* Funding schedule and method for certifying contributions: Establishes an actuarially sound funding schedule to achieve 100% funding no later than 2044. Contributions will be certified using the entry age normal actuarial cost method (EAN), which averages costs evenly over the pensioner's employment and results in more level contributions.

* Supplemental contributions: The State will contribute (i) $364 million in FY19, (ii) $1 billion annually thereafter through 2045 or until the system reaches 100% funding, and (iii) 10% of the annual savings resulting from pension reform beginning in FY16 until the system reaches 100% funding. These contributions will be a "pure add on," which means State contributions in any year will not be reduced by these amounts.

* Funding guarantee: If the State fails to make a pension payment or a supplemental contribution, a retirement system may file an action to compel the State to make the required pension payment and/or supplemental contribution.

* Employee contribution: Employees will contribute 1% less toward their pension.

* Annual annuity adjustment (COLAs): Future COLAs will be based on a retiree's years of service and the CPI. The annual increase is equal to 3% of years of service multiplied by $1,000 ($800 for those coordinated with social security). The $1000/$800 will be adjusted each year by the CPI for everyone (retirees and current employees). Those with an annuity that is less than their years of service times $1000/$800 (or whatever the amount is at the time of retirement) will receive a COLA equal to 3% compounded each year until their annuity reaches that amount.

* Staggered skips for annual adjustments: Current employees will miss annual adjustments depending on age: employees 50 or over miss 1 adjustment (year 2); 49-47 miss 3 adjustments (years 2, 4, and 6); 46-44 miss 4 adjustments (years 2, 4, 6, and 8); 43 and under miss 5 adjustments (years 2, 4, 6, 8, 10).

* Pensionable salary cap: Applies the Tier II salary cap ($109,971 for 2013), which is annually adjusted by the lesser of 3% or ? of the annual CPI-U. Salaries that currently exceed the cap or that will exceed the cap based on raises in a collective bargaining agreement would be grandfathered in.

* Retirement age: For those 45 years of age or under, the retirement age will be increased on a graduated scale. For each year a member is under 46, the retirement age will be increased by 4 months (up to 5 years).

* Effective rate of interest (ERI): The ERI for SURS and the rate of regular interest for TRS would be set to a value equivalent to 75 basis points above the interest paid by 30-year U.S. Treasury Bonds for all purposes.

* GARS Tier 2 fix: Changes the GARS Tier 2 salary cap and annual adjustment to bring it in line with all other Tier 2 benefits.

* Pension abuses: Prohibits future members of non-governmental organizations from participating in the systems and new hires from using sick or vacation time toward pensionable salary or years of service.

* Defined contribution plan: Up to 5% of Tier 1 active members have the option of joining a defined contribution plan. If a member chooses to opt into the defined contribution plan, benefits previously accrued in the defined benefit plan will be frozen.

* Collective bargaining: All pension matters, except pension pickups, are removed from collective bargaining.

* Healthcare payments: Prohibits the State pension systems from using pension funds to pay healthcare costs.