



## ILLINOIS PUBLIC PENSION FUND ASSOCIATION

*Preparing Pension Funds for Tomorrow*

[www.ippfa.org](http://www.ippfa.org)

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# January 2013 Newsletter



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### ***Updated Analysis Provides New Data on Coverage and Cost Impact of the Medicaid Expansion Under The ACA***

The Henry J Kaiser Family Foundation—November 26, 2012

**Washington, D.C.** – A new report released today by the Kaiser Family Foundation shows modest state costs for implementing the Medicaid expansion under the Affordable Care Act compared to significant increases in federal funds, allowing some states to see net budget savings even as millions of low-income uninsured Americans gain health coverage. - [click here for more...](#)

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## **Where Things Stand: The State and Local Workforce Going into 2013**

### **Center for State and local Government Excellence**

As 2012 comes to a close, Center Vice President of Research Joshua Franzel has been speaking to various groups about the current structure of state and local government workforces, changes to this labor force, related trends, and challenges governments face as employers. Here are the highlights. - [click here for more...](#)

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## **How Did 2012 Treat Public Employees?**

BY: Heather Kerrigan—December 12, 2012

### **Unions took a blow in Michigan this week. We review how the entire year impacted unions as well as government hiring, pensions and retirement.**

This year was a mixed bag for state and local government workers.

Legal and legislative attacks on public employee unions -- which occurred most recently in Michigan as the state became the 24th with a “right-to-work” law Tuesday -- continued from the year before, and lingering budget cuts meant more reductions to health and retirement benefits.

On the bright side, many baby boomers delayed retirement, allowing governments to maintain institutional knowledge. And by the end of summer, Gallup polls were showing an overall increase in state and local government hiring for the first time since the start of the economic crisis. - [click here for more...](#)

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## **STATE RETIREMENT PLANS FOR PUBLIC SAFETY EMPLOYEES**

By Ronald Snell—NCLS—August 2012

This report describes the retirement plans that state governments sponsor for state and local governments’ public safety employees—those whose duties are hazardous or dangerous and physically and psychologically demanding. The membership of such plans varies from state to state, but includes state and local government law enforcement officers and firefighters, and is likely to include corrections personnel, wildlife wardens and foresters, probation officers, some officers of courts, and members of various other protective occupations. - [click here for more...](#)

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## **TEXT-S&P: decline in U.S. state pension funding is slowing**

Reuters—June 22, 2012

June 21 - Although U.S. state pension funded levels have fallen slightly in 2010, the rate of decline decelerated. Furthermore, pension funded levels appear to be, in some cases, gradually improving with close to one-third of plans showing higher funded ratios, according to Standard & Poor's Ratings Services'2012 annual survey "The Decline In U.S. States' Pension Funding Decelerates, But Reform And Reporting Issues Loom Large". - [click here for more...](#)

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## **Lessons from Well-Funded Public Pensions: An Analysis of Six Plans that Weathered the Financial Storm**

By Jun Peng, Ph.D. and Llana Boivie—NIRS—June 2011

Defined benefit (DB) pension plans provide American employees in the public and private sectors with secure, regular retirement income following a lifetime of work. In the public sector, although the average monthly benefit is somewhat modest, these benefits go a long way in ensuring the financial security of nearly 27 million Americans.<sup>1</sup> For governmental employers, traditional pensions remain an attractive recruitment and retention tool,<sup>2</sup> particularly given that public sector workers typically receive lower wages than their private sector counterparts.<sup>3</sup> For taxpayers, the pooled nature of DB plans make them a cost-effective way to provide retirement benefits—nearly half the cost of defined contribution (DC) accounts. - [click here for more...](#)

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### **Highlights of State Pension Reform in 2012**

by Ronald Snell—NCSL—July 17, 2012

Seven states have enacted sweeping structural pension reforms in 2012—Alabama, Kansas, Louisiana, New York, South Carolina, Virginia and Wyoming—affecting various sets of state and local government employees. This year’s legislation affected almost all state and local government employees in Alabama, Kansas, New York, South Carolina, Virginia and Wyoming, and focused on state government employees in Louisiana. In addition, major reforms were considered or are under consideration in California, Michigan, New Hampshire, Ohio, and Rhode Island, some of which could be enacted later in 2012.-[click here for more...](#)

