FLORIDA PUBLIC PENSION TRUSTEES ASSOCIATION

PENSION NEWS CLIPS FEBRUARY 2023 ON FLORIDA PENSION ISSUES
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HB 3 - Government and Corporate Activism

General Bill by Bob Rommel (CO-SPONSORS) Berny Jacques and Ralph Massullo – **HB3**
Government and Corporate Activism: Revises provisions relating to deposits & investments of state money, retirement system & trust fund assets, & public funds; bonds; government contracts; financial institutions; consumer finance; money services businesses; & unfair & deceptive trade practices.
Effective Date: July 1, 2023
Companion Bill: None to date

SB 110 - State Board of Administration

General Bill by Ed Hooper – **SB110**
State Board of Administration: Authorizing the board and certain affiliated entities and ventures to issue securities and borrow money through specified means; requiring the ownership of an entity holding title to real property to be vested in the name of the System Trust Fund; requiring the board's evaluation of an investment to be based solely on pecuniary factors, etc.
Effective Date: 07/01/2023
Last Event: 01/04/23 S Referred to Governmental Oversight and Accountability; Banking and Insurance; Appropriations
Companion Bill: **HB1139** by Cyndi Stevenson.

Gov. DeSantis pushes for more pension spending in new budget

By A G Gancarski, Florida Politics, February 1, 2023

Members of the Florida Retirement System will get a little extra help in the new budget despite an unfunded actuarial liability of more than $38 billion that went up $3.5 billion in the last fiscal year. State pensioners will see boosts in payouts and the state contribution. Gov. Ron DeSantis told reporters in Tallahassee the state would chip in an "additional 3% for employer contribution in the state retirement system." That would augment a 3% hike in the current budget, which the administration contends would "provide members with more financial security upon retirement." This move boosts annual contributions to employee retirement accounts by $269 million, a 40% increase over the current contribution level, per the Governor's Office. DeSantis contended he had improved funding levels of the plan from 82.4% to 83.9%, though a document accompanying the budget rollout said the number was 82.4% funded. Historically, 80% has been a target for public pension funding. DeSantis defended the administration's actuarial methods as being a truer look at the state of pensions than in the past, saying that "each year I've been in office, we have reduced the assumed rate of return." The October FRS Actuarial Assumptions Estimating Conference notched that down to 6.7% per annum from the previous 6.8% expectation. The 6.7% assumption is a middle ground between two divergent paths, the report continues. If returns average 7.2% over the next 15 years, the unfunded liability could be eliminated. If returns average 6.2%, the unfunded liability would stay at roughly the same level. The 6.7% rate would reduce that liability to roughly $25 billion by 2037, meanwhile.

Public pension funds lowered expectations for returns as expenses spiked in fiscal 2022

By Rob Kozlowski, P&I, February 6, 2023

Public retirement systems saw their expenses rise in fiscal 2022, while many reduced their assumed rates of return, according to an annual study by the National Conference on Public Employee Retirement Systems. In fiscal 2022, the pension systems averaged 64 basis points in administrative costs and investment manager fees, up from 54 points the year before. Systems lowered their assumed rates of returns to an average 6.86%, from 7.07% a year earlier. Among all respondents, 60% said they lowered those rates of return during the year, below the 70% that had lowered their assumed rates of return in fiscal 2021. NCPERS also said in the study that 34% of respondents raised their benefit age and service requirements, down from 40% the year before, and 28% increased employee contributions, down from 37%. Many responding funds did not offer a cost-of-living adjustment in the most recent fiscal year, and the average adjustment was 2%, above the average adjustment of 1.7% the previous fiscal year.

Public Pension Funding Status Rose in 2022, NCPERS Says

By Larry Light, Chief Investment Officer, February 6, 2023

Capital markets had a tough time in 2022, but public pension funds managed to increase their funded status, according to a report from the National Conference on Public Employee Retirement Systems The funded ratio at public pension funds increased to 77.8% last year, compared with 74.7% in 2021, per a survey of almost 200 funds conducted by NCPERS, the largest trade association for public funds in the U.S. and Canada, in partnership with Cobalt Community Research. Public pension programs scored an average one-year return of around 11.4%. By contrast, the S&P 500 was down around 19% and the Bloomberg US Agg, which tracks bonds, was off 13% in 2022. Heavy concentration in real estate and private equity were the key to the funds' outperformance, the report says. The study's findings highlight public pensions' "resiliency in the face of volatile markets, rising interest rates, and disruption in the workforce during the COVID-19 pandemic," said Hank Kim, NCPERS executive director and general counsel. "It's clear that public pensions remain dedicated to maximizing returns while managing risks in order to efficiently deliver retirement benefits to public servants all over the country." Benefit payouts were larger than 2021, but not enormously so. The aggregated average cost-of-living adjustments to members last year was 2.0%, which was slightly above the 1.7% COLA offered the year before. One other takeaway is that environment, social and governance factors matter to those managing public pension funds: Some 54% indicated that ESG is somewhat or very important in their investment decisions.

