

**SUBJECT: Redesign of retirement plan**

**DATE ADOPTED BY ADVISORY GROUP: November 23, 2009**

**COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_**

**RECOMMENDATION:** The legislative committees on retirement should continue meeting jointly to study the possibility of altering the design of the retirement plan benefit structure of the four state retirement systems to provide for decreased risk to the employer agencies and the state, increased predictability of costs, and greater portability of benefit. The committees should be cognizant of the state's exemption from social security participation and the effects of any change in that exempt status on employees as well as the state. This study should specifically include consideration of a defined contribution structure. The Commission on Streamlining Government should review any report issued by the committees as part of its ongoing duties pursuant to the provisions of Act 491 of the 2009 Regular Session.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
<p>The legislative committees on retirement should continue meeting jointly to study the possibility of altering the design of the retirement plan benefit structure of the state retirement systems to provide for decreased employer risk, increased predictability of costs, and greater benefit portability. The committees should be cognizant of the state's exemption from social security participation and the effects of any change in that exempt status. This study should specifically include consideration of a defined contribution structure. The Commission on Streamlining Government should review any report issued by the committees as part of its ongoing duties.</p>	<p>House of Representatives and Senate retirement committees; Commission on Streamlining Government</p>	<p>To provide information, education and findings relative to the costs and value of the current defined benefit retirement plan; to investigate whether some change in plan design will better advance the state's employment and compensation goals and policies.</p>	<p>Continued meetings, adoption of findings, report to legislature by the retirement committees; review by the Commission</p>	<p>To determine costs and value of this portion of employee compensation.</p>	