20px;"></td> <td style="width: 50%;"></td> </tr> <tr> <td style="text-align: center;">(-)</td> <td></td> </tr> <tr> <td style="border: none;"></td> <td style="border: none; text-align: right;">_____ years</td> </tr> <tr> <td style="text-align: center;">X</td> <td style="text-align: center;">%</td> </tr> <tr> <td style="text-align: center;">X \$</td> <td></td> </tr> <tr> <td style="text-align: center;">\$</td> <td></td> </tr> </table>			(-)			_____ years	X	%	X \$		\$	
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***Option: You do not upgrade to 2.2 and have less than 30 years of service credit as of July 1, 1998.***

From the retirement formula table, find the total accrual percentage for years of service prior to 7/1/98 (Example: 20 years = .3570) \_\_\_\_\_ (1)

Years of service after 7/1/98 x .022 \_\_\_\_\_ (2)

Total years of service factor (add lines 1 and 2) = \_\_\_\_\_

Multiply by average salary x \_\_\_\_\_

Annual annuity = \_\_\_\_\_

Divide by 12 (months) /12

Monthly annuity = \_\_\_\_\_

***Option: You upgrade all service credit to 2.2.***

Average salary (page 5) \$ \_\_\_\_\_

Multiply total years of service by .022 x \_\_\_\_\_

Annual annuity = \_\_\_\_\_

Divide by 12 (months) /12

Monthly annuity \$ \_\_\_\_\_