

February 26, 2018

Pension Update

Today at the Board of Commissioners work session, the Pension Board of Trustees presented a report regarding the current status of our pension. The Trustees' report should be available soon at cobbcounty.org/pension.

The funding status is currently about 53.8%, but may decrease slightly once the 2018 actuary report is released. It was said in the meeting a healthy funding status is 80% or higher. For the past four years, the County has been making increased contributions based on a 30 year amortization schedule. This means the funding ratio should improve a little each year until we reach a healthy funding status. The value of our assets has increased, but due to more conservative assumptions, the total liability has also increased. This is why the funding status has remained flat around 53% for the past 10 years. Going forward, we should see the funding status begin to slowly increase.

The Commissioners asked good questions and discussed the status of our pension. The Trustees DID NOT present any proposals for changes to the benefit side or the structure of our pension. In conversation with the Commissioners, some ideas were thrown around that have worked to improve the funding situation for other pensions. These ARE NOT proposals for changes to our pension; they are just ideas that have been implemented by other employers. Some of these ideas include:

- Continuing to make the actuarial determined required contribution without other changes
- Funding the pension with a one-time lump sum from a bond
- Reducing or eliminating overtime from the benefit calculation
- Increasing Employee contributions
- Increasing County contributions
- Freezing benefits already accrued and moving employees onto a defined contribution plan

This cannot be stressed enough, these are not proposals. The County is already making the annual required contribution as determined by an independent actuary. Because of this, our pension is already moving in the right direction and no immediate action is necessary. If any proposals are made in the future, they would be presented and voted on by the Board of Commissioners. The next public Pension Board of Trustees meeting is April 3rd at 8:00am at 100 Cherokee St on the 3rd floor.

Matt Babcock
Pension Advocate
Cobb Professional Firefighters Association
770-851-9030
mattbabcock@live.com