

**State Administration and Veterans Affairs Interim Committee
Retirement Legislation Decision Points**

Proposal ID: _____
Proposer: _____

Principles and guidelines of sound fiscal and public pension policy.	Yes	No	NA	Explanation
Does the proposed legislation help to ensure that:				
...public employee pensions provide the base of financial security in retirement?				
...pension funding is a contemporary obligation?				
...pension investments are governed by the prudent expert rule?				
...pension benefits are equitably allocated among beneficiaries?				
...the legislature approves all changes of pension benefits?				
...the legislature approves the funding of the state's retirement systems?				
...the legislature regularly reviews the management of the state's public retirement systems and the investment of the systems' assets?				
...the legislature maintains permanent pension review bodies to analyze the problems of the state's public retirement systems on an ongoing basis and to make recommendations for state legislative action?				
...the legislature requires advance funding of pension benefits and that pension costs are not shifted to future taxpayers?				
...any increase in pension benefits is accompanied by a corresponding and equal increase in employer and employee contributions?				
...a fiscal note is prepared when establishing or amending pension plan benefit provisions and that the fiscal note will state whether the proposed revisions follow sound fiscal and public policy principles and guidelines established pursuant to 5-5-228(2)(b), MCA?				
...the full, long-term costs of an early retirement program or incentive are calculated before the program or incentive is adopted in order to allow the legislature to provide for payment of the costs?				
...post-retirement adjustments are independently funded and have a ceiling on the percentage of increase for a single year?				
...strict guidelines for disability coverage are maintained and that follow-up, periodic screenings of disabled retirees are provided for?				
...health insurance is made available to retired public employees but is not paid for by the employer?				
...strict fiduciary standards and conflict of interest laws govern the conduct of trustees as they manage the assets of the retirement system?				

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Does the proposed legislation help to ensure that:				
...the retirement systems publish annual actuarial reports that use uniform actuarial assumptions to evaluate the financial soundness of the state’s pubic retirement systems?				
...reciprocity of benefits is available for workers who shift jobs within the state and its political subdivisions and portability is available for those who shift jobs across state lines?				
...pension plan participants are fully informed of plan provisions, including benefits, service and vesting requirements, assets and liabilities, investment performance and risk, actuarial assumptions and data, fiduciary requirements and selection of plan trustees?				
...support coordination of state and local retirement systems?				
...encourage and support the efforts of state retirement system administrators to comply with the principles of pension system administration established by the Public Pension Coordinating Council?				
...postretirement benefit increases are not indexed?				
...an annual postretirement benefit increase is provided?				
...one-time, <i>ad hoc</i> benefit increases are not enacted?				
...employees belong to a retirement plan?				
...local governments have the option of covering rural firefighters under FURS?				
...retirement benefit formulas in the public safety retirement plans are similar?				
...retirement benefit formulas or retirement eligibility criteria do not encourage early retirement?				
...if a retiree returns to work the retiree also returns to active retirement plan membership?				
On balance, should the Committee recommend adoption of the proposed legislation?				

Committee Action: