

MINUTES

Future of Retirement Study Commission
June 14, 2010, 9:00 a.m.
Dawson Conference Room
Albemarle Building, 325 N. Salisbury Street
Raleigh, NC

The meeting was called to order by Dr. Robert Clark, Chairman at 9 am.

Members Present

Commission members present were: Charles Abernathy, Mary Bethel, Randy Byrd, Joseph Coletti, Monda Griggs, Charles Johnson, Shirley Morrison, and Representative Deborah Ross. Darleen Johns attended by phone. Aaron Noble joined at 9:30 am.

Members Absent

Commission members Charles Perusse and Senator Richard Stevens were absent.

DST Staff Present

Members present from the Department of State Treasurer were Michael Williamson, David Vanderweide, Christopher Jones, Julie Hochsztein, Debra Bryan, David Starling, Ellen Richardson, and Pat Stussie.

Approval of Minutes

It was moved by Mary Bethel and seconded by Charles Abernathy and carried that the minutes of the meeting of the Commission held on May 10, 2010 be approved.

Review of Readings

David Vanderweide was recognized to recap the readings for meeting five. He explained why labeling contributions either Employee or Employer makes little economic difference, but can change how employees and the public view the retirement system. He also addressed how the contribution rate can be set in the context of total compensation or in isolation. Mr. Coletti spoke in favor of setting it in the context of total compensation.

Action Items

Staff is to provide members a comparison of salaries, employee and employer contributions, turnover rates, and 10, 20, and 30-year replacement rates for teachers and state employees in ten states. Five of the states will be chosen for proximity to NC and five for similar size.

Staff is to provide information on retiree health provisions in other states.

Staff is to provide a list of states that offer only defined contribution plans.

Staff is to provide information on recent actions by other states to change their retirement benefits.

Staff is to provide information on DROPs and other options for keeping employees after they reach retirement eligibility.

Presentation by Organizations

The chair recognized the following organizations and presenters for presentations (attached):

North Carolina Association of Educators – Sheri Strickland and Pam Deardorff

North Carolina Retired Governmental Employees' Association – Ed Regan

Professional Fire Fighters and Paramedics of North Carolina – Dave Anders

State Employees Association of North Carolina – Mitch Leonard

American Public Works Association – Stewart Sykes

Alternative Retirement Structures

Chairman Clark discussed the handout on alternative retirement structures. (attached). At his conclusion, the Chair called for the members to choose which types of retirement structures they would be most interested in for further study. The members wrote their preferences on paper and submitted them to the Chair. The results were as follows (the number is the count of people listing that choice on their paper):

- 1A (TSERS/LGERS): 6
- 1B (South Dakota): 6
- 2A (UNC ORP): 8
- 2B (Florida): 9
- 2C (Utah): 8

- 3A (Oregon): 9
- 3B (Georgia ERS): 8
- 4A (IBM 401k): 2
- 4B (Automated DC): 3
- 5A (Nebraska): 1
- 5B (Wisconsin): 2
- 6 (Opt-Out): 0

If a category was specified, it was counted the same as separately listing all plans within that category. Members were instructed that there was no limit on the number of plans they could list.

Adjournment

There being no further business the motion was made by Randy Byrd and seconded by Aaron Noble and passed unanimously that the meeting adjourn. The meeting adjourned at 11:55 am.

Chairman

Date

Director, Retirement Systems

Date