



ILLINOIS PUBLIC PENSION FUND ASSOCIATION

Preparing Pension Funds for Tomorrow

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August 2012 Newsletter



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Bill requiring state actuary signed into law

By CHRIS WETTERICH—The State Journal-Register (SJ-R.com)

Illinois will have another set of eyes scrutinizing the finances of the state-funded pension systems under a bill signed Monday by Gov. Pat Quinn. Meanwhile, Quinn said he, the four legislative leaders and their staffs continue to have

daily discussions about legislation to overhaul the pension systems, but have reached no consensus about what to do. The sticking point is still a desire by the Democrats to shift the costs of teacher, university and community college pensions from the state to local school districts and universities. Republicans oppose the idea. - [click here for more...](#)

NASRA ISSUE BRIEF:

State and Local Government Spending on Public Employee Retirement Systems

February 2012

As states and cities continue to address the effects of the Great Recession, the cost of pension benefits for employees of state and local government remains a key point of discussion. On a nationwide basis, pension costs for state and local governments are roughly three percent of total spending (see Figure 1). Current pension spending levels, however, vary widely and are sufficient for some entities and insufficient for others. - [click here for more...](#)

Economy to keep rolling along in 2012 and 2013

Chicago Fed Letter—by William A. Strauss, senior economist and economic advisor, and Norman Wang, associate economist

According to participants in the Chicago Fed's annual Automotive Outlook Symposium, solid economic growth is forecasted for the nation this year and in 2013. Inflation is expected to fall in 2012 and remain unchanged in 2013, and the unemployment rate is anticipated to move lower but remain high by historical standards through the end of 2013. Light vehicle sales are forecasted to improve in 2012 and 2013. - [click here for more...](#)

Event Smarts: 5 Painless Ways to Trim F & B Costs

by Kate Hooper—CVENT—July 6, 2012

Big budget, spare-no-expense weddings and Real Housewives of the O.C. parties aside, these days, most special event food and beverage budgets remain tight. Over the last 18 months or so, many of the medium-sized cocktail receptions I've been involved with, either as a guest or planner, have been festive and fun, despite the tight dollars. And where are the budgetary snips coming from these days? Mostly from hidden corners, which when done cleverly, can help you deliver decent savings without seriously compromising the spirit of the event. Here are a few ideas on how to trim the F& B line so subtly, your guests will be none the wiser, your client will be happier and everyone will still have a wonderful time: -

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

Quinn Calls Lawmakers Back to Address Overhaul of Pensions

The Associated Press—July 30, 2012

CHICAGO • Gov. Pat Quinn is calling lawmakers back to Springfield next month specifically to address overhauling pensions. On Monday, Quinn announced an Aug. 17 legislative session for lawmakers to push forward with "full-scale reform."

Quinn says suburban Chicago and downstate school districts must pay their own pension costs, which the state currently picks up. He proposed a 12-year phase in of that idea. Further details weren't immediately available during Quinn's speech at the City Club of Chicago. - [click here for more...](#)

Moody's pension calculation changes could hit Illinois hard

By Paul Merrion—July 10, 2012—Pensions & Investments

Wall Street is turning up the heat on Illinois and Chicago for pension reform, turning a chasm of unfunded liabilities into a Grand Canyon-size problem.

Moody's Investors Service Inc., a major credit rating agency, plans a massive recalculation of the nation's public pension balance sheet, based in part on an investment outlook that's far more conservative than most such plans assume. At a time when many governments are struggling to meet existing pension obligations, the prospect of lower returns means they would have to come up with even more money to pay future benefits — debts that ultimately could fall on taxpayers. - [click here for more...](#)

Long-time Frame of Investment Return Assumptions

by Ady Dewey—Pension Dialog—July 6, 2012

The investment return assumptions of public retirement systems tend to be a bull's eye for critics, drawing charges that the assumptions range from unrealistic to smoke and mirrors.

Public pension-fund financing uses nothing less than honest accounting. To say otherwise reflects either a lack of understanding of how these plans work or a separate agenda.

When it comes to investment return assumptions, a critical factor – and often overlooked – is the long time-frame under which plans operate. That long time-frame, combined with other features of the public sector that differ from the private sector, makes comparisons of accounting in the public and private sectors a challenge. -[click here for more...](#)

What's Driving Americans to Retire Abroad? Money -- or Lack of It

Published: July 18, 2012 in Knowledge@Wharton

In the small town of Cotacachi, Ecuador, Dan Prescher is living out his retirement dream. Prescher, a native of Omaha, Neb., lives with his wife in a condo in a gated community overlooking the Andes Mountains. They eat fresh fruits and vegetables year round. They spend their free time hiking to hot springs and frequenting local restaurants. They keep up with their families and friends back in the U.S. via Skype and Facebook. Their costs are modest: They bought their condo three years ago for \$50,000. Food is inexpensive. They don't own a car, so for a night out they take a 25-cent bus ride into town. Although Prescher is not officially retired -- he and his wife are both writers -- he has no plans to return to the U.S. - [click here for more...](#)

Proposed Statement of the Governmental Accounting Standards Board:

Plain-Language Supplement (GASB)—June 27, 2011

OVERVIEW:

The primary goal of the Governmental Accounting Standards Board (GASB) is to develop high-quality standards of accounting and financial reporting for state and local governments. High-quality standards lead to information in financial reports that improves transparency, assists in assessing accountability, and is useful for making important decisions. The GASB periodically reviews its existing standards to determine whether they continue to achieve these

objectives effectively. The GASB is proposing significant improvements to its standards for accounting for and reporting on the pensions that governments provide to their employees. These changes are based on extensive deliberations by the Board following research conducted by the GASB staff and on public response to two previous due process documents. The reasons the GASB concluded that the effectiveness of the pension standards could be significantly improved include: - [click here for more...](#)

Legislative Updates

"Important Legislation at your Fingertips"

The IPPFA has compiled a list of important legislation that has been recently introduced relating to Police, Fire and the Illinois Pension Code. Each bill can be viewed in its entirety by clicking on the bill number. We ask for you to follow up on these current bills by contacting your legislator through the link at the bottom of the page. You may view the contact information for the bill sponsor by clicking on the sponsor's name. The IPPFA will continue to update this as new legislation is introduced.

President James McNamee

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

Training and Education

Sign up NOW!!! 2012 IPPFA Midwest Pension Conference "Hotel is Full"

Check website for additional locations to stay!!

For over 25 years the IPPFA has offered Public Pension Trustees the best and latest in trustee training. With the recent far reaching changes in pension law and with the difficult challenges yet to come, the IPPFA strives to prepare pension trustees for the future. Please join us for Training in Ethics, Investment Procedures, Fiduciary Responsibilities, Legal and Legislative Updates, and much, much more and all with nationally renowned speakers. IPPFA Midwest Pension conference will be held in Lake Geneva, WI. The dates for the conference are October 2-5, 2012 at the Grand Geneva Resort & Spa. -

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

Open Meetings Act

The Open Meetings Act now requires every trustee, elected or appointed, to complete the electronic training curriculum developed and administered by the Public Access Counselor of the Attorney General Office. - [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.

The IPPFA announces that registration is now open for Certified Trustee Program 12-6 to be held at the NIU campus in Hoffman Estates, IL November 12-15, 2012. Please fill out the attached form for each trustee attending and fax it to 630-784-0416 or email to Kelli Spicer at kelli.spicer@ippfa.org to reserve your spot. -

- [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.

“IPPFA Regional Seminar schedule for March 19, 2013 at the Jumer's Casino & Hotel, Rock Island.” - [click here for more...](#)