

The effects of the new contract negotiated by AFT 2121 on pension benefits

This table shows the effect of the new contract negotiated by AFT 2121 on pension benefits. The new contract created a longevity step for those faculty on Columns F through G on Step 25 this academic year. Longevity steps address the problem of stagnating salaries for faculty with many years of service. More than 100 faculty members had spent many years stuck on the top salary step. The new Step 25 longevity step is the equivalent to three salary steps, which has a significant impact on potential pension benefits.

For simplicity, this table assumes the faculty member was on Step 25, with 25 years of service credit two years ago, when the first SERP was offered in Spring 2017. That faculty member would now have 27 years of service credit.

	Column					
Pension benefit if:	E	F	F+15	F+30	F+45	G
Retired two Spring 2017	\$58,221	\$59,800	\$60,589	\$61,378	\$62,165	\$62,954
Retire Spring 2019	\$65,610	\$72,531	\$73,684	\$74,838	\$75,991	\$77,721
Extra for working extra 2 years	\$7,389	\$12,730	\$13,095	\$13,460	\$13,826	\$14,767

In Spring 2017, AFT 2121 did an analysis of the SERP offer and concluded that for most faculty, taking the SERP did not make good sense financially. We did not know what would happen in the next round of bargaining, but we expected improvements over the previous round. That did happen. As you can see from the table, **for faculty with 25 years or more of service, working another two years had a very good outcome.**

A longevity step will be implemented for Step 23 next year and Step 20 the year after that. The Step23 increase will be the equivalent of two salary steps and the Step 20 increase will be one salary step. These new longevity steps will not have a large an impact at the Step 25 longevity step. However, in addition to the new longevity steps, over the next two years, faculty will receive across the board salary increases. This is why AFT 2121 is suggesting that those faculty currently on steps 22, 23 and 24 should seriously consider working an additional two years rather than accepting the SERP offer.