

# 2021 NCPERS Public Retirement Systems Study

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February 2022

Study conducted by the  
National Conference on Public Employee Retirement Systems and  
Cobalt Community Research

# Contents



*This study reviews funds' current fiscal condition and steps they are taking to ensure fiscal and operational integrity.*

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# Overview

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*Over the last 11 years, funds have continued to take a serious look at the concerns and challenges that face public pensions. They continue to take significant actions to address them.*

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## **About Cobalt Community Research**

*Cobalt Community Research is a national 501 c (3) nonprofit, nonpartisan coalition that helps local governments, schools, and membership organizations affordably engage their communities through high-quality data, benchmarking, geofencing, and community engagement. Cobalt is headquartered in Charlotte, Michigan.*

## **Executive Summary**

From September to December 2021, the National Conference on Public Employee Retirement Systems (NCPERS) undertook a comprehensive study exploring the retirement practices of the public sector. In partnership with Cobalt Community Research, NCPERS has collected and analyzed the most current data available on funds' fiscal condition and steps they are taking to ensure fiscal and operational integrity.

The *2021 NCPERS Public Retirement Systems Study* includes responses from 156 state and local government pension funds with more than 17.7 million active and retired members and assets exceeding \$2.6 trillion. Statewide and local pension funds were represented in roughly equal measure (47 percent and 53 percent, respectively).

NCPERS is the largest trade association for public-sector pension funds, representing approximately 500 funds throughout the United States and Canada. The membership is a unique network of public trustees, administrators, public officials, and investment professionals who collectively oversee nearly \$3 trillion in retirement funds managed on behalf of seven million retirees and nearly 15 million active public servants including firefighters, law enforcement officers, teachers, and other public servants.

Founded in 1941, NCPERS is the principal trade association working to promote and protect pensions by focusing on advocacy, research, and education for the benefit of public-sector pension stakeholders.

To access the interactive *2021 NCPERS Public Retirement Systems Study* dashboard, please contact Amanda Rok, communication and social media manager, at [Amanda@NCPERS.org](mailto:Amanda@NCPERS.org).

To view previous editions of this report, please visit: [www.NCPERS.org/surveys](http://www.NCPERS.org/surveys).

# 2021 Executive Summary

1. Reporting funds saw, on average, one-year returns of around 14.0 percent. The five-year and 10-year averages were above the assumed rate of return. The 20-year returns fell slightly below the assumed rate of return as the strong performance of the late 1990s continued to roll off the average 20-year returns reported by the funds. Those funds that responded in both 2021 and 2020 reported five-year and 10-year returns above the assumed rate of return as well, and these funds reported an average one-year return of 15.8 percent. As a result, funded levels for those funds rose by 0.6 percent to 72.3 percent. Funds overall reported a funding level of 74.7 percent for 2021.
2. Funds continue the trend toward more conservative actuarial assumptions. The average investment assumed rate of return for responding funds is 7.07 percent, compared with 7.26 percent last year. The inflation assumption remained 2.7 percent. The amortization period also tightened from 22.9 years in 2020 to 21.8 years in 2021. Overall, the percentage of funds with closed/fixed amortization periods rose from 69 percent to 74 percent.
3. The overall average expense for all respondents to administer the funds and to pay investment management fees fell to 54 basis points (100 basis points equals 1 percentage point). This is down from 60 basis points in the prior year. According to the *2021 Investment Company Fact Book*, the average expense of most hybrid funds is 59 basis points.
4. The average cost-of-living adjustment (COLA) offered to members was 1.7 percent, which is the same as last year. Many responding funds did not offer a COLA in the most recent fiscal year.
5. Exclusion of overtime in the calculation of a retirement benefit has continued to increase. In 2020, about 51 percent of reporting funds excluded overtime from the calculation. In 2021, this increased to 54 percent.
6. Funds significantly increased oversight practices in 2021. Overall, funds report increased implementation of death audits, actuarial audits, administrative tools used to manage member data, and asset allocation studies. Plans also report increased consideration of enhanced online and mobile member account access.
7. Unlike 2020, more than half of reporting funds say that they anticipate having a problem or are anticipating a problem attracting and retaining skilled staff. This percentage grew to 56 percent in 2021, compared with 28 percent in 2020.
8. Funds' confidence in their readiness to address retirement trends and issues over the next two years has remained strong with a rating of 8.0 on a 10-point scale, which is the same as in 2020. Those funds reporting in both 2020 and 2021 saw an increase in that rating from 7.7 to 7.9.

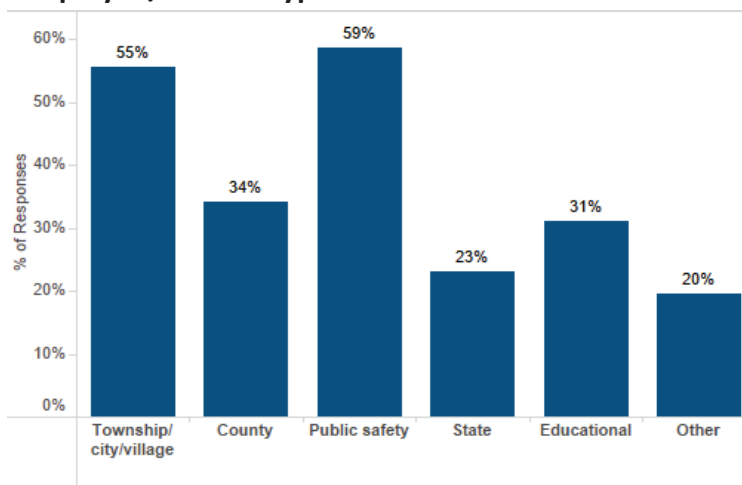
# Who Responded

Overall, 156 public retirement funds responded to the *2021 NCPERS Public Retirement Systems Study*. There were 138 respondents in 2020. Of the 156 respondents, 86 also completed the study in 2020.

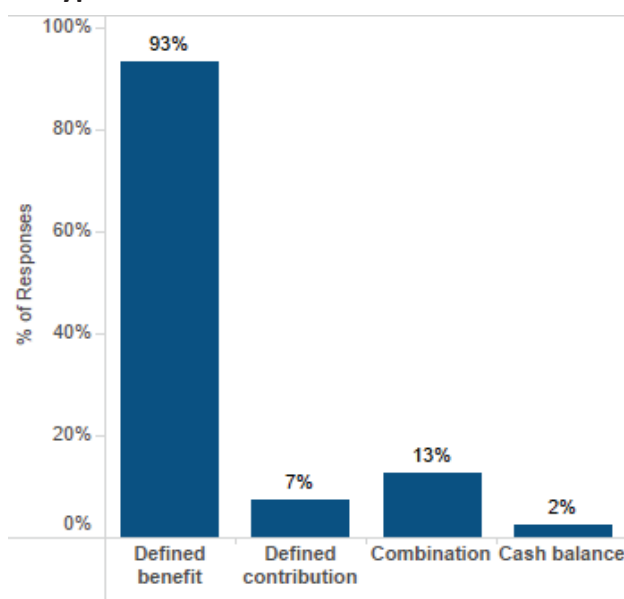
About 55 percent of all 2021 responding funds serve township, city, and village employees and beneficiaries. About 59 percent of the responding funds serve police and fire employees. The top graph below shows the distribution of employee types served by the funds. The bottom graph shows response by type of plan provided. Totals may exceed 100 percent because of multiple responses.

The overall distribution of the groups served by responding funds is similar to prior years; however, police/fire funds were a larger proportion of the response compared with last year.

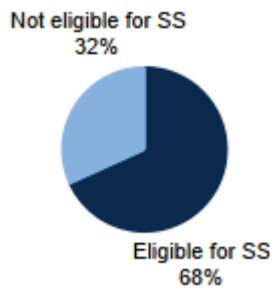
**Employee/Retiree Type**



**Type of Plan**



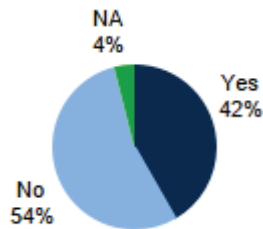
## Members' Social Security Eligibility



About 68 percent of responding funds have members who are eligible for Social Security, and 32 percent have members who are not eligible. In this report, breakdowns are presented for funds whose members are or are not eligible for Social Security.

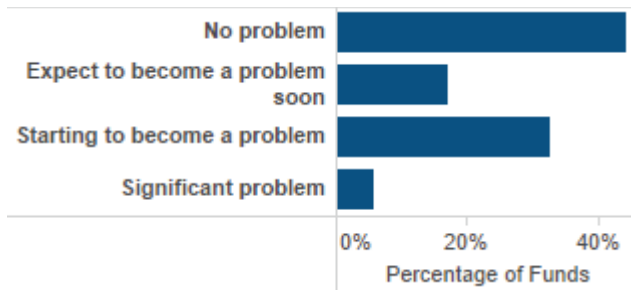
Funds whose members are not eligible for Social Security tend to offer higher levels of benefits to make up for the loss of income typically supplemented by Social Security.

## Inclusion of Overtime in Benefit Calculation



Inclusion of overtime in the calculation of a retirement benefit has been an area of interest to public funds. In 2021, 54 percent of respondent funds do not include overtime in the benefit calculation, which is 3 percentage points higher than last year.

## Attracting/Retaining Skilled Staff



For 2021, respondents note that they are having more of a problem attracting and retaining skilled staff as people retire. About 56 percent say they are starting to experience or anticipate a problem in this area, compared with 28 percent last year.

# Fund Confidence

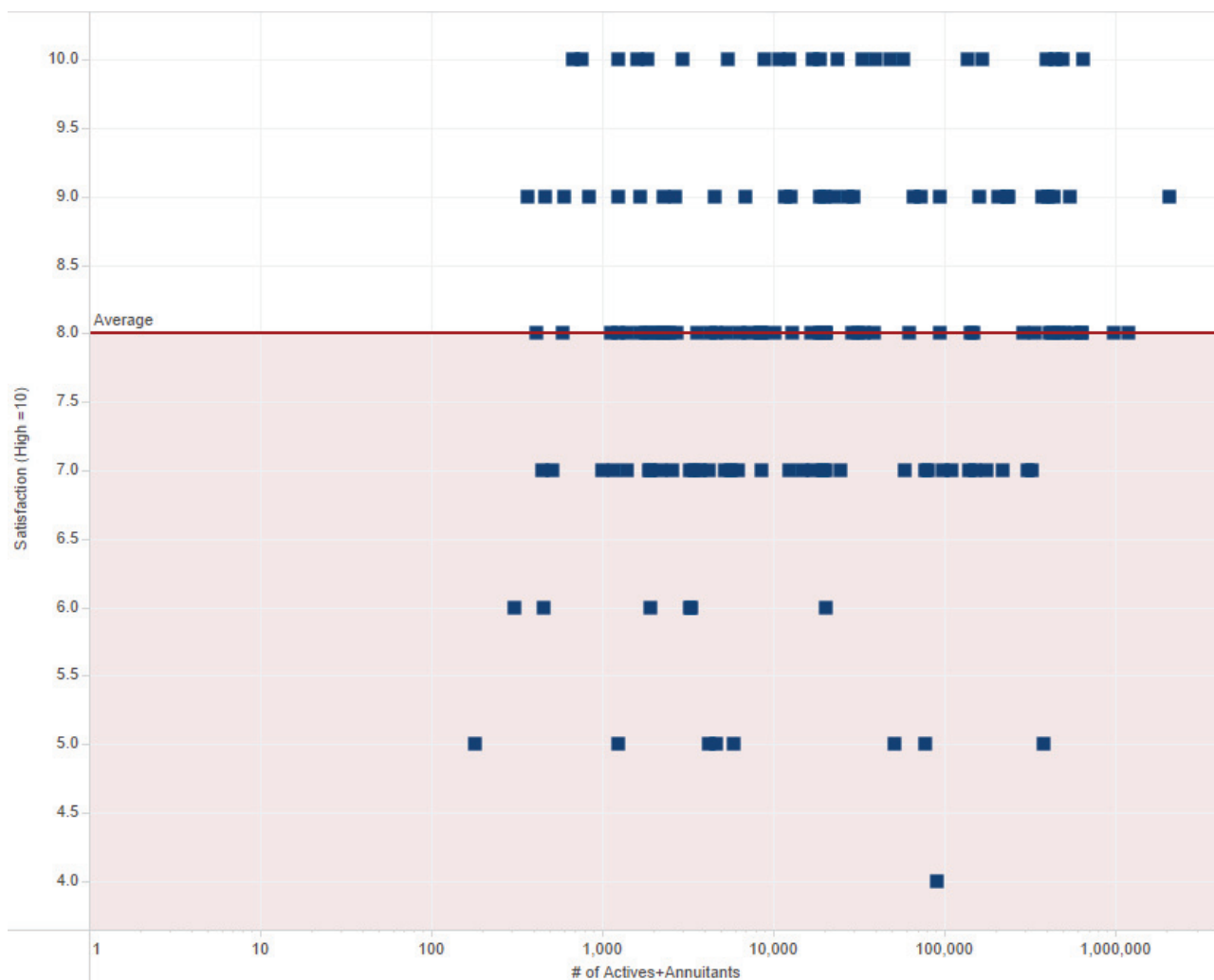
The study asked respondents, “How satisfied are you with your readiness to address retirement trends and issues over the next two years?” Respondents provided an overall “confidence” rating of 8.0 on a 10-point scale (very satisfied = 10). This is unchanged from last year and well above the 7.4 in 2011. The responses of funds that also participated in last year’s study were 7.9 in 2021 compared with 7.7 in 2020.

Over the last 11 years, responding funds have generally become increasingly confident in their ability to adapt to and address issues in the volatile environment surrounding public pensions.

Responding funds have been proactive in making changes to their plan assumptions and benefits to ensure sustainability.

Funds with members eligible and members ineligible for Social Security responded with a rating of 7.8 and 8.0, respectively. Large funds (more than 100,000 participants) rated their confidence the highest, with an average score of 8.1.

## Fund Confidence



# Expenses

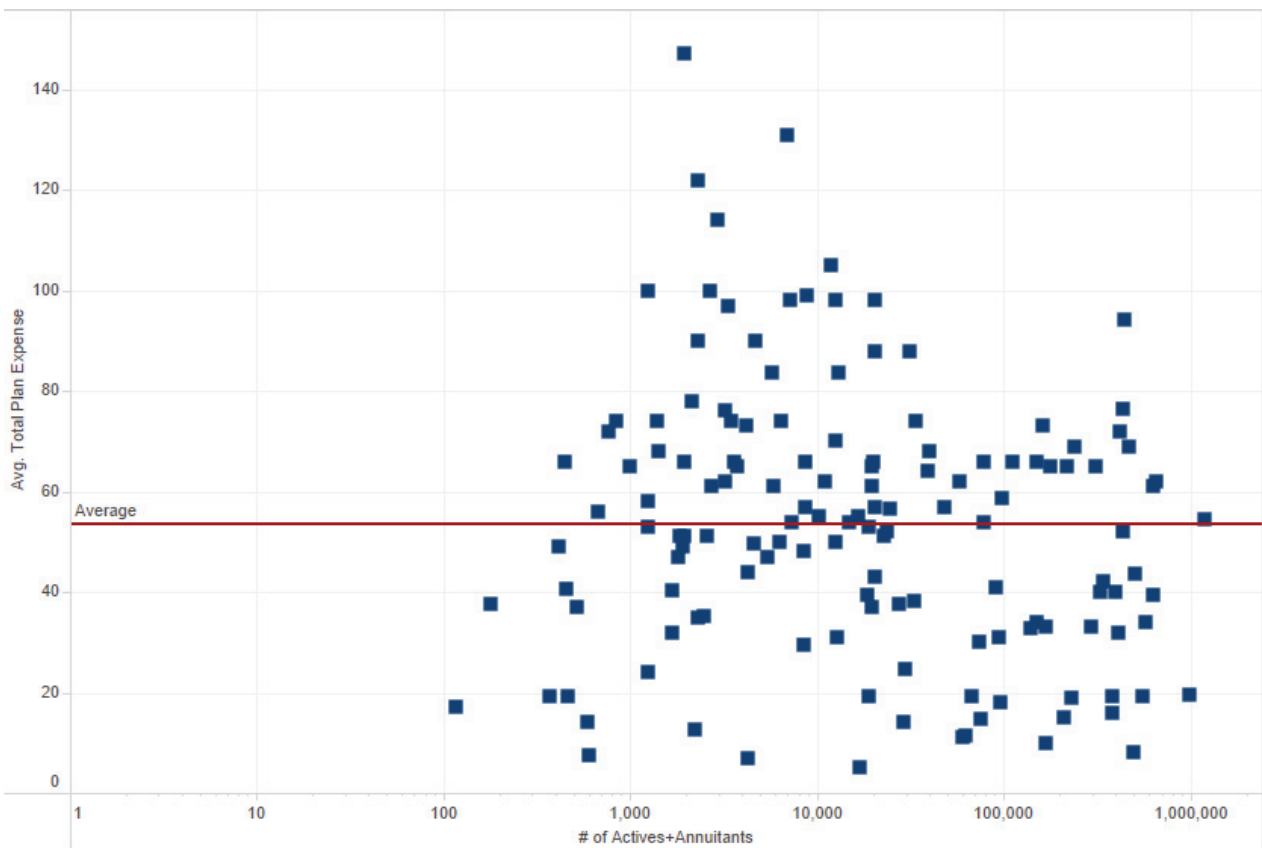
The overall average expense for all respondents to administer the funds and to pay investment management fees is 54 basis points (100 basis points equals 1 percentage point). This is below the 60 basis points in the prior year.

