



ILLINOIS PUBLIC PENSION FUND ASSOCIATION

Preparing Pension Funds for Tomorrow

www.ippfa.org

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April 2014 Newsletter



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Illinois Articles...

The fiscal cliff and the dynamics of income

by Leslie McGranahan, senior economist and economic advisor, and Tom Nohel, associate professor, Loyola University Chicago—Chicago Fed Letter

At the end of 2012, certain income tax policies were set to end and others to become effective. Central among these was the planned expiration of the 2001 and 2003 tax cuts (the “Bush tax cuts”), which had been extended for two years in 2010.

The end of the Bush tax cuts would have meant an increase in marginal taxes on income for most individuals, an increase in tax rates on capital gains, and a change in the treatment of dividend income. - [click here for more...](#)

In Remembrance of Officer Casey Kohlmeier

The IPPFA Remembrance Fund

I would like to take this opportunity to tell you about a very important event. Due to the very unfortunate and tragic event of losing Pontiac Police Officer Casey Kohlmeier and his partner Draco in the line of duty they will be recognized at National Police Week in Washington, DC. in May. This is an event in which we as a community are trying to ensure Officer Kohlmeier's family will be able to attend at no cost to them. - [click here for more...](#)

The Pension Gap in Perspective

By Teacher/Poet/Musician Glen Brown—Tuesday, February 25, 2014

“...COMPARED TO STATE ECONOMIES: The total pension shortfall ‘is less than 0.2 percent of projected gross state product over the next 30 years’ – Center for Economic and Policy Research.

“COMPARED TO STATE BUDGETS: Pension costs ‘account for only 3.8 percent of state and local spending’ – Boston College.

“COMPARED TO CORPORATE WELFARE: The \$1.38 trillion state pension gap is roughly \$46 billion a year over 30 years. That is far less than the \$120 billion a year in public revenues that states and localities lose to offshore tax loopholes and corporate subsidies – The New York Times & U.S. PIRG study... - [click here for more...](#)

IPPFA Benefits has brought you Dental & Vision coverage

IPPFA Benefits has arranged for a Dental & Vision insurance plan for IPPFA members, retirees, and their eligible dependents.

This benefit provides coverage for you and your eligible dependents for Preventative, Basic Type II, and Major Type III dental services, such as exams, cleanings, x-rays, fillings, crowns, root canals, etc. (Orthodontia is not included). In addition, this plan includes a vision benefit program that covers eye exams, frames, lenses, and contacts.

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

National Articles...

How Many Will (Not) Run Short in Retirement?

By Employment Benefit Research Institute (EBRI)—March 6, 2014

It is a question in which policymakers, lawmakers, employers and individuals all have a stake: How many will have sufficient financial resources for retirement expenses? The answer depends on a number of variables, but according to an updated analysis of the EBRI Retirement Readiness Ratings, TM (RRRs) approximately 56.7 percent of Early Baby Boomers, 58.5 percent of Late Boomers, and just under 58 percent of Gen Xers are projected to not run short of money in retirement. - [click here for more...](#)

Letter written to PEW from NCTR on PEW Charitable Trusts' Center

Written March 11, 2014

Robert H. Campbell
Chairman, Board of Directors
The Pew Charitable Trusts

Dear Mr. Campbell:

I am writing concerning the Pew Charitable Trusts' Center on the States and its "Public Sector Retirement Systems Project." Specifically, I am very troubled by the involvement, both in terms of funding and actual hands-on participation, of the Laura and John Arnold Foundation, with whom I understand Pew has partnered and from whom I understand it has accepted a grant of \$4.85 million. - [click here for more...](#)

CYPEN & CYPEN NEWSLETTER

by Stephen H. Cypen, Esq., Editor—**MARCH 20, 2014**

THE PLOT TO KILL PUBLIC SECTOR DEFINED BENEFIT RETIREMENT BENEFIT PLANS: Gary Findlay, involved with public employee retirement plans for more than 40 years, writes that the movement to rid governments of the defined benefit plan culture is nothing new. Opponents say they want to dismantle and privatize state pension plans and their trillions of dollars of public funds held as investments for retirees, and then take that power and destroy it. Findlay asks "what power?" It is the power to vote proxies on securities held and take corporate executives and boards to task for behavior that is not viewed as being in the best long-term interest of shareholders? Arguably, if public employees had individual account plans where money managers voted the proxies, it is likely that those votes would be a lot more corporate friendly, particularly, if those managers also have (or would like to have) those corporations as clients. Why are governments seen as such threats? -[click here for more...](#)

