Revisiting Lessons from Well-Funded Public Retirement Plans

Webinar

| **August 19, 2020**
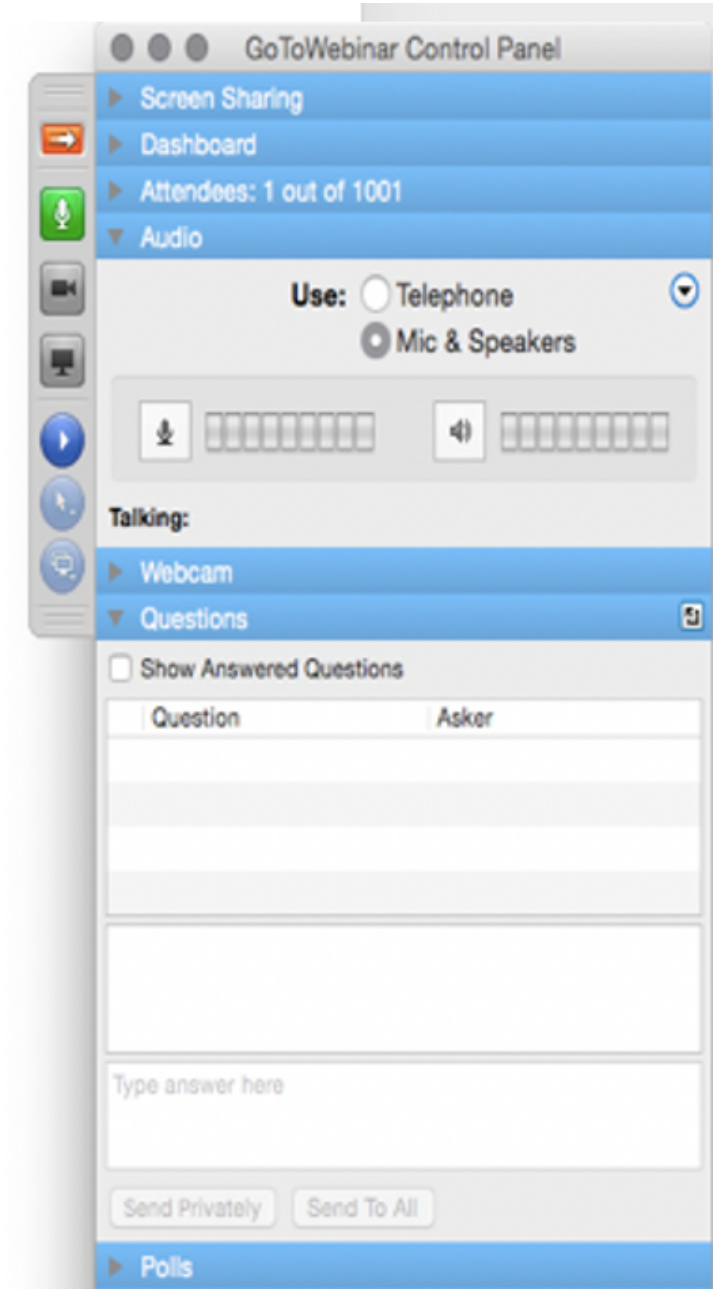
NATIONAL INSTITUTE ON
Retirement Security
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Logistics

- Attendees in listen only mode.

- Questions welcome. Type question using "Question" function on control panel, and we will answer.

- Audio, technical issues during webinar, call GoToWebinar at 1-800-263-6317.

- Webinar replay and slides will be posted at https://www.nirsonline.org/events.

National Institute on Retirement Security

Speakers

Dan Doonan

Executive Director, National Institute on Retirement Security

Bob Conlin

Secretary, Wisconsin Department of Employee Trust Funds

Don Drum

Executive Director, Public Employees Retirement System of Idaho

Tom Lee

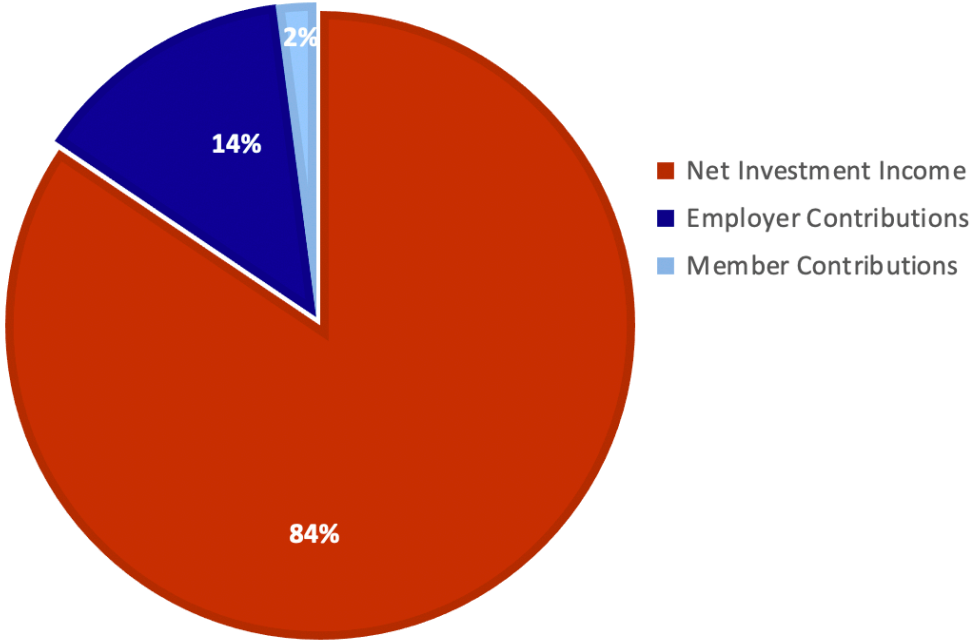Executive Director, New York State Teachers' Retirement System

