



Brad Henry
Governor

March 29, 2007

TO: Superintendent of Schools and/or Financial Officers

FROM: Tommy C. Beavers, Executive Secretary

SUBJECT: TRS MATCHING FUNDS FOR THE SCHOOL YEAR 2007-08

Legislation enacted in 1999 requires the Board of Trustees of the Teachers' Retirement System to set a matching contribution rate local employers must make for employees whose salaries are paid by federal funds or externally sponsored agreements such as grants, contracts and cooperative agreements.

THE BOARD HAS SET THE CONTRIBUTION RATE AT 7.0% FOR THE 2007-08 SCHOOL YEAR. This is the same contribution rate in place for the current school year.

The matching contribution rate is based on the State's contribution for employees whose salaries are paid by state funds.

THE 7.0% MATCHING CONTRIBUTION IS IN ADDITION TO THE LOCAL EMPLOYER CONTRIBUTION. The local employer contribution is scheduled to increase to 7.85% for EESIP covered schools and remain at 7.05% for four-year colleges and universities. The increase from 7.60% and 7.85% for EESIP schools is contingent on appropriations to cover the increase in rates. Schools will be advised on this rate increase at the end of the Legislative Session.

THERE IS NO CHANGE IN THE EMPLOYEE CONTRIBUTION RATE, WHICH WILL REMAIN AT 7% OF REGULAR ANNUAL COMPENSATION.

If you have questions about this or other retirement matters, please contact the Retirement Office. Our toll-free telephone number is 1-877-738-6365.