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### **The Pew Pension Report: A Snapshot Leads to a Flawed Rating System**

by Diane Oakley, NIRS Executive Director, June 22, 2012

Flipping through old photo album provides a view of where we have traveled. But, it certainly doesn’t tell us where we are today. The same can be said of the recent Pew Center on the States “new” report on public pension plans.

It really is only a look at pension plans at the end of their 2010 fiscal year. For some plans, that could be up to three years ago. Today we are in a different place, as the financial markets have improved and state legislatures have adopted pension plan changes. - [click here for more...](#)

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### **R.I. judge orders sides in pension overhaul challenge into federal mediation**

By Tom Mooney—Providence Journal—December 18, 2012

PROVIDENCE, R.I. -- The legal challenge to Rhode Island's pension overhaul law is headed for federal mediation. Superior Court Judge Sarah Taft-Carter on Tuesday ordered the state and the five unions challenging the new law to meet around a table before the cases proceed any further toward trial, court spokesman Craig Berke said. - [click here for more...](#)

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### **GOVERNMENTAL PLAN ALERT: IRS Allows Governmental Plan Sponsors to Elect Cycle E**

ICEMILLER, LLP Legal Counsel—Nov. 26, 2012

As an early holiday greeting, the Internal Revenue Service (IRS) issued Revenue Procedure (Rev. Proc.) 2012-50 on Nov. 21, 2012. This procedure gives the sponsor of an individually designed governmental plan the option of electing to use either Cycle C or Cycle E as its second remedial amendment cycle. The IRS noted offering sponsors of governmental plans the option of electing Cycle C or Cycle E affords such sponsors with greater flexibility to deal with

the unique issues they face in obtaining approval for plan amendments during legislative sessions. - [click here for more...](#)

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## **Training and Education**

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### **A Day at the New York Stock Exchange**

Pension trustees are entrusted with millions and sometimes billions in pension fund assets. This is a due diligence event. The training/tour will help pension trustees understand how the New York Stock Exchange works. This is a rare opportunity for pension trustees, so join us as the IPPFA brings you “A Day at the New York Stock Exchange”. For more information call 630-784-0406 or [www.ippfa.org](http://www.ippfa.org) - [click here for more...](#)

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### **2013 IPPFA Spring Pension Conference**

The IPPFA Spring Conference is scheduled for May 7-10, 2013 at the President Abraham Lincoln Hotel in Springfield, IL. Call in to reserve your room right away!! - [click here for more...](#)

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### **IPPFA On-Line Certified Trustee Program/and Classroom Program**

The IPPFA is pleased to announce that it is now offering the 32-hour Certified Trustee Program (CTP) as an on-line course for the first time. Over 1,000 public pension trustees have gone through the IPPFA CTP, hundreds before the legislature made such training mandatory in 2009. Now through the on-line training those trustees that would have difficulty attending in-person training can obtain the required training using their own computer in the comfort of their home or office. This is especially helpful to the appointed or retired trustees that have other employment and should make it easier for municipalities to find citizens that are willing to be appointed as trustees. - [click here for more...](#)

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### **Online Training/eLearning**

This course introduces students to various aspects of financial management related to Police and Fire pension funds along with the administration of those pension funds. Each topic will be taught by a professional in their field. - [click here for more...](#)

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### **Regional Seminars**

How Do I Satisfy The Annual Trustee Training Requirements?

Experts will speak on the state of the economy, the updates of pension legislation in Illinois and the Illinois Department of Insurance will be speak on a variety of topics.

***“IPPFA Regional Seminar schedule for March 19, 2013 at the Jumer's Casino & Hotel, Rock Island.”***

- [click here for more...](#)

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