According to the *2021 Investment Company Fact Book*, the average expense of hybrid funds is 59 basis points.

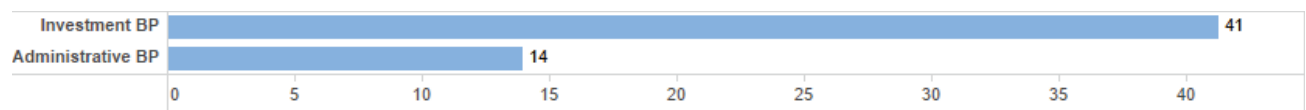
The top graph below shows the distribution of total expenses (in basis points) on the vertical axis and the size of the fund (by total participants) on the horizontal. The red line represents the average expense.

The bottom graph shows the average administrative and investment expenses. Note: The averages below do not total the average expenses because not all funds reported both investment and administrative numbers.

**Total Expenses by Size of Fund**



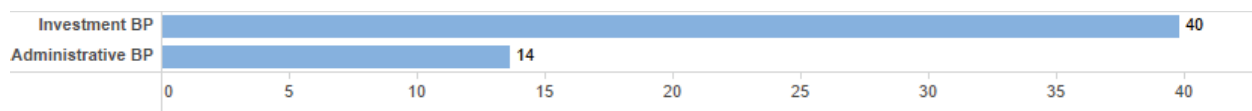
**Average Fund Expenses (Basis Points)**



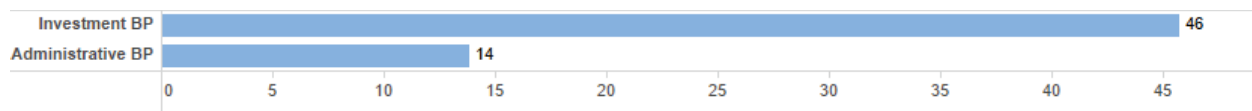


Below are average expenses broken out by funds whose members are and are not eligible for Social Security. Total expenses are 52 and 58, respectively. Note: The averages below do not total the average expenses because not all funds reported both investment and administrative numbers.

#### Average Fund Expenses: Social Security Eligible (Basis Points)

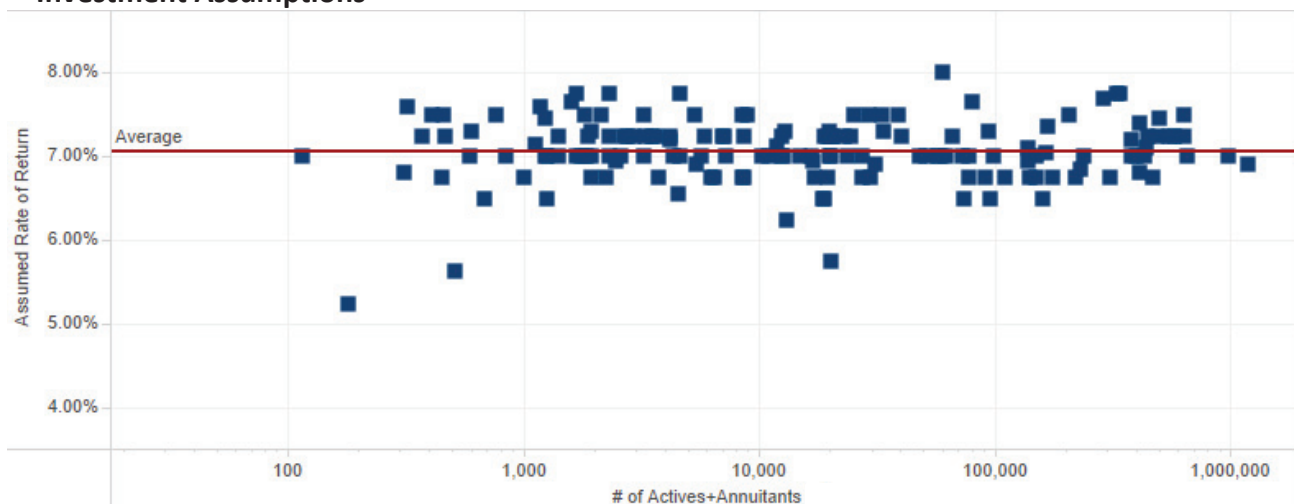


#### Average Fund Expenses: Not Social Security Eligible (Basis Points)



# Actuarial Assumptions

## Investment Assumptions



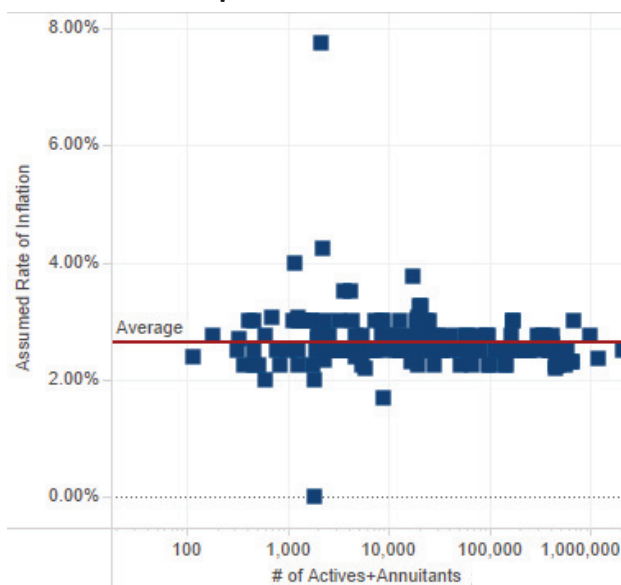
Retirement funds employ a long-term planning horizon to ensure that liabilities are fully funded at the time they are due to be paid. To set contribution rates and measure progress toward meeting their financial obligations, funds make actuarial assumptions to estimate the likely investment and demographic experience over that time horizon.

Such assumptions have powerful effects on the funded level of a plan and on required contributions to pay for future benefits. Overly optimistic assumptions (high market returns, lower-than-expected retirement rates) tend to increase a plan's funded level and reduce the contribution rates an employer is obligated to pay today. Conversely, overly pessimistic assumptions reduce the funded level and increase short-term contribution rates.

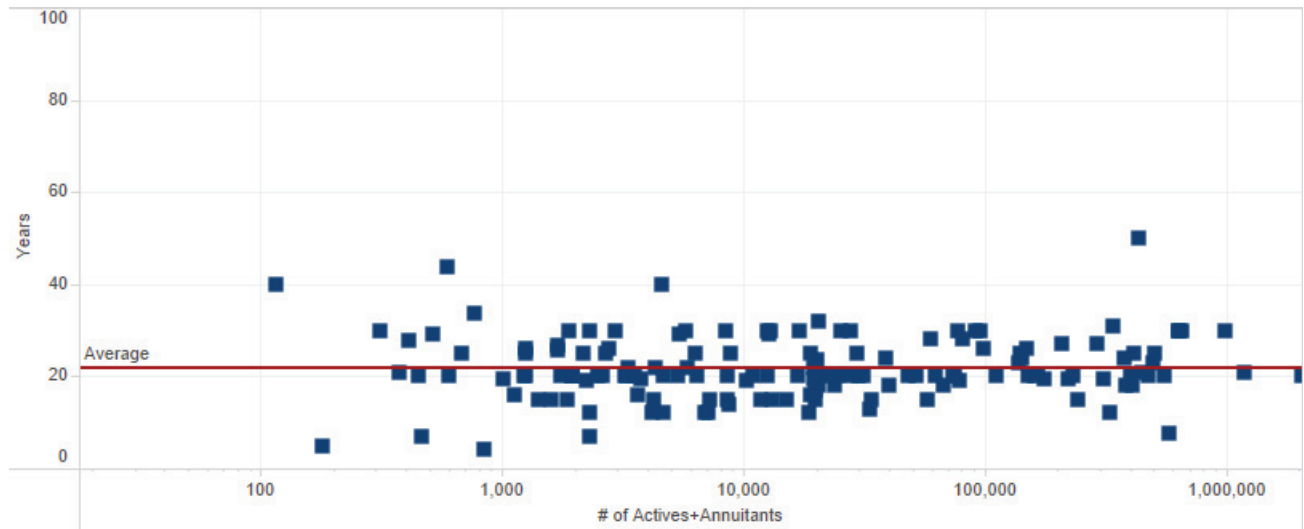
The average investment assumed rate of return for responding funds is 7.07 percent, compared with 7.26 percent last year. Plans that responded both years saw the assumed rate fall 0.08 percentage point to 7.14 percent.

The aggregated assumed rate of inflation is 2.7 percent, which is the same as last year.

## Inflation Assumption



## Amortization Period



Pension funds are designed to fund liabilities over a period of time, which ensures long-term stability and makes annual budgeting easier through more predictable contribution levels.

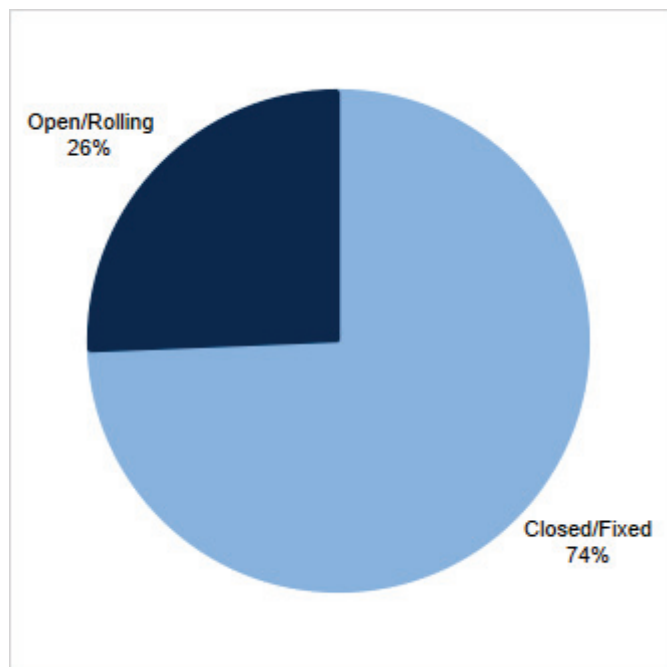
For responding funds, that period of time averages 21.8 years, down from 22.9 years in 2020. Funds that responded both years saw a reduction in the period of time by about 1.3 years.

Groups can tighten their amortization period by adjusting the period in years or using a fixed (or closed) method that pays all liabilities in a fixed time frame.

Open (or rolling) amortization periods are used to determine the actuarially required payment, but they are recalculated each year. The same number of years is used in determining the payment each year. Overall, the percentage of closed/fixed funds rose from 69 percent to 74 percent.

Larger funds are much more likely to have closed/fixed amortization periods – about 84 percent are closed.

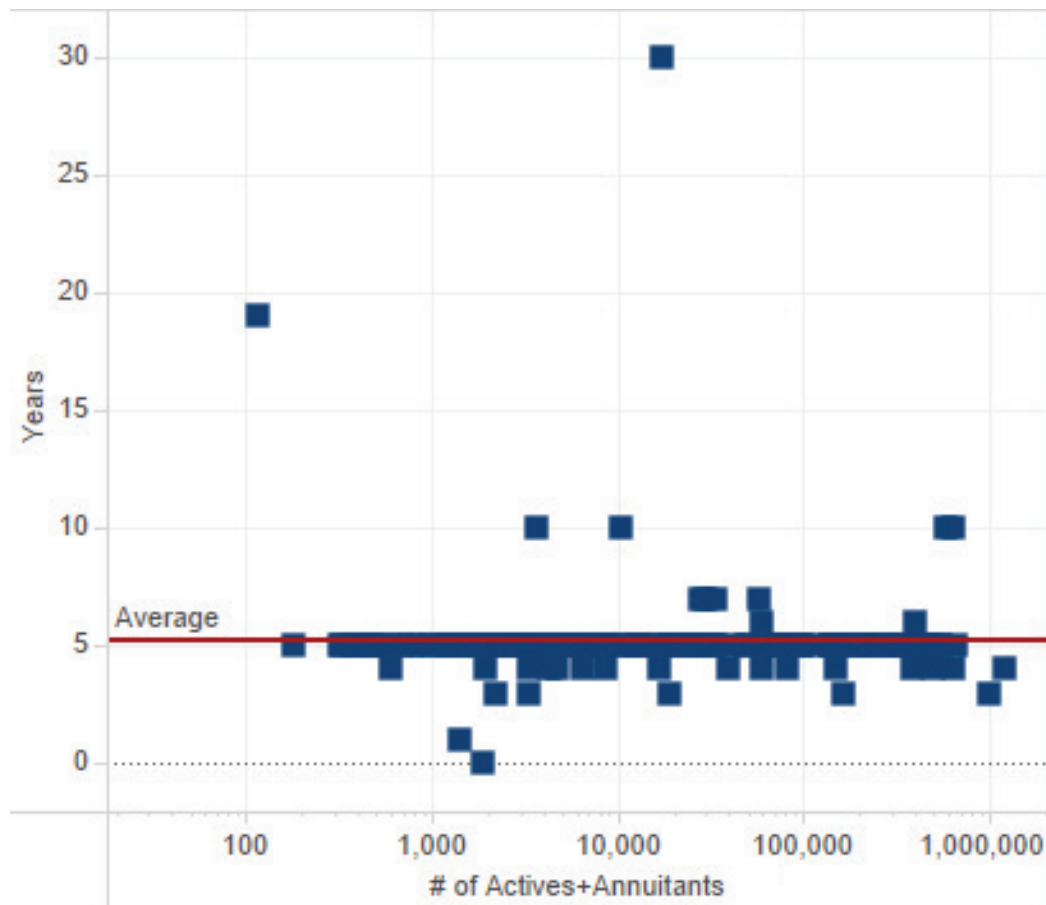
## Type of Amortization Period



The investment-smoothing period is a key factor in calculating the assets currently held by the fund and the contribution levels required to continue moving toward full funding over the amortization period. By smoothing investments, funds dampen sharp changes in short-term investment returns. This helps stabilize contribution levels over time without undermining the long-term integrity of the funding mechanism.

The average investment-smoothing period for respondents decreased from 5.3 to 5.2 years, but it dipped to 4.9 among participants in both the 2021 and 2020 studies. The distribution of responding funds on the graph below shows that the majority have smoothing periods of five years or shorter. For funds with Social Security-eligible members, the smoothing period was 5.3 years. Funds with members who are not Social Security eligible have an average smoothing period of 4.6 years. Large plans average 5.1 years.