US corp pensions have biggest funding surplus in decades: Milliman

By Steve Evans, Artemis, February 10, 2023

Milliman reports that despite negative investment returns of -13.53% for 2022, the funded status of US corporate pension plans actually experienced a 12.1% boost. This is based on its findings from an annual study of the 100 largest defined benefit pension plans sponsored by US public companies. "Increasing discount rates and the corresponding liability (e.g. the projected benefit obligation) decrease of 22.57% more than offset the asset losses, resulting a funded status improvement of $172 billion for the year," the company explained. Corporate pension plan assets lost $321 billion for the year in 2022, but on the other side of their operations, pension plan liabilities decreased $493 billion, helping to lift the overall funded status. "The resulting $172 billion funded status gain during 2022 lifted the year-end funded status surplus to $133 billion. The last time the Milliman 100 plans had a surplus at year-end was in December 2007, at $68 billion," Milliman said. Corporate pensions are looking at ILS as a new asset class with interest, based on our own contact and interaction with these types of investors which has been increasing over the last year. Separately, pensions are showing increasing demand for diversifying asset classes that have an element of their return that is linked to interest rates.

Public Pension Return Assumptions Fall in 2022, NCPERS Says
By Larry Light, Plan Sponsor, February 6, 2023

The average assumed rate of return for public pension funds dropped in 2022 to 6.86% from 7.07% a year earlier, according to a report from the National Conference on Public Employee Retirement Systems. The drop came as capital markets overall struggled last year, while public pension funds managed to increase their funded status, the study found. The funded ratio at public pension funds increased to 77.8% last year, compared with 74.7% in 2021, per a survey of almost 200 funds conducted by NCPERS, the largest trade association for public funds in the U.S. and Canada, in partnership with Cobalt Community Research. Public pension programs scored an average one-year return of around 11.4%. By contrast, the S&P 500 was down around 19% and the Bloomberg US Agg, which tracks bonds, was off 13% in 2022. Heavy concentration in real estate and private equity were the key to the funds' outperformance, the report says.

Retirement plans for workers in private industry and state and local government in 2022
US Bureau of Labor Statistics, February 1, 2023

Sixty-nine percent of private industry workers had access to employer-provided retirement plans in March 2022. Fifty-two percent of private industry workers chose to participate in a retirement plan, for a take-up rate of 75 percent. (The take-up rate is the percent of workers with access to a plan who participate in the plan.) Among state and local government workers, 92 percent had access to a retirement plan and 82 percent chose to participate, for a take-up rate of 90 percent. Defined benefit plans were more prevalent for state and local government workers in 2022. Only 15 percent of private industry workers had access to a defined benefit plan, compared with 86 percent of state and local government workers. Thirty-nine percent of state and local government workers had access to a defined contribution plan and 19 percent participated, resulting in a take-up rate of 49 percent. For workers with access to retirement plans, 12 percent of private industry workers and 34 percent of state and local government workers had access to both defined benefit and defined contribution plans.

US pension funds are on the brink of implosion – and Wall Street is ignoring it
By David Sirota, The Guardian, February 2, 2023

As public officials across America prepare to funnel even more of government workers' savings to private equity moguls, an alarm just sounded for anyone bothering to listen. It is a warning that Wall Street executives, busy skimming fees off retirement nest eggs, want you to ignore. The longer the warning goes unheeded, however, the bigger the financial time bomb may be for workers, retirees and the governments that pay them. Earlier this month, PitchBook – the go-to news outlet of the private equity industry – declared that "private equity returns are a major threat to pension plans' ability to pay retirees in 2023". With more than one in 10 public pension dollars invested in private equity assets – and with states continuing to keep their private equity contracts secret – PitchBook cited a new study finding that losses from the investments may be on the horizon for retirement systems that support millions of teachers, firefighters, first responders and other government employees. A 2018 Yahoo News analysis found that US pension systems had paid more than $600bn in fees for hedge fund, private equity, real estate and other alternative investments over a decade.

