PERS/Operations Division

EAG Actuarial Concepts

1. Implement rate increases much sooner after the actuarial study was done (i.e., 12/31/15 review for 7/1/16 implementation). The current 18 month lag between actuarial review and new rate implementation exacerbates the long-term issue.

2. Move to annual rate increases to defer less of the impact. It is understood the State is on a biennial budget, but we can estimate a COLA for increased costs for each year of the biennia, why not PERS rates?

3. Allow employers to contribute more than the actuarially determined rate. Is there a way an employer could contribute the higher amount without making a "lump sum" payment to benefit longer-term rates?

4. Move to eliminate the collar and see what the system looks like if we set the rates necessary to fund the system. Milliman's projections show that we are in a "pay me now or pay me more later" situation, so does short-term pain lead to a better long-term solution.

5. Other concepts/ideas?