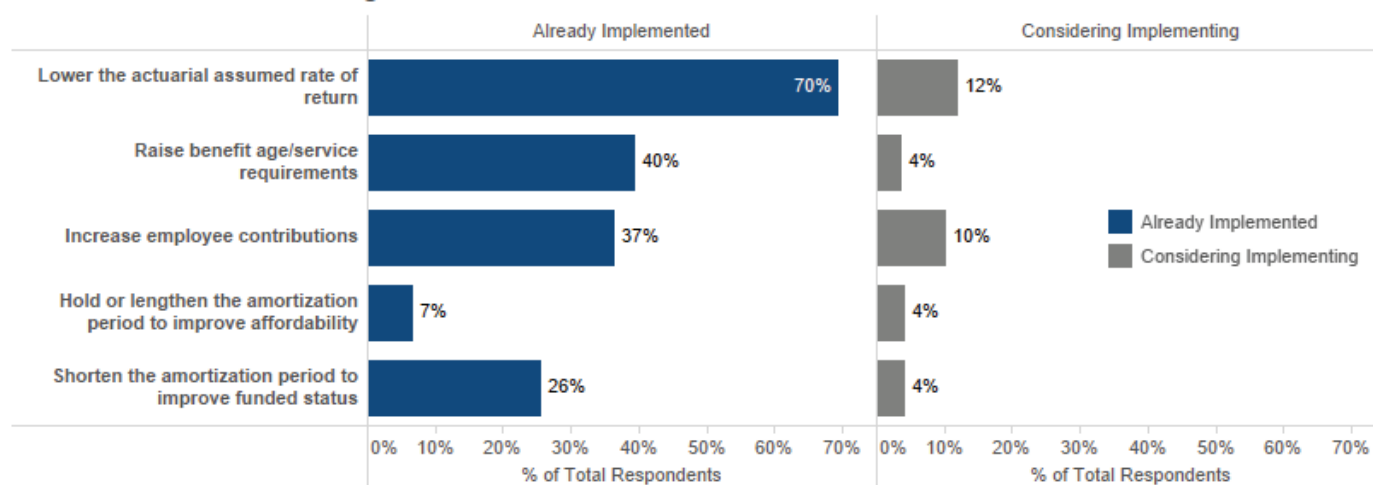
### Investment Smoothing



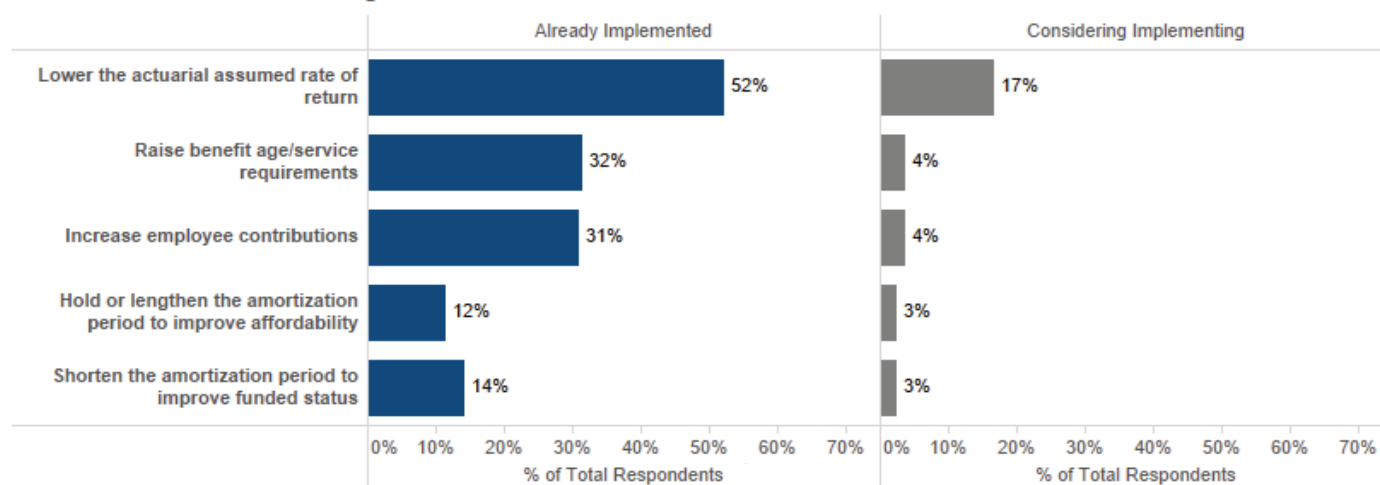
# Trends in Plan Changes

As changes emerge in the political, economic, and demographic landscape, funds adapt their design and assumptions to respond and to maintain their sustainability. Funds in 2021 showed increased implementation and interest in lowering the assumed rate of return, raising benefit age/service requirements, and increasing employee contributions.

## 2021 Retirement Plan Changes



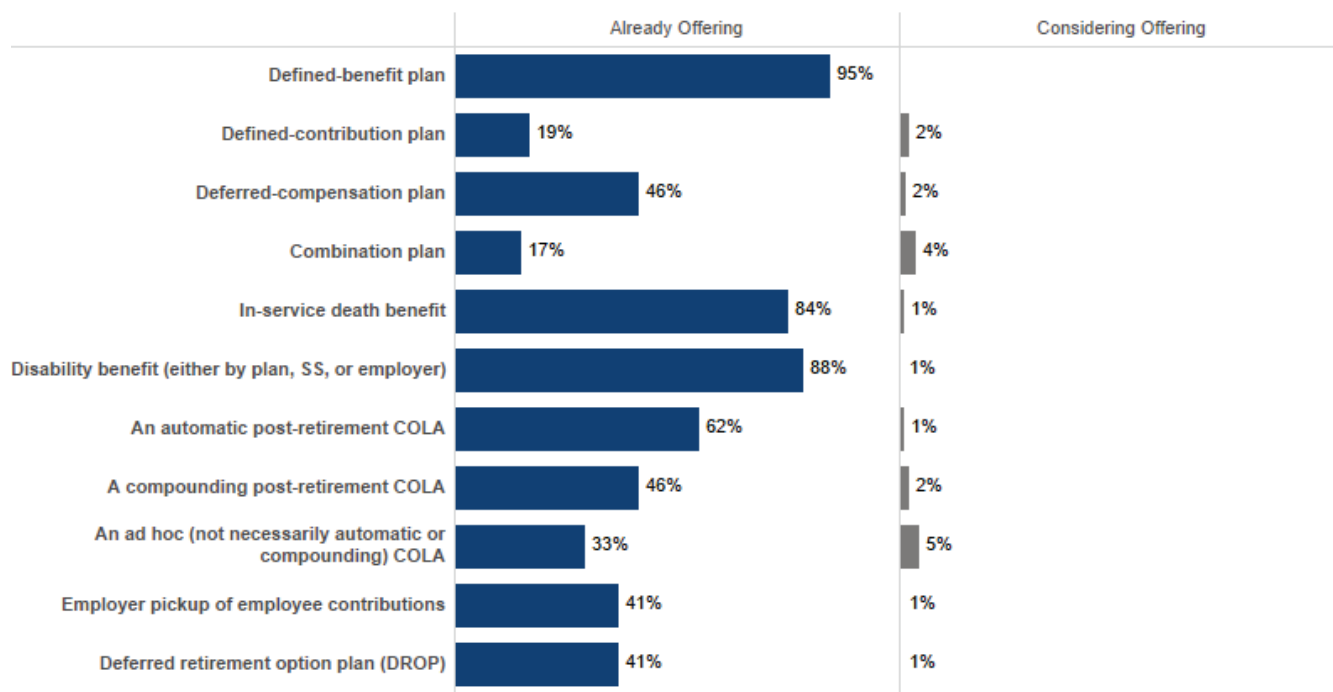
## 2020 Retirement Plan Changes



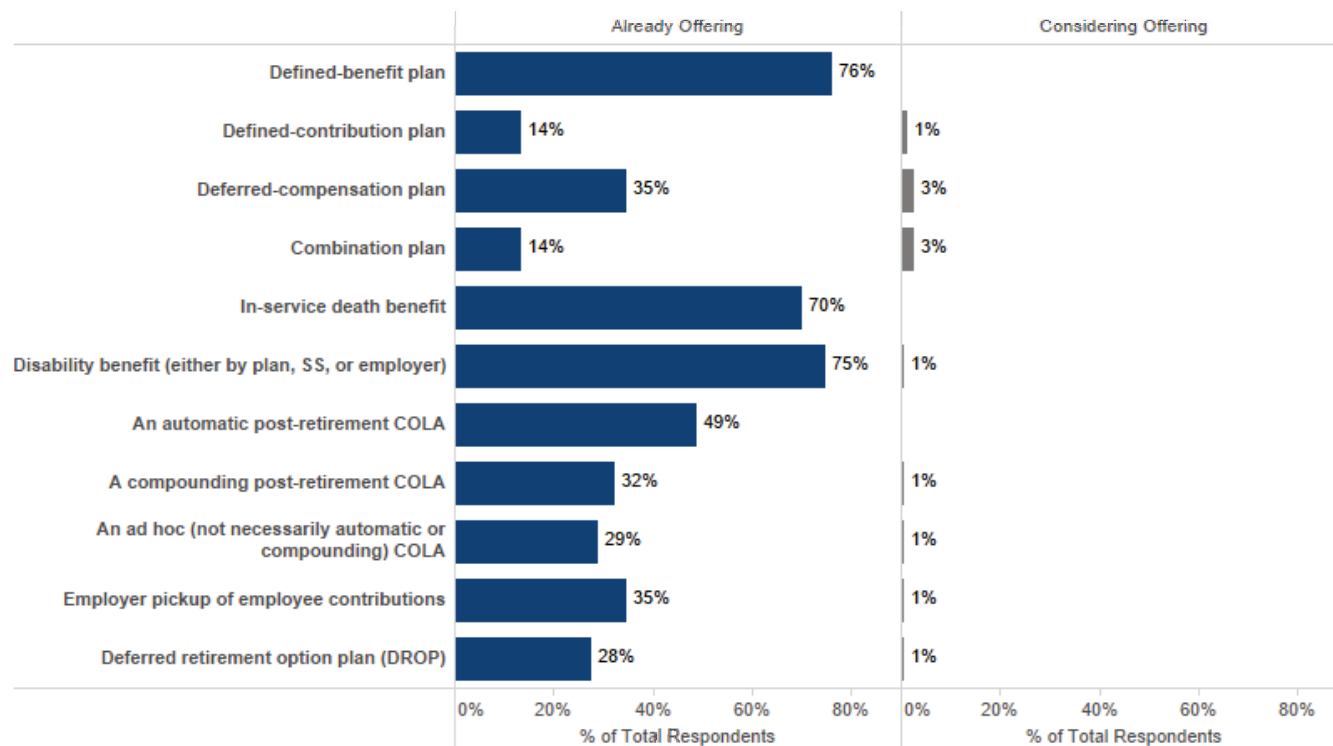
# Trends in Retirement Benefits

There remains minimal activity in terms of responding funds considering offering additional benefits to their members, although 5 percent of respondents are considering offering an ad hoc cost-of-living adjustment (COLA). Most funds provide a defined-benefit plan, a disability benefit, an in-service death benefit, and some variation of a COLA.

## 2021 Retirement Benefits



## 2020 Retirement Benefits

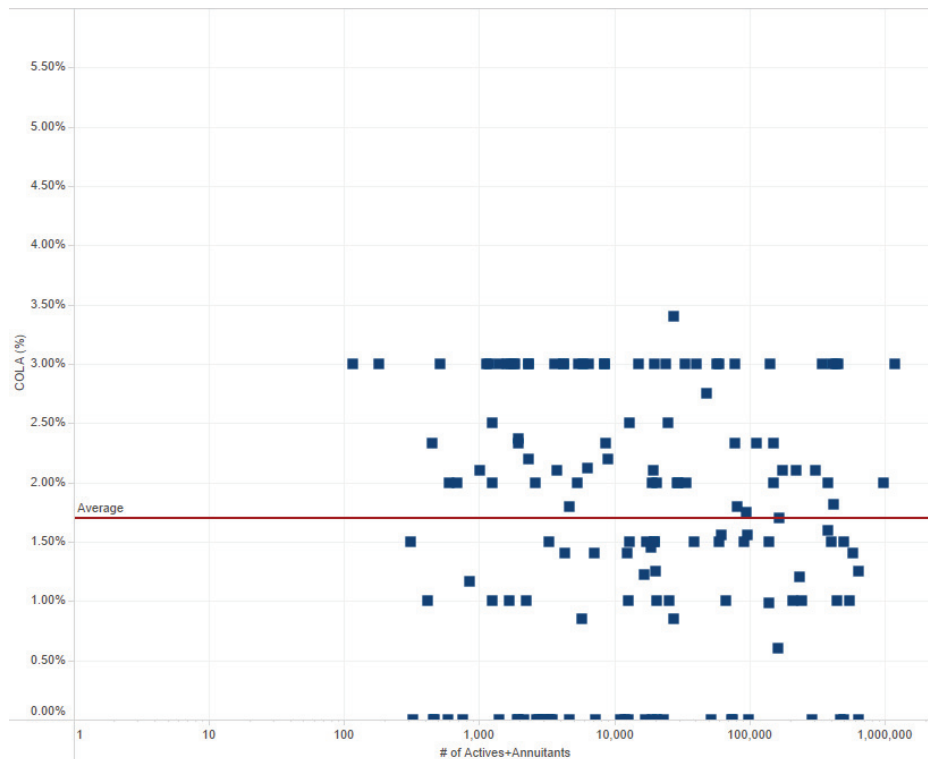


# Cost-of-Living Adjustments

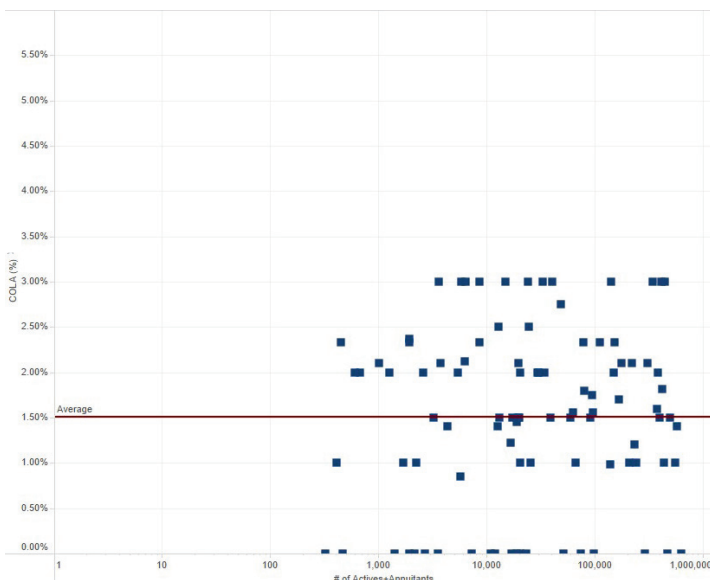
The top chart below shows the distribution of funds offering various percentages of cost-of-living adjustments (COLAs). The aggregated average COLA offered to members was 1.7 percent, which is the same as last year. Many responding funds did not offer a COLA in the most recent fiscal year.

Funds with members who are not eligible for Social Security tend to offer higher COLAs (2.2 percent) than those with members who are eligible for Social Security (1.5 percent). Small funds have an average COLA that is 0.2 percentage point higher than large funds.

