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6-608 Cash Balance Pension Plan

- A. The board maintains the Arizona Board of Regents cash balance pension plan (the plan) to provide retirement benefits to eligible employees, which include the university presidents, the board executive director, and former presidents.
- B. The plan is a defined benefit plan. The employment contract for each eligible university or board employee provides for a fixed percentage of the employee's base salary to be contributed to the employee's plan account each year. The defined benefit allows for interest as defined in the plan.
- C. The plan document defines "interest rate" for a plan year as the 90-day Treasury bill rate for the April immediately preceding the plan year, plus 1.75%, rounded to the next higher multiple of .25%.
- D. The plan also provides that the rate is determined once per year for crediting interest during the next plan year (July 1 – June 30).
- E. The board establishes the plan and adopts its terms, including the interest crediting rate, pursuant to its authority under A.R.S. § 15-1626.