



# ILLINOIS PUBLIC PENSION FUND ASSOCIATION

## *Preparing Pension Funds for Tomorrow*

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

February 1, 2013

## February 2013 Newsletter



### ***In this issue...***

- **Pension controversy stirs debate in La Grange**
- **Officer Work Hours, Stress and Fatigue**
- **Police Officer Stress Creates Significant Health Risks Compared to General Population, Study Finds**
- **NCPERS Statement on Pew Charitable Trusts Study**
- **NONFATAL OCCUPATIONAL INJURIES AND ILLNESSES REQUIRING DAYS AWAY FROMWORK, 2011**
- **A Report for Fiduciaries, Internal Audit and Risk Management Professionals**
- **State and Local Pensions 101**
- **Ralph Martire: Don't pass unconstitutional pension fix**
- **Social Security Announces New Online Services Available**
- **According to ICI, DC plans don't reduce retirement readiness. Really?!**

### ***Training and Education...***

- **A Day at the New York Stock Exchange March 7-8, 2013**
- **2013 IPPFA Spring Pension Conference**
- **IPPFA On-Line Certified Trustee Program/and Classroom Program**
- **Online Training/eLearning**
- **Regional Seminars**

### **Pension controversy stirs debate in La Grange**

BY JANE MICHAELS—Chicago Sun Times—January 21, 2013

LA GRANGE — Trustee Jim Palermo has filed a complaint against the actuary used by the village's police and firefighter pension boards.

The complaint was critical of actuary Tim Sharpe's mortality assumptions and said he made statements to the board, which were "frequently erroneous and incomplete regarding standard actuarial practices" and would mislead the board,

according to Village Manager Bob Pilipiszyn's summary. The Village Board discussed the matter during a pre-budget workshop Nov. 12 looking at expenditures, including pension contributions, and the property tax levy to fund services and obligations in 2013-14. - [click here for more...](#)

---

### **Officer Work Hours, Stress and Fatigue**

By National Institute of Justice

Law enforcement officers commonly work extended hours in ever-changing environments that can cause great mental and physical stress. Enduring fatigue for a long period of time may lead to chronic fatigue syndrome, a health problem characterized by extreme fatigue that does not improve with bed rest and continues to worsen with physical and mental activity. - [click here for more...](#)

---

### **Police Officer Stress Creates Significant Health Risks Compared to General Population, Study Finds**

By Ellen Goldbaum—Release Date: July 9, 2012

Landmark study of police officers in Buffalo, N.Y., reveals increased incidence of chronic disease, finds suicides higher among those still working.

BUFFALO, N.Y. -- The daily psychological stresses that police officers experience in their work put them at significantly higher risk than the general population for a host of long-term physical and mental health effects. That's the overall finding of a major scientific study of the Buffalo Police Department called Buffalo Cardio-Metabolic Occupational Police Stress (BCOPS) conducted over five years by a University at Buffalo researcher. - [click here for more...](#)

---

### **NCPERS Statement on Pew Charitable Trusts Study**

A Widening Gap in Cities

Washington, DC – The following is a statement by Hank Kim, Esq., Executive Director and Counsel for the National Conference on Public Employee Retirement Systems (NCPERS), regarding the new study by the Pew Charitable Trusts called A Widening Gap in Cities:

“Unfortunately, the analysis presented in the Pew Charitable Trusts new report A Widening Gap in Cities presents a distorted and outdated picture of the health of municipal pension plans – primarily because the data Pew worked with is four years old. Examining data from 2009 – immediately following the unexpected market collapse of the Fall 2008 that precipitated the Great Recession – may provide a valuable history lesson, but it cannot yield a realistic representation of the status of municipal pension plans today. - [click here for more...](#)

---

### **NONFATAL OCCUPATIONAL INJURIES AND ILLNESSES REQUIRING DAYS AWAY FROMWORK, 2011**

By Bureau of Labor Statistics/US Department of Labor

The rate of nonfatal occupational injury and illness cases requiring days away from work to recuperate was 117 cases per 10,000 full-time workers in 2011, statistically unchanged from 2010, according to the U.S. Bureau of Labor Statistics. The total number of private industry, state government, and local government cases with days away from

work remained statistically unchanged at 1,181,290. The median days away from work—a key measure of severity of injuries and illnesses—was 8 days, the same as the previous year. - [click here for more...](#)