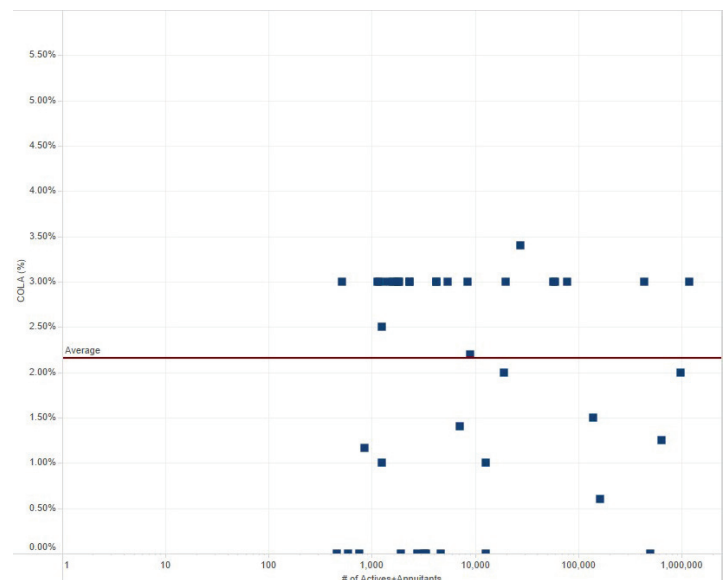
**Overall Cost-of-Living Adjustment Offerings**



**Social Security Eligible**



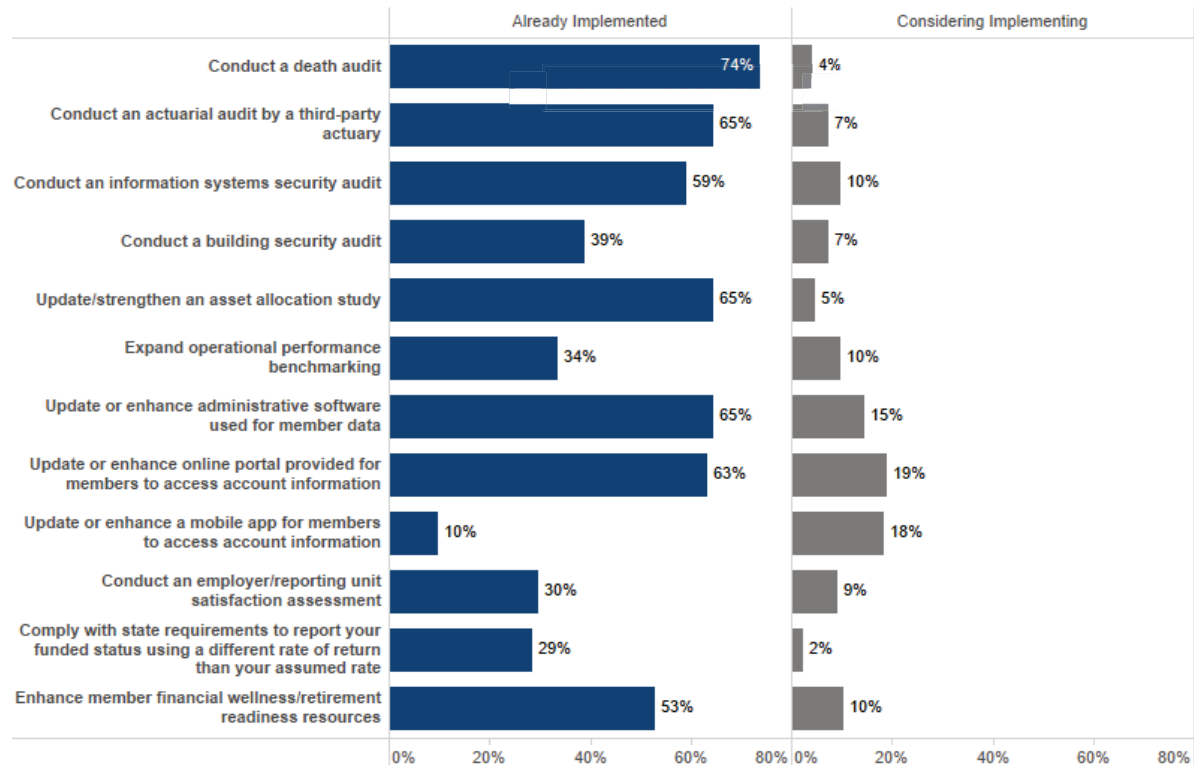
**Not Social Security Eligible**



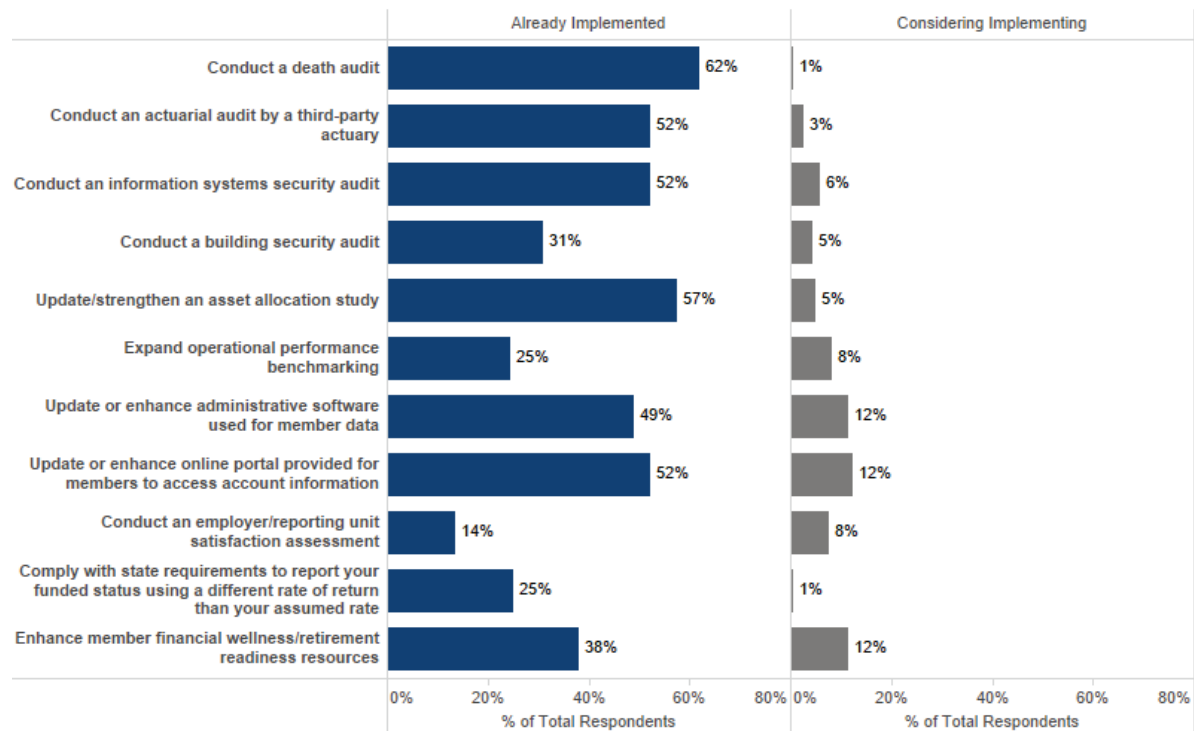
# Trends in Business Practices

Conducting a death audit, conducting an actuarial audit, enhancing administrative tools used for member data, and asset allocation studies were the most commonly implemented business practices. The practices under consideration include enhancing online and mobile member account access.

## 2021 Business Practices



## 2020 Business Practices

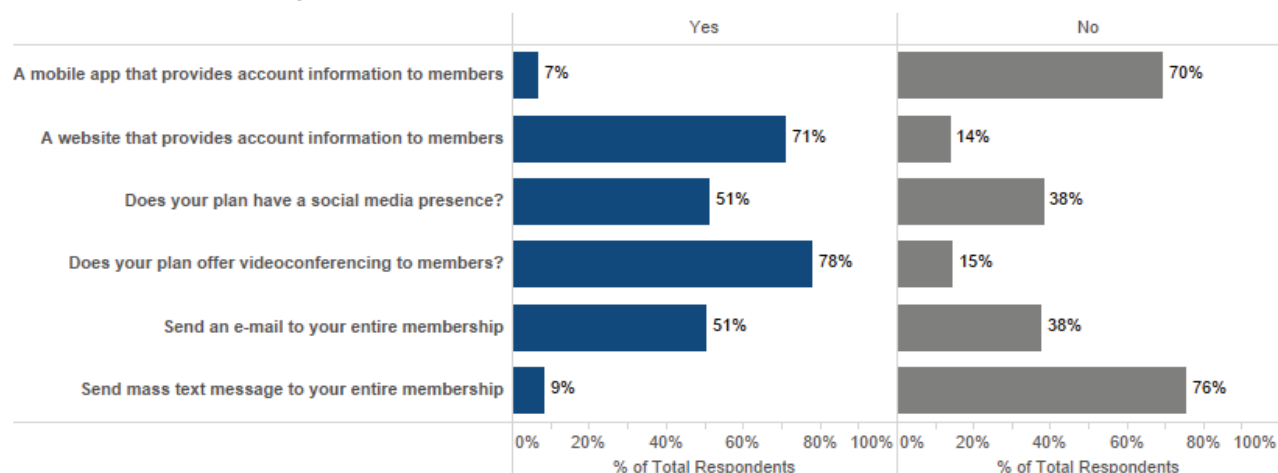




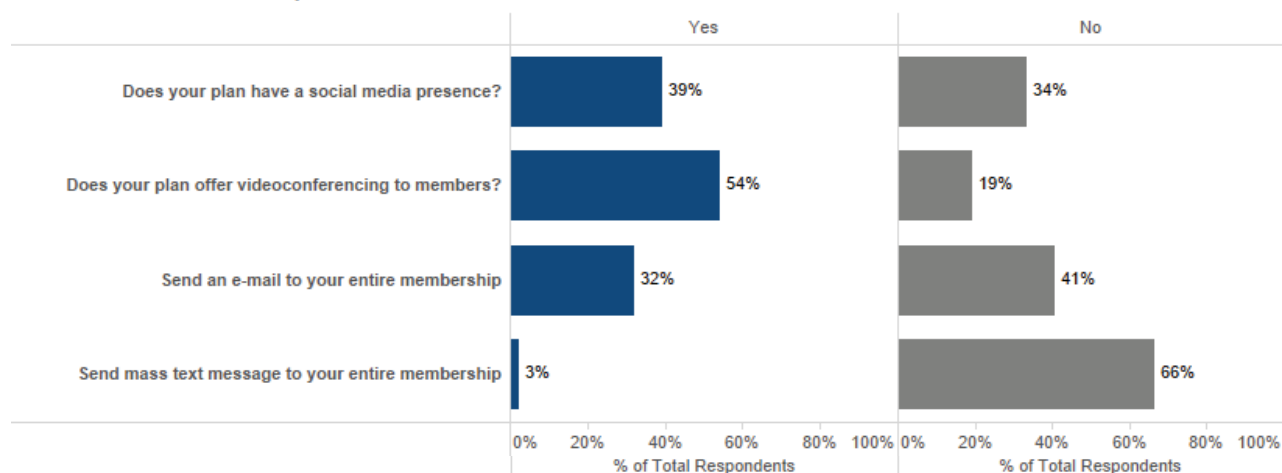
# Trends in Communication

Overall, many responding funds have expanded and continue to provide live videoconferencing to members and social media presence. Many also have expanded capabilities to send e-mail and text messages to the entire membership. While many funds provide account information to members on the website, very few are offering this service through a mobile app.

## 2021 Communication Capabilities



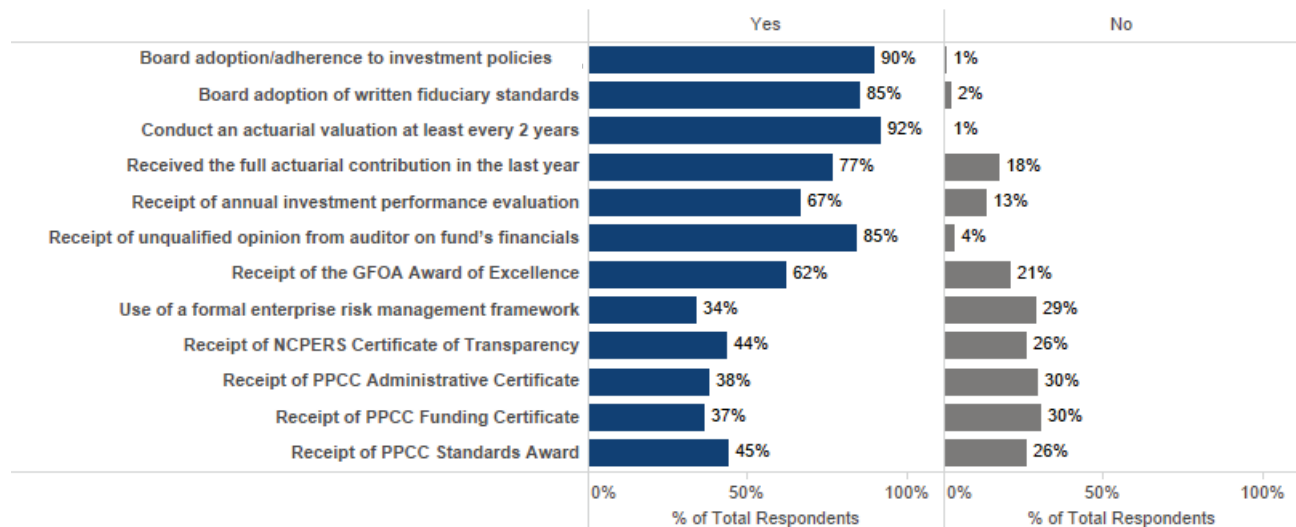
## 2020 Communication Capabilities



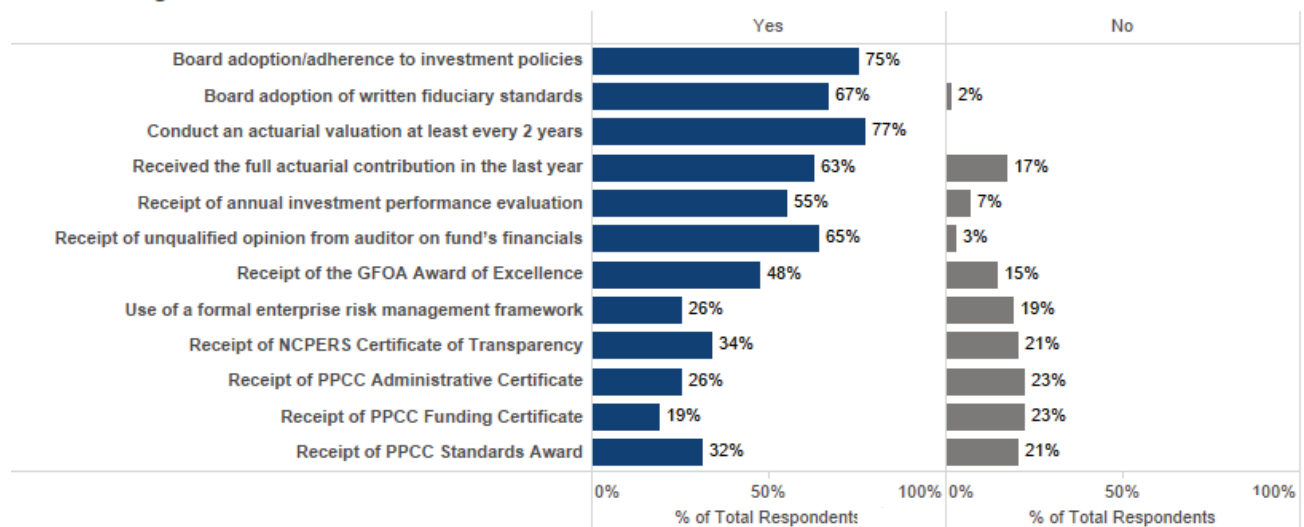
# Trends in Oversight Practices

Overall, responding funds showed higher levels of oversight compared to last year in most areas. Practices were very similar to 2020 for those funds that responded in both 2021 and 2020.

