

Date: November 29, 2018  
To: SLOCPT Members  
From: Carl Nelson, Executive Secretary

**Re: Interest Crediting Rates on Contribution Accounts for 2019**

SLOCPT establishes individual accounts for each member to hold the contributions received with each pay period while that member is an active employee. The balances held in these member accounts are credited compounded interest bi-weekly at a rate determined by the Board of Trustees. The accumulated balances held in these accounts are intended to eventually be used to fund the member's retirement benefit. However, if a retirement benefit is not elected by the member these funds are refunded back to the member, in the form of a lump sum cash payment or rollover distribution to another qualified retirement account, once the member terminates employment.

At the Regular Meeting held November 26, 2018, pursuant to Section 5.06 and Section 5.07 of the Retirement Plan, the Board of Trustees approved the interest crediting rates to be applied to member contribution and interest balances for 2019. However, the Board may adjust these rates at any time as market conditions warrant.

Member accounts receive contributions from multiple sources but contributions are considered either Normal or Additional.

**Normal Contributions:**

Normal Contributions are the required portion of employee contributions received for a member. They include contributions received from employee payroll deductions, contributions received from the employer on the employee's behalf (employer contribution pick-up), money received directly from the member for a service purchase, and the accumulated interest credited on these funds.

**The interest crediting rate for Normal Contributions for 2019 is 6.00% APY.**

**Additional Contributions:**

Additional Contributions consist of any amount received in excess of the required Normal Contributions. They included employee voluntary additional contributions, excess contributions received when a member's employer pick-up rate is greater than their required contribution rate, deposits made by SLOCPT in years where there were excess actuarial earnings, and the accumulated interest credited on these funds. Additional Contributions provide additional benefits to members at retirement based on the provisions of the Retirement Plan.

**The interest crediting rate for Additional Contributions for 2019 is 2.94% APY.**

*For more information on contribution crediting rates please contact the SLOCPT.*