TMRS Advisory Committee Meeting

Report on August 16, 2012 Meeting
Advisory Committee Prior Activities

• 5 meetings since December 2011
• Discussed:
  – 9 different COLA options
  – Gainsharing
  – Other eligibility provisions
• Presentation at each meeting by Gabriel Roeder Smith and Company
• Presentation by Ron Lewis, Legislative Consultant
• Analysis by TMRS staff including “straw poll” of possible legislative changes, with results to be discussed at August 16, 2012 meeting
Advisory Committee Agenda

- Proposal 1: Variable Repeating COLA
- Proposal 2: One Time Extra Payments
- Proposal 3: Flat Rate Repeating COLA
- Proposal 4: Flat Rate Ad Hoc COLA
- Proposal 5: Increase Retirement Eligibility
- Proposal 6: Age/Years Delayed COLA
- Proposed Statement of Philosophy
Discussed Legislative Environment

• House and Senate after recent elections are more conservative

• House
  – Majority of members Freshmen or Sophomores
  – Committee turn-over, especially Pensions, Investments and Financial Services

• Senate
  – 5 (possibly 6) new Senators
  – Changes on Senate Finance Committee will likely affect Senate State Affairs Committee where pension bills are heard
Advisory Committee Discussion

• Preliminary comments redirected focus from six proposals to discussion of the perceived legislative environment and general attitudes toward public pension plans

• The group discussion coalesced around:
  – This is not the right time for TMRS to seek legislation
  – TMRS needs to educate legislators and stakeholders
  – Pro-active defense of the System’s current structure
Advisory Committee Discussion Cont.

• There was acknowledgement that some cities or groups would likely seek legislation regarding their individuals needs

• The System will have to address the specifics of these bills as they arise, based on the issues raised
  – The six proposals were not discussed by the Advisory Committee for purposes of trying to reach consensus.