## 2021 Oversight Practices



## 2020 Oversight Practices



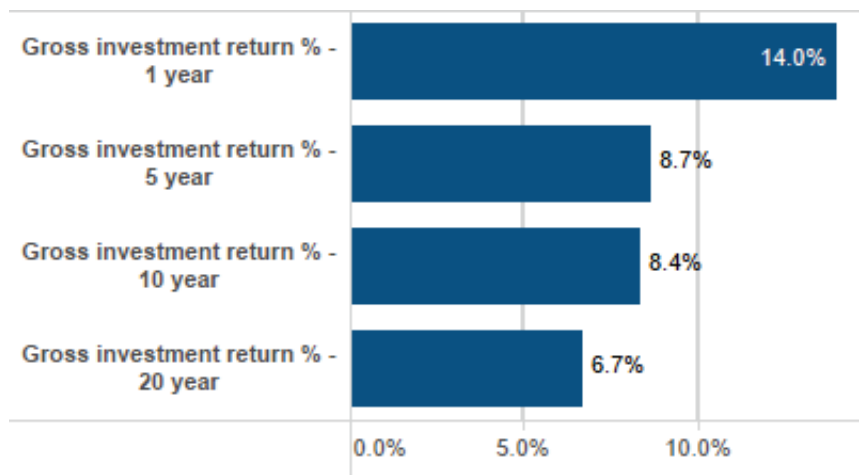
*Note: GFOA = Government Finance Officers Association; PPCC = Public Pension Coordinating Council.*

# Investment Returns

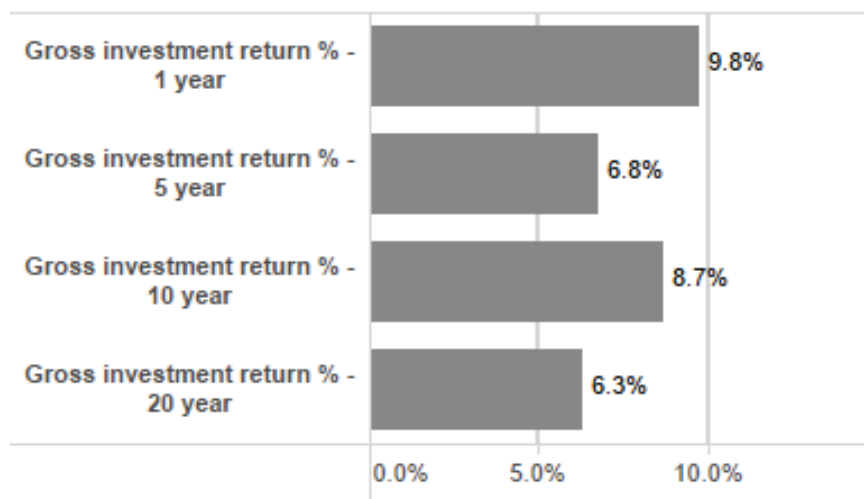
Reporting funds saw, on average, one-year returns of around 14.0 percent. The five-year and 10-year average was above the assumed rate of return, while the 20-year average returns slightly underperformed assumptions. The 20-year returns fell below the average assumed rate of return as the strong performance of the late 1990s continued to roll off the average. Those funds that responded in both 2021 and 2020 show similar patterns, although this cohort saw, on average, one-year returns around 15.6 percent.

It is important to note that not all responding funds have the same fiscal year-end date. The timing of a fiscal year-end accounts for a significant share of the difference in investment experience between funds. Funds that have a December fiscal year-end date saw one-year returns of 12.5 percent, and those that have a June fiscal year-end date saw one-year returns of 15.8 percent.

**2021 Study Investment Returns**

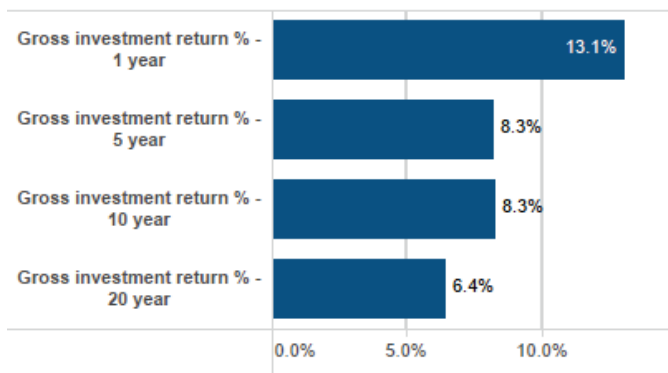


**2020 Study Investment Returns**

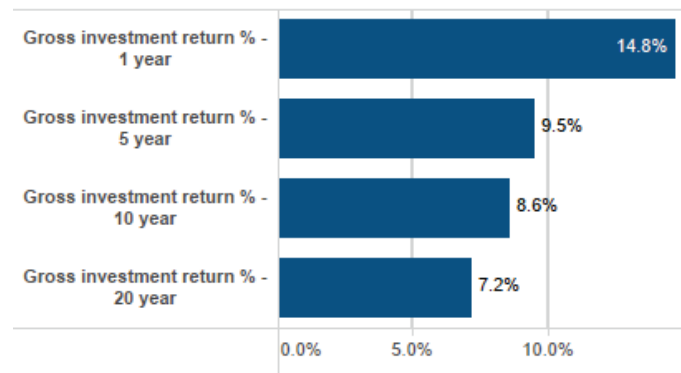


Funds with members who are Social Security eligible reported lower one-year returns than funds with members who are not Social Security eligible.

#### 2021 Returns: Social Security Eligible

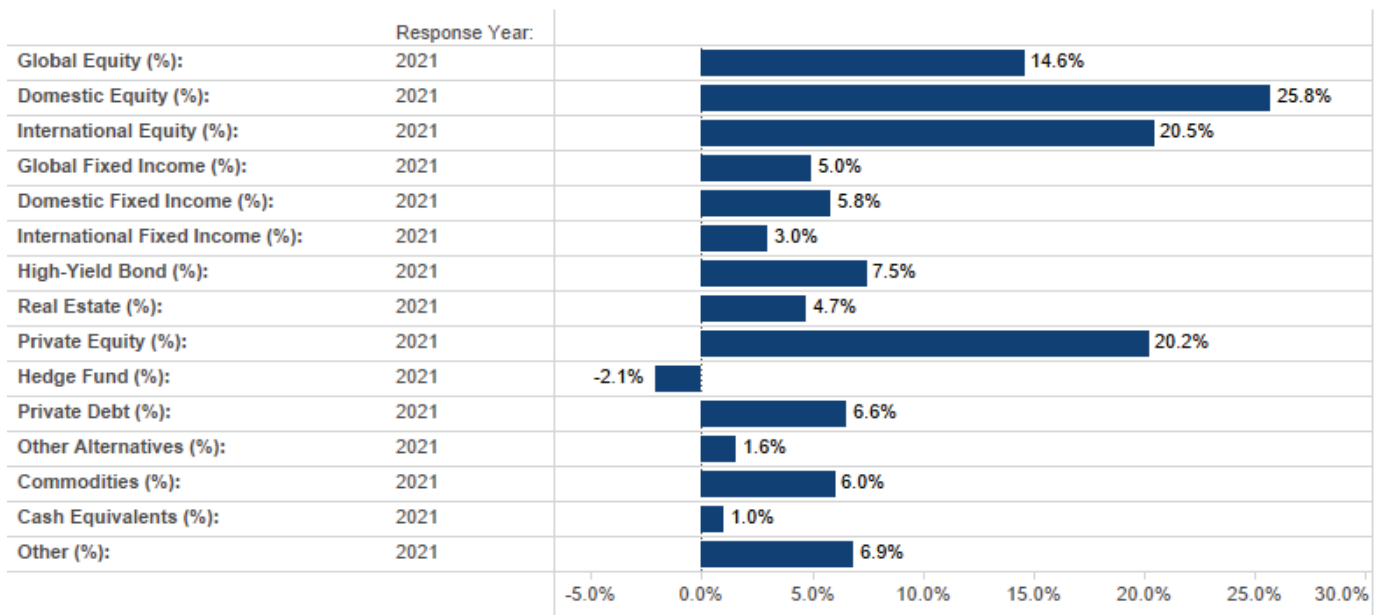


#### 2021 Returns: Not Social Security Eligible



The graph below shows the one-year investment returns based on the various asset classes in which responding funds are invested. Domestic equity, international equity, and private equity saw the largest returns.

#### Current-Year Investment Return % (1 year)

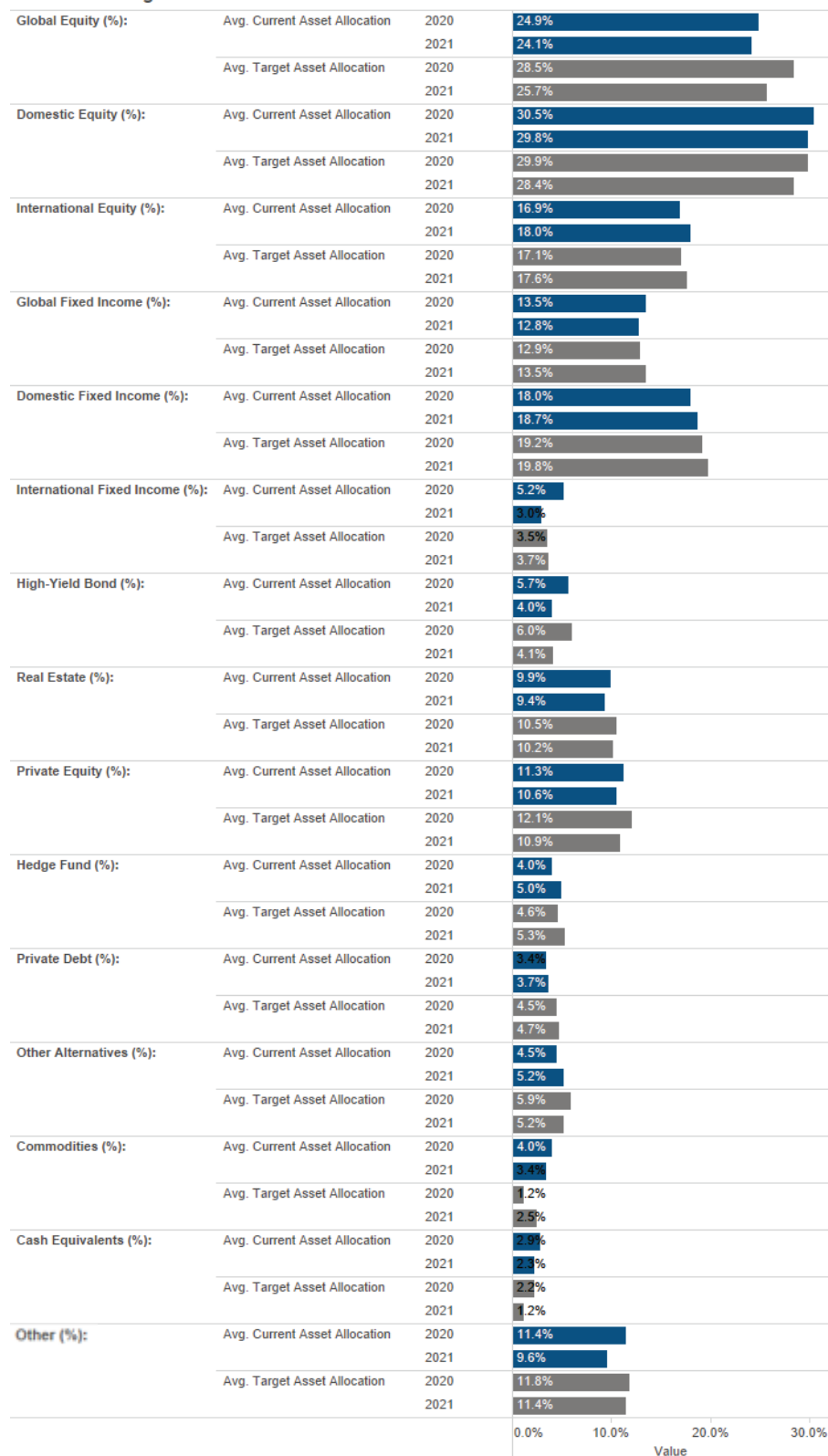


# Investment Asset Allocation

Responding funds had similar allocations to asset classes as they did in 2020.

*Note: Average allocations in each asset class do not total to 100 percent because of how individual allocations were reported.*

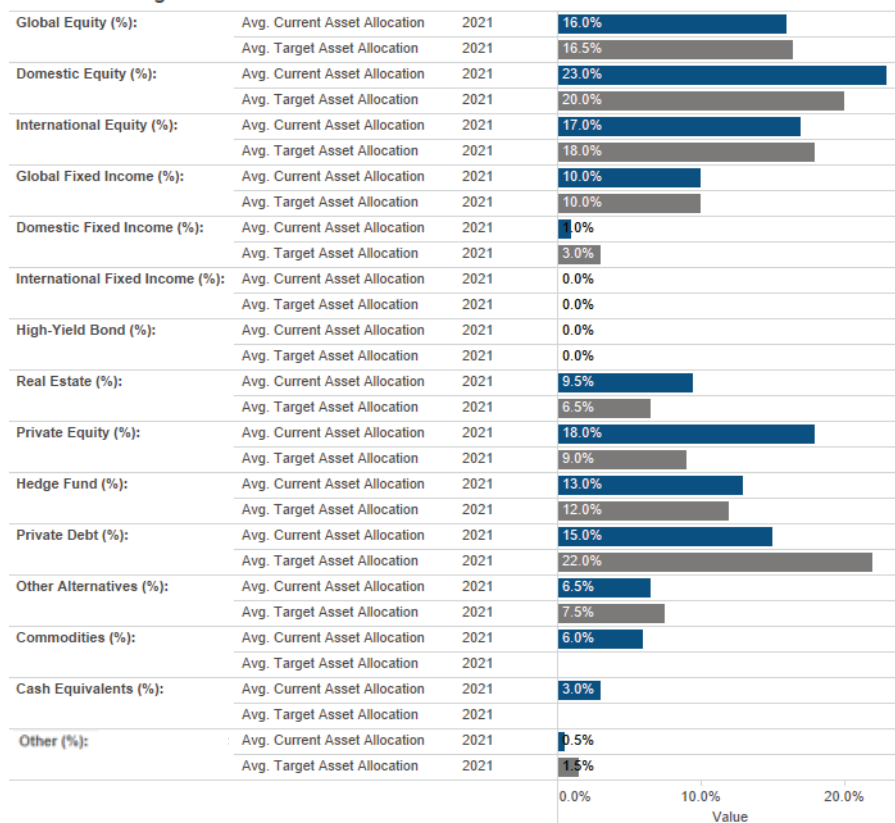
## Current vs. Target Investment Asset Allocations



Below are two graphs that show the asset allocations for those funds that reported higher-than-average one-year and 10-year investment returns, respectively.

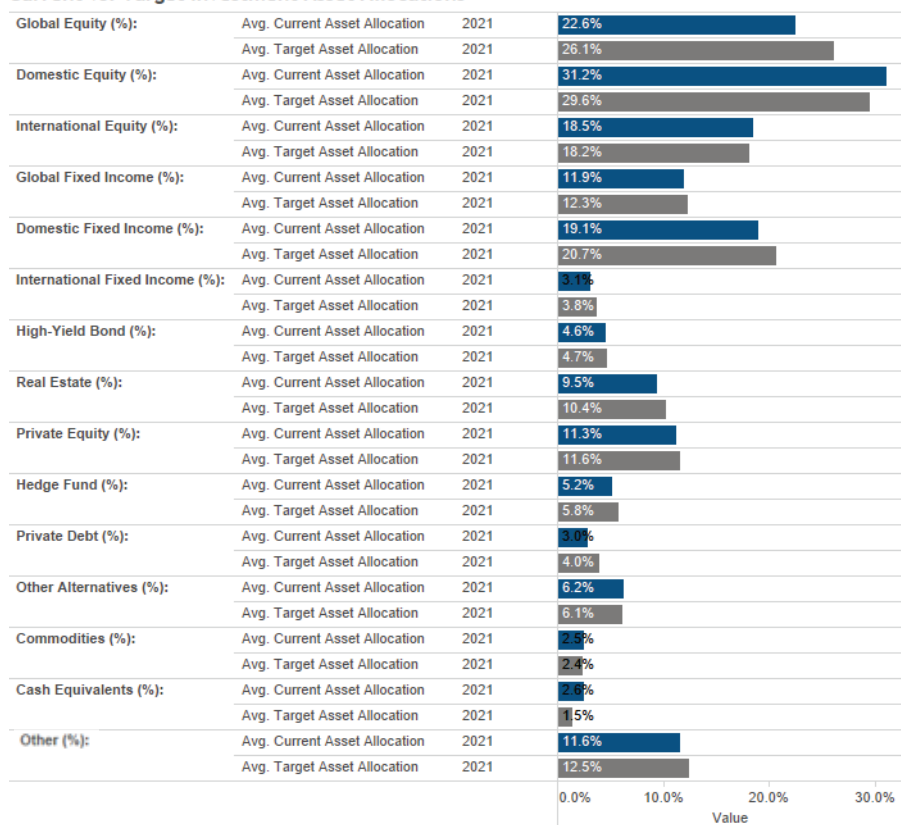
## Highest One-Year Return

Current vs. Target Investment Asset Allocations



## Highest 10-Year Return

Current vs. Target Investment Asset Allocations

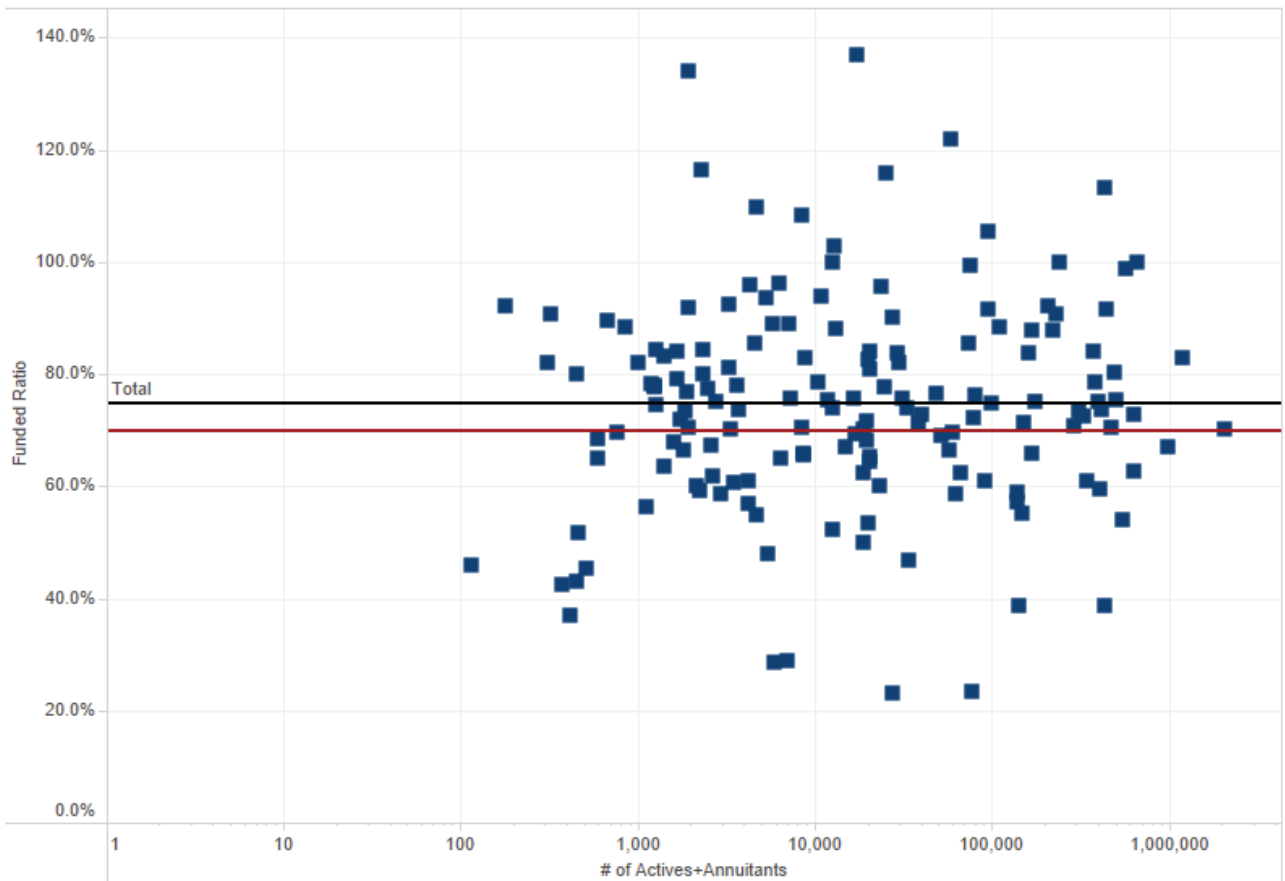


# Funding Levels

The average funded level is 74.7 percent, down from 75.1 percent in 2020; however, funds reporting both years saw funded levels increase by 0.6 percent to 72.3 percent.

The graph below shows the distribution of funded levels and fund size. The vertical axis shows the level of funding, and the horizontal axis shows the size of the fund by total active and retired participants. The black center line denotes the average of 74.7 percent, and the red center line denotes the 70 percent funding target that Fitch Ratings considers to be adequate.

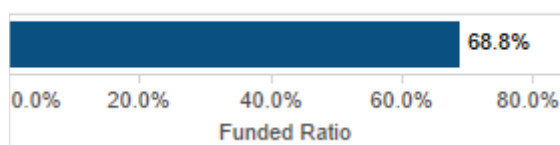
**Funded Level Distribution**



Many funds include members who are not eligible to receive Social Security at the time of retirement. Such funds often have higher benefit levels to offset the loss of this source of retirement income. Those funds that include such members report an average funded level of 68.8 percent, which is below the 74.7 percent reported in the 2020 study. Similarly, funds with members who are eligible for Social Security saw funding levels rise from 76.6 percent reported in 2020 to 77.2 percent in 2021.

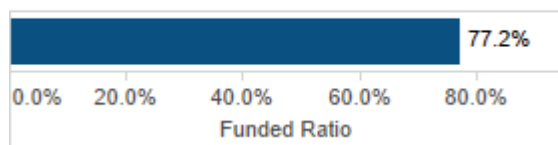
### Not Social Security Eligible

#### Funded Levels



### Social Security Eligible

#### Funded Levels

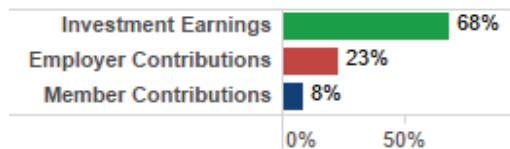




# Sources of Funding

## Overall Sources of Revenue

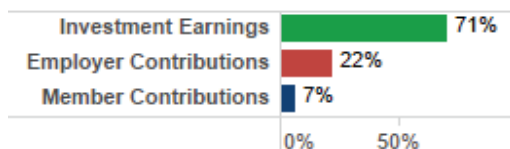
### Overall Sources of Revenue



Income used to fund pension programs generally comes from three sources: member contributions, employer contributions, and investment returns. The chart to the left shows the proportion of funding provided by each of these sources based on reported data.

## Social Security Eligible

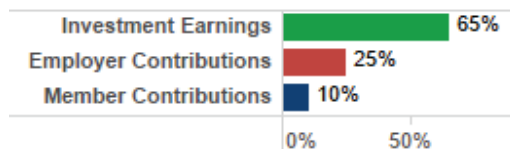
### Overall Sources of Revenue



Investment returns are by far the most significant source of revenue (68 percent). Employer contributions rose by 3 percentage points compared with last year, and member contributions fell by 1 percentage point.

## Not Social Security Eligible

### Overall Sources of Revenue



The graphs to the left also show revenue sources for funds whose members are and are not eligible for Social Security.

Funds whose members are eligible for Social Security show income sourced from employer contributions rose by 2 percentage points and member contributions rose by 1 percentage point. Funds whose members are not eligible for Social Security also showed an increase in income sourced by employer contributions by 5 percentage points while member contributions dipped by 1 percentage point.

## Contribution Rates as a Percentage of Payroll – All Respondents

### Percentage of Payroll

	2020	2021
Member Contributions	9%	8%
Employer Contributions	20%	23%
All Contributions	29%	32%

The tables to the left show contribution rates as a percentage of payroll. The top table shows contribution rates for all survey responses, while the bottom table shows responses for those who participated in both 2021 and 2020. Contribution rates were slightly higher for employers in 2021.

## Contribution Rates – Respondents in Both Years

### Percentage of Payroll

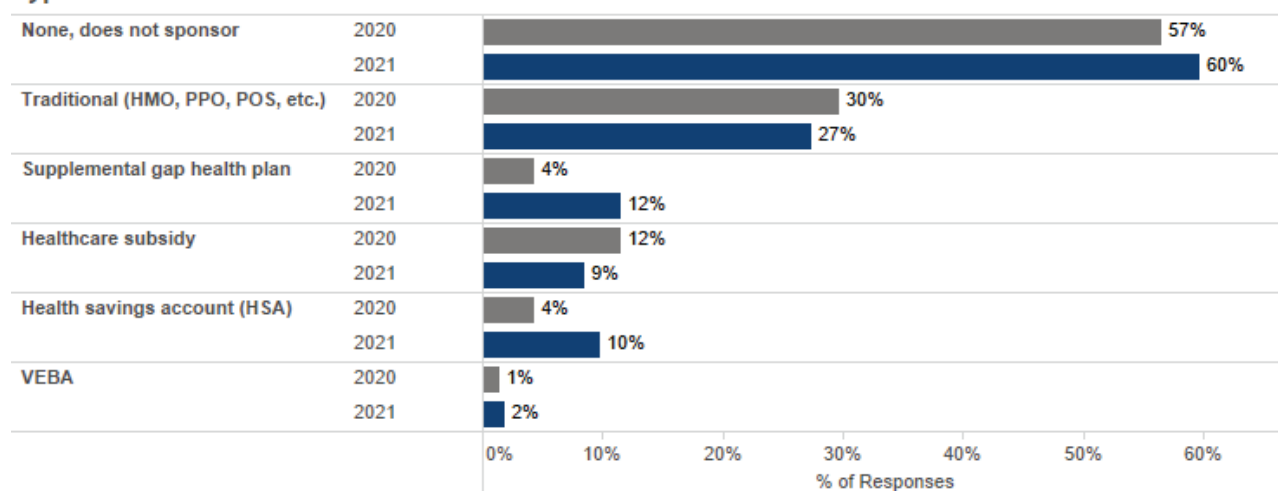
	2020	2021
Member Contributions	9%	9%
Employer Contributions	20%	23%
All Contributions	29%	31%

# Health Plans

Responding funds were asked whether the plan sponsor offers a health plan. In 2021, coverage declined. About 60 percent of funds did not sponsor a plan, compared with 57 percent in 2020. For funds responding in both study years, we saw coverage increase slightly. For this cohort, traditional coverage, supplemental gap health plans, and health savings accounts (HSAs) increased slightly.

## What type of health plan does your pension plan sponsor?

### Type of Health Plan Offered



*Note: Voluntary employees' beneficiary association (VEBA)*



## Verbatim Comments, continued

- Additional payments in years of returns in excess of the expected rate of return
- ALM, risk mitigation, discount rate reduction, shortened amortization
- Alternative funding methods by employers
- Asked Plan Sponsor to increase Employer Contribution rate 2% incrementally over next 5 years to obtain ADEC level
- Changes in employer contribution rates
- COAERS has updated its investment strategy, governance, and process to create what is known internally as the "Austin model." The Board has articulated a set of Investment Beliefs to guide its decision making and emphasized value creation. The Board adopted meaningful improvements to the Investment Policy, including the establishment of a new Investment Implementation Policy to guide more clearly the specifics of this important aspect of value creation. The Board authorized a new Premier List process for the selection of investment managers which has also added significant value to the Fund.
- Contributions>ADC
- Eliminate COLAs until 100% funding reached; reduce benefits (Tier II for members hired after 9/1/2012); raise contribution rates for employers and employees
- Employee and member contributions are projected to be sufficient. The Plan has always been adequately funded.
- Employee and member contributions are projected to be sufficient. The State of Nebraska also contributes 2% of the member salary.
- Employer additional contributions using available cash or by financing.
- Ensure the full actuarial determined employer contribution is received each and every month. Avoid adding to the UAAL by adding new or enhanced benefit provisions and tightening up provisions such as disability retirement.
- For our disability plan, obtained legislation to increase contribution and give the board authority to raise contributions as needed in the future.
- Funding Policy that funds at least the ADC but does not lower the contribution rate from the prior year until at least 105% funded.
- Funding policy to contribute the ARC
- Implemented a closed amortization period
- Implemented a funding policy
- Implemented good legislation and were able to lower the ER rate 4% while improving funding status.
- In 2017 the board adopted a dedicated gains policy that capitalizes on years of high investment return to reduce the AROR without increasing the UAAL. In 2021, the MPSERS board included a provision in this policy to reduce the AROR to no lower than 6.0%
- Increase employer and employee contributions. Statutorily reduce funding period one year each year until it get to 20 years.
- Increase of employer contributions effective 7/1/2020. Police/Fire 41%; General Employee 24%
- Increase of member contributions
- Increased contribution rates, new cheaper tier of membership.
- Increased contributions, "froze" old benefits and started with a new plan that includes decreased benefits, charge a small fee to members for terminating, locally a new fire station is being built which will increase employee contributions, cutoff COLA for new members, ended the DROP for all members after frozen date.
- Increased diversification
- Increased employer/employee contributions; changed asset allocation
- Increased the employees' pay, which in turn increased the employees' contribution into the plan
- IPERS has a Contribution Rate Funding Policy that can be found here: <https://ipers.org/sites/default/files//2021-06/Contribution%20Rate%20Funding%20Policy%20Revised%202013%20%28Final%29.pdf>
- Legislation in 2019 allowed for an Employer Incentive Fund (EIF) that allows for employers to receive a 25% match if they put funds into their Side Accounts. The State put in \$67m and that triggered approximately \$480m in employer funds deposited to side accounts. EIF will be funded on an ongoing basis from a portion of State Lottery Sports Betting revenue.
- Lowered the AARR/Reduced Interest paid on PROP accounts/Closed PROP to new retirees/Increased contributions
- Maine has in its constitution that the UAL that existed in 1996 in our State/Teacher Plan must be retired by 2028 and that new unfunded liabilities cannot be created except by experience loss
- None - We have increased the UAAL as we have lowered the assumed rate of return
- None, current actuarial projections show the Plan will be fully funded in less than 10 years
- Not applicable; funded on the aggregate method
- Our fund is governed by Illinois State Statue which means there is really nothing we can do to reduce the unfunded liability. In 2023 we are due to start receiving the actuarially determined contributions which will help with reducing the unfunded liability.
- Pension Liability Surtax. Discounting future surtax proceeds (beginning in 2031) as a present value asset to artificially boost assets to lower the employer contribution.
- Plan sponsor covering Plan expenses, contribution rate for EE and ER, possible for ER to give more than EE
- Plan sponsor contributes more than the actuarial required amount, increased vesting requirements by two years, increased retirement age, increased contribution rate for employees, revised investment allocations
- Plan sponsors are lobbying state legislators to obtain dedicated funding source (additional sales tax for the City and County)
- Plan sponsors are making supplemental contributions to pay down the bulk of the unfunded liability. Additionally, the Board of Retirement lowered the assumed rate of return.
- Recommendation to the employer to institute a UAAL buydown program or policy, effectively to make contributions greater than actuarially required
- Reduce investment fees; employers paying additional contributions towards UAL; reduced investment assumption rate; apply new restrictions on pensionable earnings; optimizing investment portfolio

