

ADVISORY GROUP ON Civil Service and Employee Benefits **PROPOSAL #:** AGCS # 37
SUBJECT: Employee benefits: Paying the unfunded accrued liability **DATE ADOPTED BY ADVISORY GROUP:** November 23, 2009
COMMISSION ACTION: ADOPTED **DATE:** December 1, 2009 **RECOMMENDATION #:** 178

RECOMMENDATION: The legislature should protect the provisions of Act 497 of the 2009 Regular Session which provide for application of excess investment earnings toward reduction of the unfunded accrued liabilities of the retirement systems for teachers and state employees and should capitalize on opportunities to provide additional payments when funds and circumstances allow.

| Summary Description/Nature of Change | Key/Implementation Responsibilities | Need | Action Needed | Benefit/Saving | Done/ Study |
|--|-------------------------------------|---|--|---|-------------|
| The legislature should protect the provisions of Act 497 which provide for application of excess investment earnings toward reduction of the unfunded accrued liabilities of the retirement systems for teachers and state employees and should capitalize on opportunities to provide additional payments when funds and circumstances allow. | Legislature | To reduce the states' future payments to the retirement systems by paying unfunded liabilities ahead of schedule. | Legislative action; possible appropriation | Each additional payment on current liabilities reduces all future payments the state will need to make. | |