---

### **A Report for Fiduciaries, Internal Audit and Risk Management Professionals**

By Diligence Review Corp.—January 14, 2013

Diligence Review Corp. (“DRC”) US Pension Investment Consultants is a specialty consulting and research firm. We examine business structures to uncover the risks investors may be exposed to in business arrangements with investment advisors. For over 25 years, company co-founder, Jennifer Cooper, has been studying institutional investment consultants and other SEC-registered investment advisors. Ms. Cooper has worked extensively with statewide, county and municipal pension systems concerning investment consultant evaluation, investment consultant selection, and to determine the roles and responsibilities of investment consultants. She has worked with these same topics with Taft-Hartley funds, corporate pension funds, foundations, non-profit organizations, endowment funds and private investors. Ms. Cooper is a Chartered Financial Analyst, a Certified Employee Benefits Specialist, and a Certified Investments and Derivatives Auditor. - [click here for more...](#)

---

### **State and Local Pensions 101**

By Rachel Barkley—Municipal Credit Analyst

Government pension plans have been in the news often lately, usually attached to dire predictions and inflammatory language. News reports warn about looming unfunded liabilities while many entities are discussing or have implemented pension reforms. In extreme cases, some local governments have even filed for bankruptcy or declared a fiscal emergency in order to amend pension benefits. Pension liabilities represent significant long-term obligations for governmental entities. In recent years, many governments have been required to increase their annual contributions substantially to fund these future liabilities that have added additional budgetary pressure to already stressed fiscal profiles. This combination makes pensions an important element to understand when determining an entity’s credit quality. -[click here for more...](#)

---

### **Ralph Martire: Don't pass unconstitutional pension fix**

By Ralph Martire—Guest Columnist—Jan. 09, 2013

Even casual observers know state government owes a huge debt to its public pension systems. This unfunded liability totals some \$95 billion, which is a lot, even in Monopoly money. While the problem has been decades in the making, there is suddenly pressure for a solution right now, but not for good government reasons. The real pressure was the perceived political opportunity created by a lame-duck session to move controversial legislation that isn’t constitutional and otherwise wouldn’t have political legs. - [click here for more...](#)

---

### **Social Security Announces New Online Services Available**

By Mark Hinkle, Acting Press Officer—Social Security Administration

Michael J. Astrue, Commissioner of Social Security, today announced the agency is expanding the services available with a *my Social Security* account, a personalized online account that people can use beginning in their working years

and continuing throughout the time they receive Social Security benefits. More than 60 million Social Security beneficiaries and Supplemental Security Income (SSI) recipients can now access their benefit verification letter, payment history, and earnings record instantly using their online account. Social Security beneficiaries also can change their address and start or change direct deposit information online. - [click here for more...](#)

---

### **According to ICI, DC plans don't reduce retirement readiness. Really?!**

by Kelley Butler—January 3, 2013

I'm a big fan of "Saturday Night Live," particularly its Weekend Update segment with Seth Meyers. Every now and then, Meyers is joined at the anchor desk by former Weekend Update co-anchor and "SNL" star, Amy Poehler. Together, they host a snark-fest of a segment called "Really?! With Seth & Amy." If you've never seen it, check it out. It's awesome.

I channeled "Seth & Amy" when I read research from the Investment Company Institute that — even while noting the drop in active DB plan participants from 27 million in 1989 to 17 million in 2010 — concludes that "the extent to which previous generations of retired households relied on income generated by private-sector DB plans is often exaggerated," and that consequently, the move from a defined benefit world to a defined contribution world "is unlikely to reduce retirement preparedness." - [click here for more...](#)

---

### **Training and Education**

---

---

#### **A Day at the New York Stock Exchange March 7-8, 2013**

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...](#)

---

#### **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...](#)

---

#### **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...](#)

---

### **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...](#)

---

### **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.

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

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