



ILLINOIS PUBLIC PENSION FUND ASSOCIATION

Preparing Pension Funds for Tomorrow

www.ippfa.org

March 5, 2012

March 2012 Newsletter



In this issue...

- **Checklist of State DB, DC, and Other Retirement Plans**
- **Ohio workers to share in AIG's \$725M settlement**
- **Medicaid and the elderly**
- **IRS and Treasury Request Comments on Possible Approaches to Governmental Plan Guidance**
- **In Defense of Defined-Benefit Pensions Modest Reforms to State Plans Are Best Option for Taxpayers**
- **Treasury Fact Sheet: Helping American Families Achieve Retirement Security by Expanding Lifetime Income Choices**
- **NCSL Fiscal Brief: Top Fiscal Issues for 2012 Legislative Sessions**
- **IMPORTANT!! New Requirements for All Trustees--Read!!**
- **NASRA tracks private sector and state & local government employment**

Legislative Update...

- **97th General Assembly Legislative Scorecard 2011**
- **Legislative Information System 97th General Assembly—HB 144**

Training and Education...

- **IPPPFA On-Line Certified Trustee Program/and Classroom Program**
- **Check out the Website for the Spring Conference 2012**
- **Online Training/eLearning**
- **Regional Seminars**

Checklist of State DB, DC, and Other Retirement Plans

Tables Showing Which States Have Defined Benefit, Defined Contribution and Hybrid Plans for State Employees and Teachers—January 2012 by Ronald K. Snell/NCSL

This compilation of state defined benefit, defined contribution, and hybrid plans includes plans that cover general state

employees and teachers in K-12 education (although some of the plans counted here may cover additional categories of employees).

The lists exclude plans limited to public safety employees, judges, elected officials and employees of higher education, for whom many states have separate plans or provisions. In some of the states listed below, the plans cover all public employees in a state, including local government employees. - [click here for more...](#)

Ohio workers to share in AIG's \$725M settlement

Insurance giant resolves charges that include fraud.

By Laura A. Bischoff, Columbus Bureau—Saturday, February 4, 2012

COLUMBUS — Insurance giant American International Group Inc. must pay \$725 million to settle a securities class action lawsuit led by three Ohio public pension systems. The retirement funds are expected to get a \$5.5 million cut in about six months, according to Ohio Attorney General Mike DeWine's office.

U.S. District Court Judge Deborah A. Batts of the Southern District of New York approved the latest settlement, which resolves charges that AIG engaged in accounting fraud, bid-rigging and stock price manipulation between October 1999 and April 2005.

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

Medicaid and the elderly

Mariacristina De Nardi, Eric French, John Bailey Jones, and Angshuman Goptu

Introduction and summary:

Expenditures on medical care by Medicaid and Medicare, America's two main public health insurance programs, are large and growing rapidly. Although Medicare is the main provider of medical care for the elderly and disabled, it does not cover all medical costs. In particular, it covers only a limited amount of long-term care expenses (for example, nursing home expenses). The principal public provider of long-term care is Medicaid, a means-tested program for the impoverished. Medicaid now assists 70 percent of nursing home residents and helps the elderly poor pay for other medical services as well. In 2009, Medicaid spent over \$75 billion on 5.3 million elderly beneficiaries. - [click here for more...](#)

IRS and Treasury Request Comments on Possible Approaches to Governmental Plan Guidance

The IRS and Department of Treasury are soliciting comments on possible standards for determining if a retirement plan is a governmental plan under section 414(d) of the Internal Revenue Code. This issue is important to Federal, State, Local and Indian tribal governments, as well as their employees, because the statutory rules that apply to governmental plans are different from those that apply to nongovernmental plans. In addition, the Pension Protection Act of 2006 (PPA '06) contained statutory changes related to plans maintained by Indian tribal governments. - [click here for more...](#)

In Defense of Defined-Benefit Pensions Modest Reforms to State Plans Are Best Option for Taxpayers

By David Madland and Nick Bunker February 2012

Introduction:

Because many states' public-employee pension plans are currently underfunded—meaning that current assets are less

than promised retirement benefits—proposals to drastically reshape public-sector pensions or eliminate them in favor of 401(k)-style retirement plans are expected to once again be introduced this coming year in statehouses across the country. While proponents argue that these alternative defined-contribution plans are good for taxpayers,¹ in most cases taxpayers are better off making relatively minor reforms to the current defined-benefit pension system rather than scrapping it entirely. - [click here for more...](#)

TREASURY FACT SHEET: HELPING AMERICAN FAMILIES ACHIEVE RETIREMENT SECURITY BY EXPANDING LIFETIME INCOME CHOICES

Retirement Security Factsheet from US Treasury

In September 2009, President Obama announced several new steps to make it easier for American families to save for retirement, including expanded opportunities for automatic enrollment in 401(k) and other retirement savings plans, and improved ways to save tax refunds. In addition, the President has put forward a legislative proposal for automatic Individual Retirement Accounts (IRAs) in which tens of millions of workers who have no employer-sponsored retirement plan would automatically participate through payroll deposit contributions at the workplace, while remaining free to opt out. - [click here for more...](#)