U.S. corporate pension funding rises in January – 3 reports
By Rob Kozlowski, P&I, February 2, 2023

U.S. corporate pension plans opened the new year with an increase in funding ratios due to January's positive market returns offsetting a decline in discount rates that raised liabilities, according to three new monthly reports. Legal & General Investment Management America estimated the average funding ratio of the typical U.S. corporate pension plan was 99.8% as of Jan. 31, up from 98.3% a month earlier. In its latest monthly Pension

Solutions Monitor, Legal & General Investment Management America said the estimated average funding ratio rose in January because of the equity market rally during the month. The monitor cited the MSCI AC World Total Gross index and S&P 500 index gaining 7.2% and 6.3%, respectively, during the period. According to the estimate, assets grew by 5.5 percentage points because of positive returns, while liabilities increased by 5.1 percentage points.

Public Service Workers Face Retirement, Financial Security Concerns

By Noah Zuss, Plan Sponsor, February 3, 2023

Public sector employers are concerned their employees are not prepared for retirement, financial security of these workers has decreased, new MissionSquare Research Institute data shows. The report, Examining the Financial Wellbeing of the U.S. Public Service Workforce, finds both public sector employers and employees are concerned about the retirement security of the state and local workforce: 41% of public sector human resources professionals say their employees are financially prepared for retirement and 81% of public employees worry about having enough money to last through their retirement. The 2023 MissionSquare research found retirement and financial insecurity have increased for public service workers, from 2017 through 2019: 14% of all households employed in the public sector indicated that they could not pay all their bills, as did 11.3% of those employed in public education: Nearly one third of public employee households would have trouble coming up with $400 in an emergency; and close to one-fifth of all public employees and close to one-in-six employees in public education reported skipping health care because they could not afford it. The onset of the COVID-19 pandemic in 2019, likely worsened retirement security for many public service workers.

State Retirees Get Nearly 40% More Than What Working Illinoisans Earn

By Patrick Andriesen, Illinois Policy, February 1, 2023

The typical career state worker collected $82,478 in annual pension benefits, recouping more income in 17 months of retirement than they contributed over 35 years. Working Illinoisans only earned $59,650 a year. The typical career government worker in Illinois collects nearly 40% more from a state pension system than the typical Illinoisan earns working. The retirement payout these pensioners received within 17 months of leaving the workforce was worth more than the $113,362 they contributed toward their own retirements over 35 years of public service, state data show. For that $113,362 investment, the state will pay them about $2.42 million. That $2.42 million a state worker will collect is more than 14 times what the typical American has saved at retirement age. State worker contributions will only cover about 4.5% of the benefits the pension systems guarantee. Illinois' state pension systems had just 44 cents for every dollar promised to state retirees, a state report for fiscal year 2022.

Can these lawmaker proposals save Social Security?

By Aris Folley, The Hill, February 12, 2023

Capitol Hill is talking more about Social Security, which estimates show is on track to becoming insolvent in little more than a decade, as both sides feud over how to address the rising national debt. A recent report from the Congressional Budget Office (CBO) found that spending for Social Security benefits increased by 10 percent, or $37 billion, in the four-month stretch ending in January, compared to the same period the year before. Potential fixes to Social Security are often a heavy lift in Congress, and that reality is no different for the currently divided legislature. But that doesn't mean lawmakers haven't made some proposals to help shore up solvency for the program. Here are just some of the ideas that have gotten attention so far. Raising the payroll tax cap to $400,000. Raising the retirement age to save Social Security. Creating a sovereign wealth fund to shore up Social Security. Bipartisan panels may tackle Social Security problems.
Editor's Note: The last major changes to Social Security (1983) were proposed by a non-partisan commission that did not include members of Congress.

