

**March 28, 2002**

**TO: Superintendent of Schools and/or Financial Officers**  
**FROM: Tommy C. Beavers, Executive Secretary**  
**SUBJECT: TRS MATCHING FUNDS FOR THE SCHOOL YEAR 2002-03**

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 **5% for the 2002-03 school year.**

Each school district, college or university, or state board must match the contribution made by employees paid by federal funds or private grants, at the same rate the State pays matching contributions for those employees whose salaries are paid by state funds.

**The change results in a lower contribution rate for the next school year, 5% instead of 5.12%.**

**THE 5% MATCHING CONTRIBUTION IS IN ADDITION TO THE LOCAL EMPLOYER CONTRIBUTION WHICH INCREASES FROM 6.8% TO 7.05% EFFECTIVE JULY 1, 2002. The 7.05% local employer contribution applies to all TRS members, including those paid with non-state funds.**

**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.