

Requirements in HB 659

- G "Examine the funding and benefits in all of the statewide retirement systems, which include the public employees', teachers', judges', game wardens' and peace officers', sheriffs', firefighters' unified, municipal police officers', and volunteer firefighters' retirement systems..." [Whereas clause]
- G "...review options for changing benefits and plan design..." [Whereas clause]
- G "...consider the purpose of retirement plans as a part of an overall compensation package for public employees..." [Whereas clause]
- G "...develop legislation for consideration by the next Legislature." [Whereas clause]
- G "review current trends and best practices in public retirement plan design and funding" [Section 1, subsection (1)(a)]
- G "examine various options for changes to each of the statewide retirement plans administered by the public employees' retirement board, such as but not limited to:
 - G the benefit formula multiplier for each year of service;
 - G the minimum age at which a retirement plan is eligible for full or reduced, early retirement benefits;
 - G the minimum years of service required for a retirement plan member to be eligible for full retirement benefits or for reduced, early retirement benefits." [Section 1, subsection (1)(b)(i) through (iii)]
- G "compare and contrast various options for redesigning the [teachers' retirement] system, including money purchase plan design options and other alternative and hybrid defined benefit plan options" [Section 1, subsection (2)]
- G "develop legislation to implement a redesign of the teachers' retirement system..." [Section 1, subsection (2)]

Requirements of a TRS redesign as outlined in subsections (2)(a) through (2)(g):

- G ensures members will have a guaranteed benefit in retirement;
- G provide that the employer and employee share the risk of actuarial gains and losses and allow for the adjustment of employer and employee contributions accordingly;
- G be sustainable and funded on an actuarially sound basis;
- G provide benefits to attract and retain employees and to facilitate "effective workforce management;"
- G complies with federal Internal Revenue Code governing tax-qualified public pension plans;
- G system must be administered by the teachers' retirement board and assets invested by the board of investments;
- G provides a foundation for financial security in retirement, taking into account that
 - a retirement plan is only one part of an employee's compensation package;
 - an employer-sponsored public retirement plan is not intended to be the sole provider of income to an employee in retirement;
 - deferred compensation, personal savings and investments, and social security should be a part of an employee's financial planning for retirement.