NCSL FISCAL BRIEF: TOP FISCAL ISSUES FOR 2012 LEGISLATIVE SESSIONS

January 31, 2012 National Conference of State Legislatures

State finances in fiscal year (FY) 2012 continue to improve, albeit at a slow pace. Revenue performance has improved, expenditures have stabilized and budget gaps have disappeared—at least in most states, which is a significant departure from past years.¹ Despite these positive developments, the effects of the Great Recession continue to linger. State tax collections remain below pre-recession levels, high unemployment persists, and uncertainties about the European debt crisis have created turmoil in financial markets and shaken investor confidence. Any significant negative developments could easily stall recent improvements in state fiscal conditions. - [click here for more...](#)

IMPORTANT!! New Requirements for All Trustees—Read!!

by The Attorney General Lisa Madigan. It is the public policy of this State that public bodies exist to aid in the conduct of the people's business and that the people have a right to be informed as to the conduct of their business.

- Illinois Open Meetings Act, 5 ILCS 120/1. Pursuant to the fundamental philosophy of the American constitutional form of government, it is declared to be the public policy of the State of Illinois that all persons are entitled to full and complete information regarding the affairs of government and the official acts and policies of those who represent them as public officials and public employees consistent with the terms of this Act. Such access is necessary to enable the people to fulfill their duties of discussing public issues fully and freely, making informed political judgments and monitoring government to ensure that it is being conducted in the public interest.

- Illinois Freedom of Information Act, 5 ILCS 140/1 - [click here for more...](#)

NASRA tracks private sector and state & local government employment

by Wikipension

NASRA tracks private sector and state & local government employment on a monthly basis. Data is provided by the U.S. Bureau of Labor Statistics and is compiled by NASRA staff. Latest **Update (January 2012)**

The U.S. Bureau of Labor Statistics reported last week that employment among state and local government declined in January by 8,000 jobs. Since peaking in August 2008, state and local governments have shed approximately 668,000 jobs or approximately 3.37 percent of their total. January 2012 marked the 23rd straight month in which private sector jobs increased after declining for 25 months straight after peaking in January 2008. Overall private sector jobs have decreased by about 4.51 percent since the January 2008 peak. - [click here for more...](#)

97TH GENERAL ASSEMBLY LEGISLATIVE SCORECARD 2011

Citizen Action of Illinois—THE STATE OF SPRINGFIELD

Every year, Citizen Action/Illinois examines the voting records of elected officials in the Illinois General Assembly. This Scorecard is a tool to enable concerned citizens to hold their elected officials accountable for their votes during the year. This year, Citizen Action/Illinois selected 9 votes in the House and 9 Senate of the 97th General Assembly.

The Illinois General Assembly took the historic step in early 2011 to enact a responsible revenue source to support the management and delivery of vital services, including education, both within state government and through our community-based program partners in every corner of the state. In the final stage of the 96th General Assembly, a historic vote to allow for civil unions in Illinois also took place and became law in the summer of 2011. - [click here for more...](#)

Legislative Information System 97th General Assembly—HB 144

Short Description: PEN CD-DISSOLUTION OF FUNDS

House Sponsors—Rep. Jack D. Franks and Elaine Nekritz

Senate Sponsors—Sen. Pamela J. Althoff

Synopsis As Introduced:

Amends the Downstate Police and Downstate Firefighter Articles of the Illinois Pension Code. Allows the corporate authorities of a municipality, by resolution or ordinance, to dissolve the downstate police or firefighter pension funds established by the municipality if an independent auditor has certified to the authorities that the funds have no liabilities, participants, or beneficiaries entitled to benefits. Requires the corporate authorities of the municipality to reestablish those funds if a police officer or firefighter of the municipality seeks to establish service credit in the fund or if reestablishment of the fund is required upon a former police officer or firefighter's reinstatement of creditable service. Suspends the duty of the corporate authorities of a municipality to establish and administer a downstate police or firefighter pension fund while the fund is dissolved. Requires the Public Pension Division of the Department of Insurance to adopt corresponding procedural rules. - [click here for more...](#)

IPPPFA 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...](#)

Check out the Website for the Spring Conference 2012!!

Come join the IPPFA for its 2012 IPPFA Illinois Pension Spring Conference on May 15 thru May 18th, 2012 at the Presidential Abraham Lincoln Hotel & Convention Center in Springfield, Illinois 62701.

For over 25 years the IPPFA has been offering the best in Pension Fund Trustee Training. - [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. - [click here for more...](#)