Analysis of six plans that remained well funded despite the financial crisis had the following features:

1. Employer pension contributions that pay the full amount of the ARC, and that maintain stability in the contribution rate over time, that is, at least equal the normal cost;

2. Employee contributions to help share in the cost of the plan;

3. Benefit improvements such as multiplier increases that are actuarially valued before adoption, and properly funded upon adoption;

4. COLAs that are granted responsibly, for example, through a quickly amortized ad hoc COLA, or a capped automatic COLA;

5. Anti-spiking measures that ensure actuarial integrity and transparency;

6. Economic actuarial assumptions, including both the discount rate and inflation rate, that can reasonably be expected to be achieved long term.
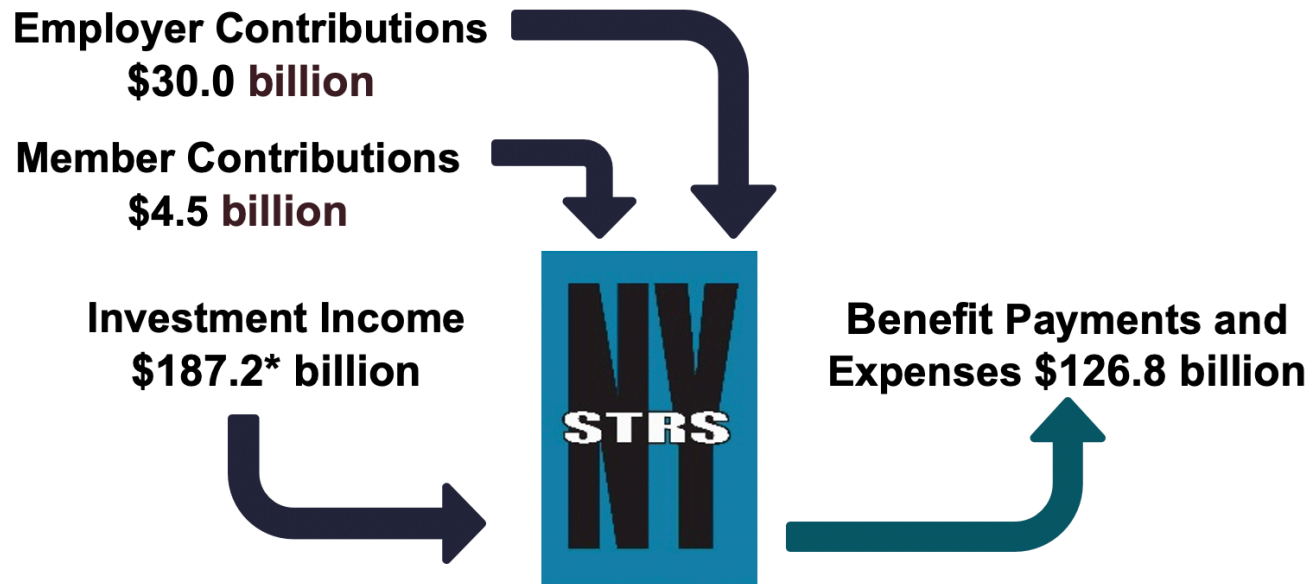
New York State Teachers' Retirement System

Breakdown of Income Sources for 30 Year Period
7/1/1990 – 6/30/2020

Legend:
- Net Investment Income
- Employer Contributions
- Member Contributions

Pie chart values: 84%, 14%, 2%

New York State Teachers' Retirement System

**Thirty Year Period
1990 – 2020**

**Employer Contributions
$30.0 billion**

**Member Contributions
$4.5 billion**

**Investment Income
$187.2* billion**

**Benefit Payments and
Expenses $126.8 billion**

Approximate Market Value of Assets- 1990: $25.0 B
Approximate Market Value of Assets- 2020: $119.9 B*

*Based on estimated 6/30/2020 final quarter Real Estate and Private Equity values.

Questions