

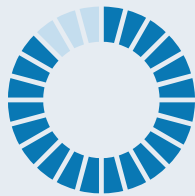
Introduction to Pension Navigator

Finance & Administration Committee
September 17, 2019

Pension Fundamentals

Funded Status

Basic measure to view the current health of a pension system



funded status
is less than 100%

if



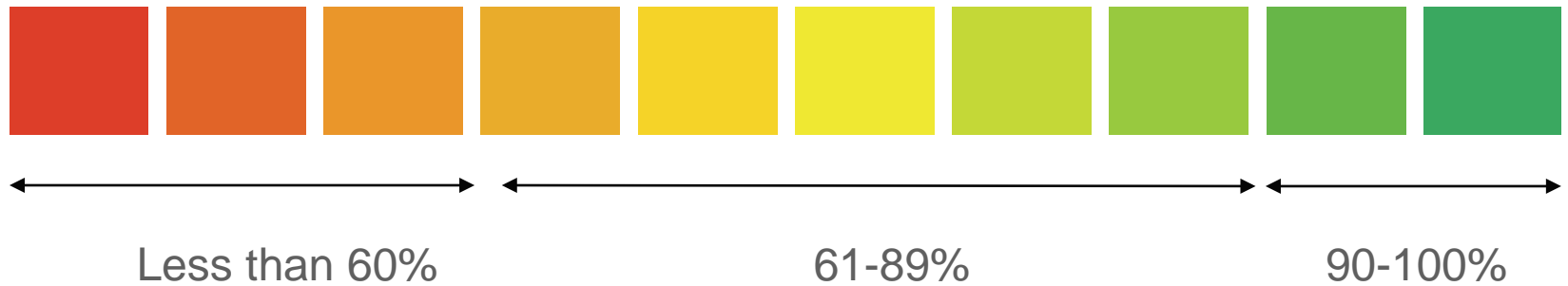
pension
obligations

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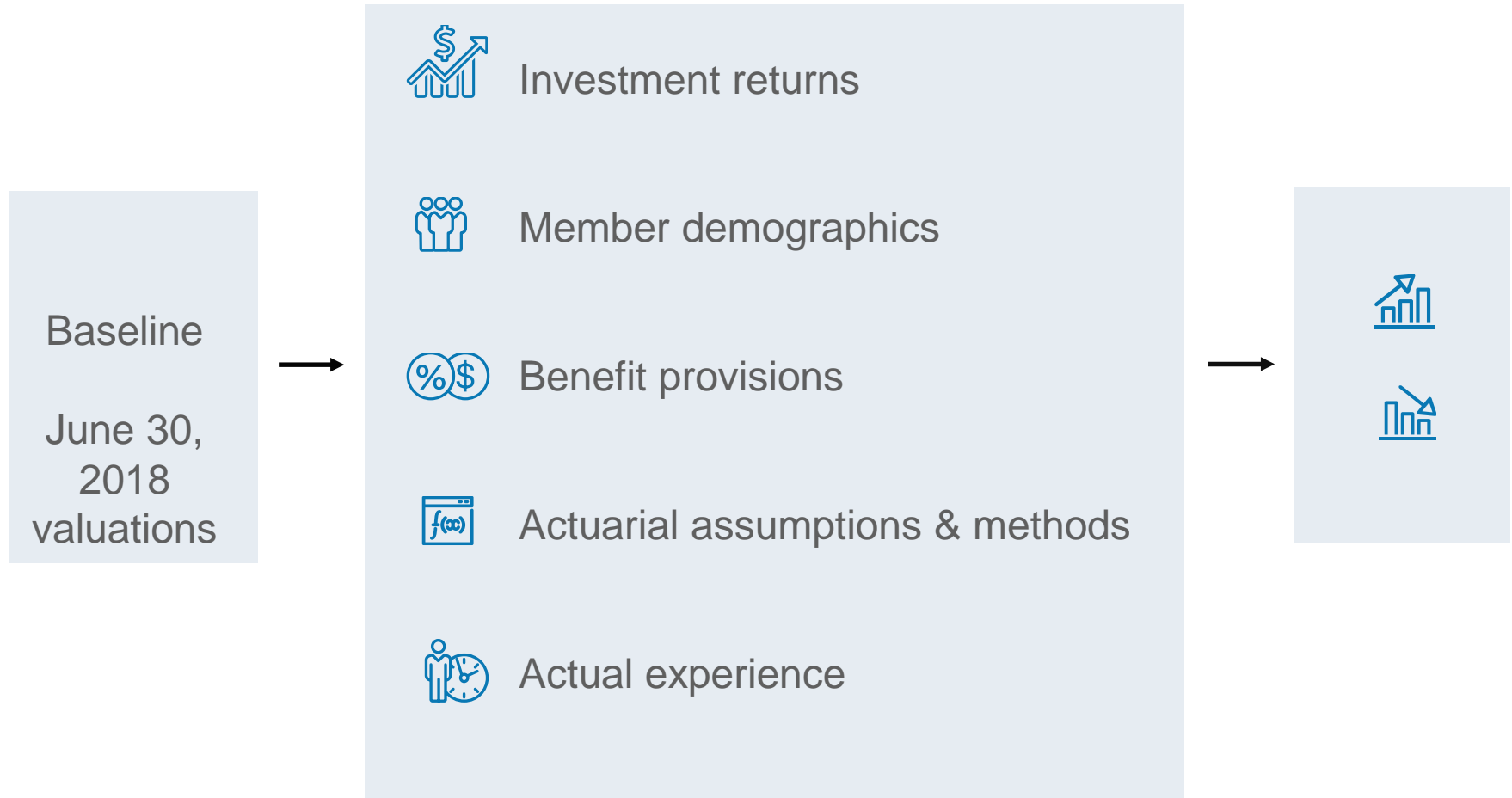


pension
fund assets

Funded Status Target is 100 percent



Changing Factors



The Path Forward

Employer View

How does it check the Financial Health?

1. Projections of Accrued Liabilities
2. Projections of Plan Assets
3. Projections of Unfunded Liabilities (1-2)
4. Projections of Funded Ratio's (2/1)
5. Projections of Employer Rates/Contributions

Employer View

What about Stress Tests for Budgeting Purposes?

1. Investment Return Volatility
2. Discount Rate Changes
3. Managing Employer Contributions with Additional Discretionary Payments (ADP's)
4. Budgetary Impacts

Employer View – Budgeting Tool

Aid for Finance Directors and City Managers

- Projecting Cost
- Annual Changes in Funding Requirement
- Impact of ADP's
- Provision for Contingencies/Reserves

Employer View – Live Demo

Board View

1. Current Health of the Pension System
2. Charting the Path Forward
 - Investment scenarios
 - Impact of potential Discount Rate changes
 - Impact of Additional Discretionary Payments (ADP's)

Board View – Live Demo

Recap: What is Pension Navigator?

- Educational – understand the pension cost drivers
- Informational – provides a roadmap for future costs
- Analytical Tool – aids in decision making
- Budgeting Tool – helps Employers plan for contingencies
- Follow-up/timelines

Questions?