As Social Security's full retirement age moves to 67, some experts say it should not go higher

By Lorie Konish, CNBC, February 12, 2023

More than 1 million people recently took to the streets in France to protest an increase in the country's standard retirement age. In the United States, a similar battle might be quietly brewing in Washington. The Republican Study Committee budget has called for Social Security's full retirement age to gradually go up until it is increased by three years. Based on their proposal, people born in 1978 or later would have a full retirement age of 70. The Republicans also propose raising Medicare's eligibility age to coincide with the Social Security full retirement age and then indexing that age to life expectancy. Experts say Republicans' proposal represents cuts. "Social Security is a very simple problem: It's money coming in and money going out in benefits," said Alicia Munnell, director of the Center for Retirement Research at Boston College. "There's two ways to fix it: You can have less money go out or more money come in," Munnell said. The 1983 legislation prompted other notable changes, such as making a portion of benefits subject to income taxes, as well as providing delayed retirement credits of 8% per year for those who wait to claim after full retirement age up to age 70. In 1983, the adoption of 401(k) plans had just started, and there was hope that those accounts could replace defined benefit plans and support the half of the workforce not covered by a retirement plan. "That experiment was a big failure," Ghilarducci said. "And that hope was misplaced." Unlike in 1983, when senior poverty rates were declining, they are now increasing, Ghilarducci noted.

White paper: 'Extreme financial impacts' await Jacksonville if it returns to defined benefit pensions

By A.G. Gancarski, Florida Politics, February 16, 2023

A white paper circulating internally in the office of Mayor Lenny Curry suggests there would be "extreme financial impacts" if pension reform was reversed. The issue has a renewed salience, with mayoral candidates such as Republican Daniel Davis contending "all options are on the table" regarding pensions for new police and fire hires. Defined benefit pensions were eliminated for new hires as of 2017, a condition of pension reform legislation in Jacksonville and Tallahassee. The measures authorized a successful referendum dedicating a current half-cent sales tax to defraying legacy pension debt once its current purpose of paying down Better Jacksonville Plan obligations is fulfilled. Estimates now are that it could happen in 2026. Unwinding pension reform, asserts the white paper, would lead to the forfeiture of that sales tax option, and the expected $9.6 billion stream it is to provide over 30 years. Recent estimates are that the city has $3.6 billion in pension debt, the seventh-highest municipal burden in the country. That obligation would only increase if the pension reform was reversed. The white paper also refutes the argument that pension reform has led to increased turnover among police and correctional officers and firefighters, noting that turnover has decreased over the last five years for all three cohorts.

Historic down year puts retirement plans on notice

By Rob Kozlowski, P&I, February 13, 2023

U.S. retirement plans could not escape historically negative equity and fixed-income markets during the year ended Sept. 30 and posted the highest-percentage asset losses in nearly half a century of Pensions & Investments' annual surveys. The most recent year, however, represented nearly a direct opposite of the prior year's euphoria, with every public equity and fixed- income asset class seeing significant losses. ***Perhaps most remarkably, defined contribution plan assets fell 14.5% to $4.73 trillion vs. the 13.6% decline of defined benefit plan assets to $7.43 trillion, a stark reversal of a decades long trend that has seen DC plans outpace DB growth in part due to 401(k)s emerging as the primary corporate retirement plan (emphasis added).*** Public defined benefit funds in particular have moved more and more toward alternatives for years. While the average allocations to public markets dropped among the top 200 DB plans, the average asset allocation to private equity increased to 15.2% as of Sept. 30, up from 12.8% a year earlier, real estate equity rose to 11.8% from 8% and the general alternative investments category rose to 10.2% from 8.3%.

Anti-ESG pension bill could drop state pension returns $6.7 billion in next decade

By Leslie Bonilla Muñiz, Indiana Capital Chronicle, February 6, 2023

A bill mandating that Indiana's public pension system divest from firms or funds that use certain non-financial investment criteria — a flashpoint in the state's culture wars — could slash the system's returns by nearly $7 billion over the next decade, according to a revised fiscal analysis. Author Rep. Ethan Manning, R-Logansport, and supporters say the proposal would ensure that the Indiana Public Retirement System puts finances first. House Bill 1008 is part of a GOP effort to crack down on the environmental, social and governmental framework known as ESG investing. But its restrictions and administrative requirements could mean a hefty price tag for the fund and its retirees. And the conservative-leaning Indiana Chamber of Commerce reinforced its opposition in a tweet: "Safe to say we still oppose H.B. 1008. We'll continue to voice our strong opposition to House members as well as key senators, who may receive the bill the second half of session." An updated fiscal analysis for the legislation shows that over the next decade, it could plunge investment returns on defined-benefit funds by $6.4 billion, and defined-contribution funds by $300 million.

