

Requirements in HB 659

- 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 member 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.