How Much Are Public School Teachers Willing to Pay for Their Retirement Benefits?
Maria Donovan Fitzpatrick
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

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 (from page 5) 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 $_______