Kentucky Retirement System Trustees Say It Is Not Subject to State's Anti-ESG Law

By Michael Katz, Chief Investment Officer, February 16, 2023

The County Employees Retirement System says it is unable to comply with a new Kentucky law requiring state agencies to disassociate with companies that boycott the energy sector because doing so would be "inconsistent with its fiduciary duties." Last month, Kentucky State Treasurer Allison Ball released a list of financial companies that she said are engaged in boycotting energy companies. She said that under the new law, Senate Bill 205, state agencies—including the state's pension funds—are required to notify her if they own direct or indirect holdings of the companies on the list. Any state agency that has holdings in the companies is required to send a notice to those companies demanding that they halt any energy boycott or face divestment. However, in a special meeting on February 8, the trustees of CERS—which represents 64% of Kentucky Retirement System members—approved a letter to the state's treasurer saying that SB 205's requirements would force CERS to breach its fiduciary duties. The trustees said CERS is therefore not subject to the law's requirements. CERS board chair Betty Pendergrass wrote that "CERS has determined that the requirements set forth in [Kentucky Revised Statutes] 41.470 to KRS 41.476 are inconsistent with its fiduciary responsibilities with respect to the investment of CERS assets or other duties imposed by law relating to the investment of CERS assets, thus, per the law, it is not subject to the notification and other requirements set forth in KRS 41.470 to KRS 41.476." The list of companies targeted by Ball includes BlackRock, BNP Paribas, Citigroup, Climate First Bank, Danske Bank, HSBC, JPMorgan Chase & Co., Nordea Bank, Schroders, Svenska Handelsbanken and Swedbank.

Texas has a warning for its pension funds: Sever ties with BlackRock

By Bloomberg, P&I, February 24, 2023

Texas Comptroller Glenn Hegar is stepping up his battle against so-called sustainable investing, telling state money managers that they haven't done enough to cut ties with BlackRock and other financial firms that he says boycott the oil and gas industry. Hegar sent letters to five Texas government-employee pension funds and an entity that manages money for the public school systems, "strongly" encouraging them to sever all relationships with companies on his office's divestment list. Hegar released a list of 10 companies including BlackRock and UBS Group AG and more than 300 individual funds that he says discriminate against oil and gas. His findings indicate some uncertainty about what exactly is required to comply with the law, which carves out exceptions for some private-equity investments and allows the state funds to seek an exemption if severing the ties would violate their fiduciary duty to pensioners.

Ron DeSantis Proposes Limits on ESG (Environmental Social Governance)

By Mike LaChance, Legal Insurrection, February 14, 2023

Ron DeSantis outlined a new proposal that would restrict ESG or Environmental Social Governance more. This fits right in with DeSantis' anti-woke politics. As part of the proposed legislation DeSantis unveiled was a plan to codify into statute a resolution enacted last year that prohibited ESG investing in pension funds for state and local government employees, including firefighters, police officers, and teachers. The proposed legislation would restrict banks that hold public funds – known as qualified public depositories – from utilizing ESG in in their investment decisions. Investment firms that engage in ESG would also be barred from being lenders to the state or to local governments. Gov. Ron DeSantis announced proposed legislation Monday that he says would preclude banks and other financial institutions from discriminating against potential customers based on religious, political, or social beliefs, with additional language to protect views on "securing the border, owning a firearm, and increasing our energy independence."

This One Trick Could Improve Funded Status for Almost All State Pensions

By Alicia McElhaney, Institutional Investor, February 8, 2023

State pension funds have long struggled with being underfunded — a problem that has led them to increase contributions and set return hurdles that are challenging to meet. But according to researchers at Florida International University, there could be a better way to determine funded status that would not only improve the accuracy of these calculations, but also the health of the funds. The researchers say that their method could bolster the funding ratio of 94 percent of state pension funds. The model sets a lower limit on the discount rate. The new model ensures that the discount rate won't dip below a metric called the value at risk return, which quantifies the extent of potential portfolio losses. The researchers propose that investors use this metric along with modeling the least risky portfolio allocation that a pension would use to still generate a reasonable return. The authors tested whether this would be more appropriate using data from the Public Plans Database, collected via a project run by Boston College's Center for Retirement Research. The sample-set includes data from 219 pension plans across the United States from 2001 through 2020. The researchers say that their method would improve the funding ratio of 94 percent of state pension funds, with the lowest increase in contributions compared to several alternative methods. By comparison, using current practices, just 13 percent of funds are able to increase their funding levels. They also estimated that the need for an increase in contributions using their method is 52.5 percent lower than it is when using the 10-year Treasury rate.