Pension Funds Sue on a Deal Gone Cold

By Rachel Abrams—February 24, 2014—Deal Book

Sitting around a table in Baton Rouge, La., in February 2008, a handful of board members of the Firefighters' Retirement System of Louisiana heard an investment pitch that would later come back to haunt them.

Their consultant, Joe Meals, said that others had already jumped at the chance to invest with Alphonse Fletcher Jr., a flashy Wall Street financier whom Mr. Meals described as a long-established hedge fund manager, according to video recordings. The fund was offering essentially a 12 percent guaranteed return, according to Mr. Meals, secured by a third-party investor, and the opportunity was so hot the board would have to make a decision that day. - [click here for more...](#)

Before pension battle, Weatherford gets boost from Koch brothers' group

Michael Van Sickler—Times/Herald Tallahassee Bureau—Tampa Bay Times—March 3, 2014

Pushing pension reform has been no easy task for Florida House Speaker Will Weatherford in the last two years. The Florida Senate narrowly [defeated it last year](#). Now even Gov. Rick Scott [seems to be losing interest](#). Yet Weatherford persists, listing it at the top of his legislative agenda for this year's session, which begins Tuesday. A chief reason why Weatherford won't let it drop, and potentially puts him on a collision course with Scott, was the throng of activists who were bussed in Monday afternoon by Americans for Prosperity, the conservative group founded by billionaire libertarian brothers David and Charles Koch.

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

Financial Security Scorecard: A State-by-State Analysis of Economic Pressures Facing Future Retirees

By Christian E Weller, PhD, Nari Rhee, PhD and Carolyn Arcand—National Institute on Retirement Security—March 2014

As Americans increasingly worry about their retirement prospects, states play an important and growing role in retirement security policy. States already manage long-term care programs for the elderly through Medicaid. Concerned about the impact of future elder poverty on state and local budgets and their local economies, a number of states are exploring the creation of low-cost and low-risk retirement savings plans for private sector workers who lack access to pensions or 401(k)s on the job. Some states have developed programs to help older workers find work.

This report presents the Financial Security Scorecard, designed to inform state-level stakeholders and policymakers regarding the financial security outlook for future retirees and to help identify potential areas of focus for state-based policy interventions to improve retirement prospects. Specifically, the scorecard ranks each of the 50 states plus the District of Columbia (hereafter referred to as “states”) in three sources of potential economic pressures for future retirees, as measured through eight specific variables: - [click here for more...](#)

Training and Education

Sign up for the 2014 IPPFA Illinois Spring Pension Conference

IPPFA Spring Pension Conference will be held in East Peoria, IL. The dates for the 2014 conference are May 6 - 9, 2014. The venue will be the Embassy Suites. The IPPFA rate is \$145.00 per night which includes complimentary breakfast and manager’s reception every day. Call the Embassy Suites direct at 1-309-427-2424 or register online. - [click here for more...](#)

Peoria Chiefs Baseball Game Registration

Sign up now as we are limited so it is first come first served!!

Join Us for a Day at the Ball Park, Benefitting The Remembrance Fund--Price Includes ROUNDTRIP BUS TRANSPORTATION from the Embassy Suites, Ticket to THE CARDINAL’S ROOST PARTY DECK, Lunch buffet and soft drinks (cash bar on deck). - [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 speaking on a variety of topics. -

- [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. Plus you can do this in the comfort of your own home or office! - [click here for more...](#)

IPPFA Toolkit!!!

Illinois Public Pension Fund Members:

In our desire to actively engage our membership, and produce relevant materials that will be useful to our members in the field we have commissioned the services of VISION MAI, LLC to produce a tangible, easy-to-read handbook that can be referenced and revered at any time. - [click here for more...](#)
