

Draft Pension Beliefs

1. The retirement system must meet the needs of members and employers to be successful over time.
2. Plan design should ensure lifetime retirement benefits are proportional to each employee's years of service and are adequate for full-career employees.
3. Public and private sector organizations will better succeed if all employees have effective means to pursue retirement security.
4. Undersaving for retirement is a looming national crisis that presents financial threats to public and private sector organizations.
5. A defined benefit plan is the most efficient retirement plan design and best supports lifetime retirement income.
6. The retirement system should ensure funding of promised benefits, promote stability of contributions over time and respect intergenerational equity with regard to benefit cost.
7. Funding policies must be applied in a disciplined and consistent manner, react to investment return fluctuations, and support rate stability.
8. Responsibility for funding pension benefits is balanced between employers and employees *[contributing to the stability and long-term sustainability of the plan].**
9. Decisions must give precedence to the fiduciary duty owed to members, but should also consider the interests of all stakeholders including employers and tax payers.
10. Trustees, administrators and all other fiduciaries are accountable for their actions, and must transparently perform their duties to the highest ethical standards *[free from inappropriate influence or conflict of interest].**
11. The retirement system integrates risk management into its strategic planning and enterprise-wide operations and is proactive, creative, and responsive in addressing internal and external risk to protect the system's integrity and sustainability.
12. The ongoing success of the retirement system relies on the sound understanding and deployment of risk management within and across business lines.
13. System administrators must achieve high levels of efficiency and cost effectiveness across all aspects of the operation.

* Brackets represent language being considered for deletion, subject to Board review