Private Equity Losses Expected To Crush Pension Plans In 2023

By Jim McFadden, The Deep Drive, February 12, 2023

Disappointing private equity returns in 2022, and the lag in reporting those returns, may represent a threat not just to investors, but to pension plans' ability to pay retirees in 2023. More specifically, private equity returns are typically reported with a lag of up to six months. This means that the degree to which pension plans are currently funded (or more correctly, underfunded) likely does not reflect potentially large losses incurred in the difficult second half of 2022. This issue is especially important because private equity comprises about 11% of the assets of public pension portfolios, per a 2022 study by the American Investment Council, which analyzed 176 public pension funds representing more than 30 million public sector workers and retirees.

Are Pensions the Answer to the Public-Sector Worker Shortage?

By Bridget Early, Route Safety, February 13, 2023

A 2021 brief from the Congressional Research Service shows how participation in defined benefit plans dropped from 30% in the late 1970s through the 1980s to just above 10% in 2020. As employers have shifted toward 401(k)-style plans, retirement security is much harder to attain for the average American. And it shows: a staggering 40% of Americans fear they won't be able to retire at all. Research shows that defined benefit pensions already play an important role in worker retention in the public sector. That same study found that 84% of

millennials working in state and local governments said their pension benefit was the reason they're staying in the public sector. That's despite the majority (80%) believing they could earn more in the private sector. These robust retirement benefits are also leading to significant job loyalty: 85% of millennials said they plan to stay in their public sector jobs until they retire. However, 71% said that cutting their pension benefits would make them more likely to leave their state or local government job. While public-sector employers typically can't compete with the private sector on salary, they may have an edge when it comes to total compensation packages. It's clear that workers find their pension benefits to be extremely valuable, but it's crucial that the value of these benefits is demonstrated to applicants and new hires. Recent research from MissionSquare Research Institute suggests that by quantifying benefits—such as pensions, life insurance or paid leave—as part of a total compensation package, governments will have greater success in filling vacancies.

Senators Sanders and Warren Introduce Social Security Expansion Act

By Paul Mulholland, Plan Sponsor, February 17, 2023

The Social Security Expansion Act, introduced by Senators Bernie Sanders, I-Vermont, and Elizabeth Warren, D-Massachusetts, aims to make Social Security solvent through the end of the 21st century, while also enhancing benefits. The bill would create a tax of 12.4% on investment income for individuals making $200,000 or more and married couples making $250,000 or more, matching the combined employee and employer payroll rates. The bill would also make all income greater than $250,000 subject to the full Social Security payroll tax rate. Under the bill, income between $160,200 and $250,000 would not be taxed differently at first, but the $160,200 threshold would be allowed to rise normally until it reaches $250,000, projected to happen in 2035. At that point, all income would be subject to the full payroll rate. Additionally, any income greater than $250,000 would not be counted for benefit calculation purposes. The bill would change the cost-of-living index used to calculate Social Security benefit increases from the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) to the Consumer Price Index for the Elderly (CPI-E). The report estimated that the cost-of-living adjustment would increase by "0.2 percentage points per year on average" as a result. It would also increase the Special Minimum Benefit to 125% of the poverty line, "or over $18,000 for a single worker who had worked their full career." The bill would also increase the first income-percentage "bend point" from 90% to 95%. This means that, going forward, 95% of the first $1,115 in monthly wages (for 2023, indexed to inflation) would count toward Social Security benefits, up from 90%. This has the effect of frontloading benefit increases such that low-income workers benefit proportionally more from them.

Average 401(k) balances dropped 20% in 2022 — but few investors flinched, Vanguard research shows

By Sarah O'Brien, CNBC, February 17, 2023

The average participant account balance at Vanguard was $112,572 at the end of 2022, down 20% from the close of 2021. The median balance was $27,376 at the end of last year, an annual drop of 23%. Hardship withdrawals ticked up slightly, but remain a low share of all participant activity at 2.8%.

Podcast: What Public Retirement Systems Need to Know Now About Changes to Actuarial Standard of Practice No. 4

By Ashley Dunning, JDSupra, February 15, 2023

On February 15, 2023, changes to Actuarial Standard of Practice (ASOP) No. 4 will be effective, and defined benefit plans will need to comply with these new rules in all actuarial funding valuations with measurement dates after the effective date. In the latest episode of Public Pensions & Investments Briefings, Nossaman's Ashley Dunning welcomes Graham Schmidt, an actuary with Cheiron, and Todd Tauzer, with Segal, who explain three significant changes arising from the new ASOP and discuss some of the implications of those changes