## *Verbatim Comments, continued*

- Reduced benefits, increased contributions and risk-sharing contributions to increase if funded status not improved enough
- Reducing the amortization period by 1 each year until 2026, then switching to a rolling 15-year period. Annually the Board of trustees reviews our funding policy. Funding rate changed in 2019.
- SDCERS has set an employer UAL contribution floor equal to the UAL contribution from the 06/30/18 valuation until the plan is 100% funded
- State contributions under state law are too low to begin reducing the unfunded liability. The TRS Board certifies both the amount required under state law and the amount required under an actuarial process (different cost method, shorter amortization) that begins to reduce the unfunded liability. This approach is needed because our funded status is too low.
- Statutorily increased employer and employee contributions. Statutory cap on amortization period requiring it to be reduced at least one year per year until it reaches 20 years.
- STRS Ohio continues to phase-in changes from the 2013 pension reform plan to strengthen the financial condition of the pension fund. Further, the COLA reduction to 0% in 2017 continues to have a positive impact on the UAAL. This fall, STRS Ohio began its Actuarial Experience Review, conducted by the system's actuarial consultant every five years. The experience review looks at all economic and demographic assumptions the system uses and compares them to the system's actual experience over the past five years. The study helps the board decide the assumptions used to evaluate the funded status. The board voted to lower the actuarial investment return assumption to 7.00% from 7.45%, for the June 30, 2021, valuation and will continue to evaluate this rate during the experience review.
- Submitted legislation to increase contributions
- Taking a deep dive into the Plan elements and provisions in order to make strategic cuts that provide a positive impact but also protect vested benefits
- The California Legislature and the Governor enacted the CalSTRS Funding Plan, a joint commitment set forth in statute to achieve full funding by 2046
- The City makes an additional fixed contribution to eliminate the unfunded liability in 4 years
- The Governor and General Assembly have focused on reducing plan costs and liabilities with a multipronged approach that included: Accelerating repayment of deferred contributions, estimated to save \$60.5 million over six years; funding 100% of actuarially determined contribution rates earlier than anticipated, saving \$232 million over 20 years.
- The Kansas Legislature has approved additional employer contributions totaling \$304 million in the past 5 years. In addition, they have approved the sale of pension funding bonds to increase the assets in the Trust Fund. KPERS has received bond proceeds totaling \$440 million in 2004, \$1.0 billion in 2015, and \$500 million in 2021.
- The Kentucky General Assembly has stated their intent to full fund the pension plan going forward. The state budget has been adopted that fully funds the pension plan through fiscal year 2022.
- The PERS Board continues to monitor and update its funding policy to address the system's unfunded accrued liability
- The plan sponsor issued pension obligation bonds in 2017
- The Plan Sponsor received legislative authority to proceed with a pension obligation bond issuance if market conditions are favorable
- The State of Iowa will provide a supplemental contribution amount of \$5.0 million each fiscal year until the plan reaches an 85% funded ratio
- This plan has been closed to new entrants and will be fully funded in 7 years
- Utilize a conservative return assumption and a conservative amortization schedule
- We are a regional retirement system. Our individual employer units have been invited to make additional payments toward their unfunded liability.
- We are using a closed end 25-year layer amortization period
- We changed the amortization from open to closed
- We closed the amortization period and reduced the investment rate of return assumption. We are considering further lowering of the rate of return assumption.
- We have an provision in PERA statute that modifies contributions and benefit amounts to address keeping us on track to our goal of full funding
- We have moved to a fully closed amortization period, with future gains/losses amortized over a 20-year period
- We implemented a funding policy in 2014 that establishes a new tier with each year's valuation and the tier can be amortized over a period not to exceed 20 years and with each subsequent valuation the maximum amortization period is 20 years minus the number of years since the tier was established
- We use a contribution rate stabilization reserve fund for further reinforce the aggressive amortization schedule in place
- We've held the contribution rate higher than the actuarial calculated contribution rate. This practice is adopted until the fund reaches 110% funded status
- Work with stakeholders to present funding legislation for next legislative year



In the study, respondents were asked to share a success story regarding best practices or innovations that other plans might like to learn about. Below is a text cloud showing the words that appear most often in respondents' comments. Larger words appear more often. The themes relating to these words are listed to the left, and the verbatim comments are provided below.

**Plan** – Modification and creation of plans, long-term plans



- After we launched a major upgrade to our pension administration software, we tested its integrity with a daylong emergency preparedness drill in which IPERS staff worked remotely to ensure that our essential functions could be completed in the event of an emergency at our headquarters. Overall, the drill proved successful, although we gained valuable insights that will challenge us to continue to refine and enhance our processes and technology infrastructure. IPERS' Investment Board also approved the system's first internally managed investment program intended to systematically invest in Alternative Risk Premia.
- Automatic enrollment for state employees and growing number of local employees in the Deferred Compensation 457 plan. New employees can opt out, but the default is to be enrolled @3% of wages in a target date fund appropriate for their age. 97% stick rate; we think this will improve outcomes for public employees who otherwise wouldn't enroll. First introduced for state employees in the 2016 legislative session; slowly expanding amongst cities, counties and school districts.
- CalSTRS administers a three-part hybrid system that includes traditional DB, CB and voluntary DC plans
- Contributions>ADC
- Currently working on enhancing the funding policy. Intent is to expand perspective thru long-term plan to fund to the PVB, not just the AAL. This will help manage plans with funding ratios significantly above 100% of AAL.
- De-commingling of Investment Accounts and Portal access for Beneficiary accounts
- Flexible remote work capabilities has sure been well received by staff

## *Verbatim Comments, continued*

- Gemini is a multi-year initiative that encompasses a complete re-write of our pension administration system. The current system has been in use since 2003. It has become increasingly difficult to update and maintain. The PAS is the backbone of our organization and performs all of our core functions for 427,000 members and 990 school districts and employers, such as recording contributions and service, processing benefits, generating monthly member payroll and supporting the portals that our members and their employers use to work with TRS. In order to be able to launch its new defined contribution retirement plan, the System must upgrade the current frequency in which school districts and other employers report member information to TRS. Instead of an annual report, employers will now be required to report member data at the end of each pay period. This change to pay-period reporting will be the first aspect of Gemini to be developed, tested and implemented.
- Improved service levels by developing and implementing a Contact Center to respond to all forms of member and retiree contact
- In 2014 implemented a hybrid plan that also contains cost controls including a reserve account that will help offset future cost increases. The difference between the actuarially determined contribution and statutory rate is deposited into a reserve account and can be used to keep the employer contribution rates from increasing beyond the statutory rate in future years. The other cost controls are implemented automatically if certain negative experience (extreme negative experience) occurs and causes the plan to fall below funding thresholds or the cost of the plan to exceed 9% for the employer.
- In 2019 IMRF won the Malcolm Baldrige National Quality Award, the first public pension fund in the nation to receive this prestigious award
- In 2020, the Board updated its Funding Policy to establish new funding goals and objectives. The Board set forth funding principles including an ADEC consistent of the normal cost plus the amount needed to amortize the UAAL over a closed 25-year period beginning on December 31, 2020. Each future valuation allows for the establishment of liability gain and loss layers, to be amortized over 15-year closed periods.
- In an effort to extend the solvency of the health care fund, the OPERS Board approved significant changes in the delivery of health care for pre-Medicare retirees to begin January 1, 2022. The new model will replace the long-standing group plan with a Health Reimbursement Arrangement (HRA) model funded by OPERS through monthly allowances to retirees. The HRA model allows retirees the opportunity to select and fund an individual health plan most suitable to their needs. This model, in many forms, replicates the current model provided to over 100,000 Medicare retirees. Education and communication efforts with our members and retirees throughout the year were focused on the retiree health care program to make sure they understood the funding model, the issues we face, and the solutions that were being discussed. Our entire Member Services staff completed a comprehensive training on the Affordable Care Act (ACA) in preparation of the transition of our pre-Medicare retirees to the private market in 2022. The training included education on qualifying for a premium tax credit and plans available on [healthcare.gov](https://healthcare.gov). Included in the training were several hands-on activities requiring the employees to search for plans on [healthcare.gov](https://healthcare.gov) for different personas and answer detailed questions on the outcomes.
- In July 2021, we implemented an Improved monthly direct deposit advices that provide a wide variety of information relating to each pensioner's elected benefit option, beneficiaries, optionees, COLA basis, next COLA receipt date, healthcare coverage elections & monthly premiums, Power of Attorney on file. Providing this information on the monthly direct deposit advices reduced pensioner call volume by 40%
- In July of this year, MERS rolled out a new financial wellness tool to all MERS participants called Financial Fitness. Financial Fitness is a one-stop financial tool that brings all of a participant's financial information to one place. The tool pulls in all of a participant's current retirement plans with MERS, and with a few simple clicks, they can add any or all of their outside accounts (bank, investments, health savings accounts (HSAs), loans, etc.) and view them in one organized place. The tool has guided workouts help participants see if they're on track across five categories - emergency savings, debt management, retirement planning, insurance management and HSAs (if applicable). With easy, intuitive workouts, Financial Fitness helps build financial confidence by asking participants to complete the workouts and then calculates a score based on the results of those workouts. Participants can also use the tools to explore, set and reach financial goals (retirement, education, vacation, down payment for house, etc.), and day-to-day budgeting assistance, where participants can see what they are earning and spending along with suggestions that help them save more each month.
- Initiated scanning project, converting paper retiree files to searchable electronic records stored in SharePoint environment
- Investment strategic asset allocation change to a Functionally Focused Portfolio approach including a large increase in target allocation to private equity, private credit, and infrastructure to be managed in a fund-of-one structure
- Inviting new employees to special seminar
- LACERS implemented an on-line retirement application portal for Members to complete and submit retirement applications electronically. Required documents can be submitted securely in electronic format. Brief topic videos educate and guide Members in completing the applications.
- Lower the assumed rate of return when VAAL rates are falling precipitously to strengthen the plan and smooth the return
- Membership education has been pushed to the forefront as the Board faces additional pressures, whether at a National, State or Local level. The time to inform your members is not in the face of a problem, but when things are going well. It is inevitable these funds will make changes over the decades, positive or negative. A sound understanding of the Fund is crucial as they are complex, and standards of sustainability are ever changing. Information in times of crisis is not able to be assimilated and often perceived to be backed by a hidden agenda. Generic, unbiased, open communication throughout the year also helps create a larger pool of qualified members when Trustee turnover takes place.
- New Online Portal for retirees and active members of the Plan. Allows members to access their pension information online

## Verbatim Comments, continued

- Transitioning Medicare-eligible population to the Medicare exchange
- Pension Reform:  
The Governor and General Assembly have focused on reducing plan costs and liabilities with a multipronged approach that included:
  - Implementing plan design changes (VRS Plan 2 for all employees and the Hybrid Retirement Plan nonpublic safety employees that have lowered future benefit costs). The Hybrid Retirement Plan is the dominant plan for all new hires except public safety employees. The Hybrid combined defined benefit and defined contribution plan:
  - Reduces future benefit costs
  - Introduces risk-sharing between employer and employee
  - Lowers defined benefit risk to employers by approximately one-third

### myVRS Financial Wellness:

- In its quest to help members plan for tomorrow, today, VRS launched an innovative online program in 2017 to provide financial wellness education for its members, as well as free educational resources for citizens of the Commonwealth. The System continues to promote this education opportunity and enhance the materials that are available.
- Recognizing that many VRS members would like to improve their knowledge but do not have access to personal finance education, VRS seized an opportunity to integrate financial wellness content on the public website and with the retirement planning tools within the agency's secure myVRS online member portal. VRS partnered with service provider, iGrad, creator of Enrich financial literacy content, to develop myVRS Financial Wellness.
- VRS appears to be the first state retirement system to offer financial wellness content through its public website and personalized content – based on the member's profile – through a secure member portal. The program is aimed at helping members make informed and educated decisions on everyday financial matters while saving for the future and retirement security. Users find tools, tips and time-savers that help them with debt and credit management, personal budgeting, spending habits, saving for goals, student loan repayment and career-development strategies.

### Advancements in Technology and Security:

- VRS continued the Modernization journey. Successfully transitioned retirement processing and disbursements to a cloud-based environment and decommissioned the legacy mainframe, including the transfer of over 400 million records.
- Successfully disbursed more than 200,000 payments to retirees and beneficiaries under the new system in May 2019.

### myVRS Online Self-service Member Portal Enhancements:

- Enhancements to myVRS will enable members to complete their retirement applications online. The online system provides the user with regular feedback and embedded education to enhance the user experience.
- Continue to enhance the online Self-service portal to allow members and retirees to update and manage beneficiaries, change bank account information for direct deposits, and update Health Insurance Credit information."
- TRS's Personalized Medicine project, a wellness program for retired teachers that also has the potential to save and extend lives. The pilot program tests DNA to determine whether medications being taken - or that may be taken - will be effective.
- Utilization of PBI location services has helped us find terminated non-vested and terminated vested members
- Utilizing social media, i.e., TEAMS, ZOOM for monthly meetings and individual and group training
- WCERS has negotiated lower fees/ consolidated recordkeepers from 5 to 1/ transparency of investment fees included on statement/ added a retirement counselor for the Deferred Compensation & Defined Contribution plan/ conduct NEO retirement meetings via Zoom/ Host webinars for participants with Retirement Counselor & Advisor/ remote work schedules/ added Auto Attendant to route calls to appropriate team member / 457 Roth option added
- We added an Alternative Investment Asset class beginning in calendar year 2021 which we expect to generate strong investment returns
- We are merging plans to increase efficiency and minimize actuarial risk. In addition, we have extensively increased our communication with our members throughout multiple channels
- We conducted our first virtual member and employer training programs. They were well-received and will continue alongside in person meetings. We are also implementing a Member Self-Service Portal. It will allow active/inactive members to view their account balance among other information. It will provide retirees with access to their payment information and 1099R information.
- We have experience studies done every 5 years by statute. The innovation is that we have two actuarial firms to peer review the experience study so that we can get a comprehensive review and analysis of best practices. Our consulting actuary as well as both of the peer reviewing actuaries report to the Boards of Control
- We have incorporated risk sharing in our Participating Local District Consolidated Plan along with an automatic temporary COLA reduction mechanism to prevent contribution rates from exceeding certain caps
- We have recently added private debt and private equity as new asset classes in our Investment Policy
- We have worked with the plan sponsor creating education modules that are assigned specific to the firefighters. Much like required learning modules for cyber security awareness that all employees must take, we've created modules related to the Pension System, the calculation of benefits, and disability pension benefit and process. We're currently working on a fourth module that explains the annual valuation process and understanding what funding level means. It is difficult to educate the firefighters due to their work schedule. The modules have been a way to educate the mass in a short period of time (1-3 months). The modules can be re-reviewed and accessible 24/7 through the City's (plan Sponsor) intranet site.



### *Verbatim Comments, continued*

- We implemented an annual pre-retirement seminar as well as a "know your plan" seminar for new hires. We conduct an annual death audit, ask new board members to attend a conference before coming on the board and have a meeting with the administrator to walk over all of their duties, expectations, and cover any concerns they may have. We also implemented conducting actuarial valuations annually which has really helped our plan keep an "eye" on things.
- We perform actuarial "stress tests" annually. We perform "experience studies" every three years as opposed to our past practice of every five years
- We replaced in-person retirement counseling with virtual retirement workshops resulting in reaching 200-500 members at a time instead of up to 12
- We started doing vulnerability testing in-house. This will supplement our IT security audits that are done on annual basis
- Would love to learn what others are doing as I am new to this role and open to any innovative ideas

Respondents were asked to specify what “other” asset classes they invested in. Below is a text cloud showing the words that appear most often in respondents’ comments. Larger words appear more often. The themes relating to these words are listed to the left, and the verbatim comments are provided below.

