

MINUTES OF THE FUTURE OF RETIREMENT STUDY COMMISSION JANUARY 25, 2009

The meeting was called to order by Dr. Robert Clark, Chairman at 9:04 am. The other members present were Charles Abernathy, Mary Bethel, Randy Byrd, Joseph Coletti, Monda Griggs, Charles Johnson, Shirley Morrison, Aaron Noble, Charles Perusse, Deborah Ross, and Richard Stevens. Darleen Johns joined by phone.

Dr. Clark opened with some remarks. Introductions of Commission members followed. Dr. Clark introduced Treasurer Janet Cowell. Treasurer Cowell spoke on the importance and the challenge of the Future of Retirement Study Commission.

Dr. Clark gave a brief overview of the different types of retirement plans. Michael Williamson gave a highlight of the history of the NC pension plans and how they have changed over time. He reminded the Commission that the staff is here to support their needs.

David Vanderweide presented a proposed framework for the Commission to use in structuring their discussion. Senator Stevens raised concerns about delaying discussion of costs until the sixth meeting. Senator Stevens and Representative Ross requested additional information on the existing retirement benefits, including their costs, and staff agreed to provide those on the website. No other objections to the framework were raised.

Discussion was led by Dr. Clark on the proposed meeting procedures. Additions to the proposed procedures will include posting the minutes of the meeting on the web site. Rep. Deborah Ross suggested that we have a public comment period targeted toward the summer when the General Assembly is in session. Dates will be discussed for one or two public meetings at the meeting of the commission in February.

The next meetings will be held on February 22, March 22 and April 19 at 9 am. All future meetings will continue to be scheduled for Mondays.

David Vanderweide presented statistics on the NC public employers and workforce. These statistics are available on the web for the commission and public to review. Discussion followed about Return to Work issues and how our retirement benefits compare to the market trends and to the private sector. Dr. Clark indicated that the private sector continues to move away from a Defined Benefit program and does not provide any free health care coverage. He said that the NC system multiplier is slightly below average and our [employee] contribution rate is above average compared to other states. David indicated that we can provide a scorecard of costs of different plans as we progress in the examination of different proposals.

Introductions were made of all Association members and staff present.

Dr. Clark and David Vanderweide discussed the readings for the next meeting. These are also posted on the web and available to the public. Rep. Ross asked for a study on the challenges women face in preparing for retirement. She asked if we could provide the history of COLA's for the last 20 years as well as a list of all benefits that retirees receive including 401k. She would like for the list to include who covers the cost, employee, employer or state.

Ms. Bethel suggested that this data could be used to educate the employees. Mr. Williamson reminded the commission that the Treasurer has a financial literacy initiative that is available to the public for the same purpose.

The commission agreed that the materials for the meetings will be provided on the web and they will print, review and bring them to the meetings. The Commission will be notified when the readings are posted to the web. The staff will provide a few extra copies in case any Commission members forget to bring theirs.

There being no further business the meeting adjourned at 11:20 am.