**Assets** – Real assets, dynamic assets



- (\*) Core/Core Plus Fixed Income = 2.4%, United States Treasury = (3.0%), and Public Credit = 26.4% (\*\*) Real Assets = 14.8%, Liquid Real Return = 20.8%, Absolute Return - Diversifying = 13.0%, Absolute Return - Growth = 30.4%, and Opportunities = 19.3%
- Absolute Return; Real Assets
- Actual/Target/Return: Private Real Assets 2.0%/4%/27.6%, Public Real Assets 6.1%/4%/29.3%
- All of the above are from 6/30/2020 same as actuarial valuation date
- Credit strategies, multi-asset public strategies, Private investment partnerships
- Current Asset Allocation & Target are Private Credit. Investment returns are all net; other is private credit measured in IRR
- Diversified Equity
- Diversifying Strategies
- Dynamic Assets
- Economically Targeted Investments
- EM Debt/Risk Mitigation/Unique Strategies
- Emerging International
- Emerging Markets Fixed Income
- Equity allocation to Canadian companies
- Equity options, Opportunistic, Public Infrastructure
- Global Asset Allocation
- GTAA
- Infrastructure

## *Verbatim Comments, continued*

- Liquid Alternatives and Infrastructure
- LOW VOLATILITY 12.7; MLP 6.44; ///TARGET LOW VOLATILITY 13. MLP 7.0///RETURN. LOW VOL .03, MLP -17
- Master Limited Partnership
- Midstream 5%, Capital Efficiency Alpha pool 5%, Opportunistic 0%
- Midstream energy infrastructure
- MLP's
- MLPs & Public Real Assets
- Multi Asset
- Multi Asset Class
- Multi-asset
- Opportunistic - Real Estate, Credit Funds, Equity funds
- Other Alternatives = Natural Resources, Infrastructure / Other = Emergency Markets
- Other alternatives = timberland; other = Evergreen & non-evergreen, opportunistic credit
- Other alternatives are Real Assets
- Other Alternatives is Infrastructure and Other is Farmland
- Other Alternatives is Listed Infrastructure
- Other consist of TIPS and REITS
- Other form of cash equivalent
- Other includes Opportunistic Credit, Natural Resources and Multi-Asset.
- Other real assets (other than real estate)
- Preferred/ Convertible Bonds
- Real Assets
- Real Assets (Infrastructure, Timber, Farmland)
- Real Assets including Real Estate, Agriculture, Timber, Energy, Minerals, Infrastructure
- Real Assets, Midstream Energy, Gold (Total Plan levered target of 120.1%)
- Real Estate Debt
- REITs, MLPs, Systematic Trend Following, S&P ATM PutWrite
- Risk Diversifiers
- Risk Mitigating Strategies: 8.4%, 10.0%, 7.8%; Inflation Sensitive: 3.3%, 6.0%, 1.1%; Innovative Strategies: 0.3%, 0.0%, (2.7%)
- Risk Parity
- Risk Parity and Crisis Risk Offset
- Risk Parity, Other Pension Assets, and Rebalancing
- Risk-Based Asset Allocation as of 6/30/2021 (Actual/Target): Broad Growth (74.1%/68.0%), Principal Protection (4.5%/8.0%), Crisis Risk Offset (14.0%/16.0%), Real Return (2.4%/8.0%), Opportunities (0.2%/0.0%), Other (4.7%/0.0%)
- Short Term Investments
- Strategic Investments (Global Asset Allocation)
- Timber
- Timber (1.5% Assets Return 4.87%) & Infrastructure (4.1% Assets Return 14.96%) Numbers in this chart are as of June 30, 2021
- TIPS, Global Inflation Linked Bonds, Infrastructure, Timber
- We are part of the State of MA-PRIT Fund

# Appendix B: 2021 Study Instrument



National Conference on Public Employee Retirement Systems  
The Voice for Public Pensions



## 2022 NCPERS PUBLIC RETIREMENT SYSTEMS STUDY

Please share your feedback so we can continue to provide the most up-to-date data addressing retirement issues for public pension plans across the nation. Your most recent Comprehensive Annual Financial Report will help answer most questions.

If you administer more than one plan, copy this survey for each and note the name of the fund. If you are a multiple employer plan, use aggregate numbers from your CAFR and respond to questions in the generally applicable way for most of your plans.

Please enter your ID number from the cover email:

Plan name:

What type of plan is this? (Mark all that apply.)

☐ Defined Benefit Plan (Traditional Pension Plan)

☐ Combination Plan (Blends Defined Benefit & Defined Contribution)

☐ Defined Contribution Plan (Mandatory Retirement Account)

☐ Cash Balance Plan

### Plan Statistics

1. Fund statistics from most recently completed fiscal year (if applicable). Please do not use commas, dollar signs or percentage marks in the field - it is numeric only.

Total number of members (actives + deferred + retirees + beneficiaries):

Total number of staff who administer the fund (full-time equivalent):

Fiscal year of your CAFR referenced for this survey (MM/DD/YYYY):

Market value of plan assets (\$ in thousands from actuarial valuation):

Total pension assets (a) (\$ in thousands from actuarial valuation):

Total pension liability (b) (\$ in thousands from actuarial valuation):

Current funded ratio (a divided by b) (%):

Cost of Living Adjustment (COLA) offered by plan in last fiscal year (%):

Did your plan receive the full (100%) actuarially determined contribution in the last fiscal year? ☐ Yes ☐ No

Member contributions as percent of payroll (%):

Employer contributions as percent of payroll (%):

Investment manager expenses (basis points):

Administrative expenses (basis points):

Investment assumption/discount rate (%):

Inflation assumption (%):

Investment smoothing period (years):

Amortization period (years):

Type of amortization period:

☐ Open/Rolling

☐ Closed/Fixed

Investment return % (1 year):

Investment return % (5 year):

Investment return % (10 year):

Investment return % (20 year):

Are these investment returns Net or Gross?

☐ Net

☐ Gross



## Current and Target Asset Allocation / Investment Return

2. For each of the asset classes below, please specify your **CURRENT** and **TARGET** asset allocation and your **1 YEAR INVESTMENT RETURN (%)** for each asset class. **Please note:** percentages for asset allocation should equal 100%. If your target assets are a range, please use middle of the range.

CURRENT asset allocation:	TARGET asset allocation:	Gross investment return % (1 yr):
Global Equity (%):		Global Equity (%):
Domestic Equity (%):		Domestic Equity (%):
International Equity (%):		International Equity (%):
Global Fixed Income (%):		Global Fixed Income (%):
Domestic Fixed Income (%):		Domestic Fixed Income (%):
International Fixed Income (%):		International Fixed Income (%):
High Yield Bond (%):		High Yield Bond (%):
Real Estate (%):		Real Estate (%):
Private Equity (%):		Private Equity (%):
Hedge Fund (%):		Hedge Fund (%):
Private Debt (%):		Private Debt (%):
Other Alternatives (%):		Other Alternatives (%):
Commodities (%):		Commodities (%):
Cash Equivalents (%):		Cash Equivalents (%):
Other (specify asset below) (%):		Other (specify asset below) (%):

Are these investment returns Net or Gross?

☐ Net

☐ Gross

If you entered an "Other" asset class above, please specify the other class(es) in which your fund is currently invested:

3. Which **retirement benefits** below does your plan offer or is considering offering? Please skip individual items below if not applicable.

	Already Offering	Considering Offering
Defined Benefit Plan (traditional pension plan in which the benefit is defined by a formula based on service and average wages)	<input type="checkbox"/>	<input type="checkbox"/>
Defined Contribution Plan (retirement account such as a 403(b) or 401(k) in which an employer's contribution is specified and employee participation is generally mandatory)	<input type="checkbox"/>	<input type="checkbox"/>
Deferred Compensation Plan (tax-deferred retirement savings account such as a 457 in which employee participation is voluntary)	<input type="checkbox"/>	<input type="checkbox"/>
Combination Plan (blends Defined Benefit and Defined Contribution elements)	<input type="checkbox"/>	<input type="checkbox"/>
In-service death benefit	<input type="checkbox"/>	<input type="checkbox"/>
Disability benefit provided either within the plan, by Social Security or by employer	<input type="checkbox"/>	<input type="checkbox"/>
An automatic post-retirement adjustment of payments (e.g. COLA)	<input type="checkbox"/>	<input type="checkbox"/>
A compounding post-retirement adjustment of payments (e.g. COLA)	<input type="checkbox"/>	<input type="checkbox"/>
An ad hoc (not necessarily automatic or compounding) post-retirement adjustment of payments (e.g. COLA)	<input type="checkbox"/>	<input type="checkbox"/>
Employer pick up of employee contributions	<input type="checkbox"/>	<input type="checkbox"/>
Deferred Retirement Option Plan (DROP - in all forms)	<input type="checkbox"/>	<input type="checkbox"/>

4. Which **retirement plan changes** below have been implemented or are being considered by the plan or plan sponsors? Please skip individual changes below if not applicable.

	Already Implemented	Considering Implementing
Lower the actuarial assumed rate of return	<input type="checkbox"/>	<input type="checkbox"/>
Raise benefit age/service requirements	<input type="checkbox"/>	<input type="checkbox"/>
Increase employee contributions	<input type="checkbox"/>	<input type="checkbox"/>
Hold or lengthen the amortization period to improve affordability	<input type="checkbox"/>	<input type="checkbox"/>
Shorten the amortization period to improve funded status	<input type="checkbox"/>	<input type="checkbox"/>

5. Which **business practices** below have been implemented or are being considered by the plan or plan sponsors? Please skip individual items below if not conducted.

	Already Implemented	Considering Implementing
Conduct a death audit	<input type="checkbox"/>	<input type="checkbox"/>
Conduct an actuarial audit by a third party actuary (includes replication of valuation and opinion on actuarial assumptions)	<input type="checkbox"/>	<input type="checkbox"/>
Conduct an information systems security audit	<input type="checkbox"/>	<input type="checkbox"/>
Conduct a building security audit	<input type="checkbox"/>	<input type="checkbox"/>
Update/strengthen an asset allocation study	<input type="checkbox"/>	<input type="checkbox"/>
Expand operational performance benchmarking	<input type="checkbox"/>	<input type="checkbox"/>
Update or enhance administrative software used for member data	<input type="checkbox"/>	<input type="checkbox"/>
Update or enhance online portal provided for members to access account information	<input type="checkbox"/>	<input type="checkbox"/>
Update or enhance a mobile app for members to access account information	<input type="checkbox"/>	<input type="checkbox"/>
Conduct an employer/reporting unit satisfaction assessment	<input type="checkbox"/>	<input type="checkbox"/>
Comply with new State statutory or regulatory requirements to report your funded status based on a rate of return different from your assumed rate of return	<input type="checkbox"/>	<input type="checkbox"/>
Enhance member financial wellness/retirement readiness resources	<input type="checkbox"/>	<input type="checkbox"/>

6. Which of the following **communication methods** does your plan or plan sponsor have?

	Yes	No
A website that provides account information to members	<input type="checkbox"/>	<input type="checkbox"/>
A mobile app that provides account information to members	<input type="checkbox"/>	<input type="checkbox"/>
Capacity to send a mass text message to your entire membership	<input type="checkbox"/>	<input type="checkbox"/>
Capacity to send an e-mail to your entire membership	<input type="checkbox"/>	<input type="checkbox"/>
Does your plan have a social media presence?	<input type="checkbox"/>	<input type="checkbox"/>
Does your plan offer video conferencing to members (Zoom, Teams, WebEx, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>

7. Which **oversight practices** below have been implemented? Please skip individual practices below if not conducted.

	Yes	No
Receipt of the GFOA Award of Excellence for the most recent award cycle	<input type="checkbox"/>	<input type="checkbox"/>
Receipt of NCPERS Certificate of Transparency	<input type="checkbox"/>	<input type="checkbox"/>
Receipt of PPCC Standards Award	<input type="checkbox"/>	<input type="checkbox"/>
Receipt of PPCC Administrative Certificate	<input type="checkbox"/>	<input type="checkbox"/>
Receipt of PPCC Funding Certificate	<input type="checkbox"/>	<input type="checkbox"/>
Receipt of an unqualified opinion from the auditor on the fund's financial statements, internal controls, and compliance with applicable laws and regulations	<input type="checkbox"/>	<input type="checkbox"/>
Conduct an actuarial valuation at least every 2 years	<input type="checkbox"/>	<input type="checkbox"/>
Board adoption and adherence to written investment policies	<input type="checkbox"/>	<input type="checkbox"/>
Board adoption of written fiduciary standards	<input type="checkbox"/>	<input type="checkbox"/>
Receipt of annual investment performance evaluation from an outside independent investment review entity	<input type="checkbox"/>	<input type="checkbox"/>
Use of a formal enterprise risk management framework	<input type="checkbox"/>	<input type="checkbox"/>

8. How satisfied are you with your plan's readiness to address retirement trends and issues over the next 2 years?

Very Dissatisfied=1	2	3	4	5	6	7	8	9	Very Satisfied=10
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. If you have an unfunded accrued actuarial liability, what strategies have you put in place to reduce it beyond traditional amortization?

10. Think about best practices. Please share a success story or plan innovation you are considering that other plans may like to learn about:

11. Which categories best describe your innovation or best practice story above? (Please mark all that apply.)

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Retirement benefit | <input type="checkbox"/> Business practice                  | <input type="checkbox"/> Oversight practice |
| <input type="checkbox"/> Plan change        | <input type="checkbox"/> Communication/ engagement practice | <input type="checkbox"/> Investment         |

### Questions about your fund (your responses will be confidential)

12. What type of employees/beneficiaries does your fund serve? (Please mark all that apply.)

- |  |  |                                      |
|--|--|--------------------------------------|
| <input type="checkbox"/> Local (township/city/village) | <input type="checkbox"/> Public safety | <input type="checkbox"/> Educational |
| <input type="checkbox"/> County                        | <input type="checkbox"/> State         | <input type="checkbox"/> Other       |

13. What type of health plan does your pension plan sponsor? (Please mark all that apply.)

- |   |  |
|---|--|
| <input type="checkbox"/> None, does not sponsor (skip to Q15) | <input type="checkbox"/> Healthcare subsidy                                  |
| <input type="checkbox"/> Traditional (HMO, PPO, POS, etc.)    | <input type="checkbox"/> Health Savings Account (HSA)                        |
| <input type="checkbox"/> Supplemental gap health plan         | <input type="checkbox"/> Voluntary Employees' Beneficiary Association (VEBA) |

14. Who is eligible for the health plan? (Please mark all that apply.)

- |                                   |  |
|-----------------------------------|--|
| <input type="checkbox"/> Retirees | <input type="checkbox"/> Beneficiaries |
|-----------------------------------|--|

15. Are your members eligible for Social Security coverage?

- |                              |                             |
|------------------------------|-----------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|------------------------------|-----------------------------|

16. Are your members eligible for Medicare coverage?

- |                              |                             |
|------------------------------|-----------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|------------------------------|-----------------------------|

17. Do you include overtime in the calculation of the retirement benefit?

- |                              |                             |                              |
|------------------------------|-----------------------------|------------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
|------------------------------|-----------------------------|------------------------------|

18. Does your plan allow Board Members the ability to participate via teleconference or webconference (Zoom, Teams, Webex) and vote?

- |                              |                             |
|------------------------------|-----------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|------------------------------|-----------------------------|

19. How is your fund's current ability to attract and retain skilled employees as your staff retire?

- |   |  |
|---|--|
| <input type="checkbox"/> Significant problem          | <input type="checkbox"/> Expect to become a problem soon |
| <input type="checkbox"/> Starting to become a problem | <input type="checkbox"/> No problem                      |

20. Which role(s) best describe your relationship to the fund? (Please mark all that apply.)

- |  |  |
|--|--|
| <input type="checkbox"/> Staff                 | <input type="checkbox"/> Plan consultant |
| <input type="checkbox"/> Board member/ trustee | <input type="checkbox"/> Other           |

21. May we contact you if we have additional questions?

- |                              |                             |
|------------------------------|-----------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|------------------------------|-----------------------------|

22. Please provide your name and email so we may provide access to the interactive comparison dashboard.

23. Please note who we should contact for future surveys and provide their name and email:

**This concludes the study. Thank you for your time and cooperation.**

For more information:

National Conference on  
Public Employee Retirement Systems (NCPERS)  
1201 New York Avenue, NW  
Suite 850  
Washington, DC 20005  
Tel: 202-601-2450