

Public Pension Coordinating Council

**Public Pension System Standards 2017**

**Note: This form is provided to aid you in assembling the information**

**necessary to fill out the on-line application. Do not submit this form.**

System Name:

Contact Name:

Address:

Phone: Fax:

E-Mail:

***Provide an explanation when a No response is made or when additional information is required to explain a Yes response.***

**Administrative Standards Assessment**

**To qualify for the Recognition Award for Administration the system must meet the Administrative Standards – items 1 – 5 below:**

1. **Comprehensive Benefit Program** 
   1. Plan provides service retirement benefits? □Yes □ No Explain:
   2. Plan provides in-service death benefit of at least the return of employee contributions or a comparable benefit? □ Yes □ No Explain:
   3. Disability benefits for all members are provided either within the plan, by Social Security, or by all employers? □ Yes □ No Explain:
   4. Plan statutes (constitution or rules) provide for vesting of all accrued plan benefits and prohibit involuntary forfeiture or reduction of all accrued vested benefits?   
      □ Yes □ No Explain:
   5. A post-retirement adjustment of retirement and disability benefits (e.g., COLA) may be awarded to retired members by a governmental authority (could be approved by the retirement system or legislature or other authority). It is not required that the adjustment is automatic or mandatory – it may be discretionary. □ Yes □ No Explain:

GFOA Certificate of Achievement for Excellence in Financial Reporting

Receipt of the GFOA Certificate will fulfill the requirements of items 2 and 3 a) & b) below. Has your system received the GFOA Award of Excellence for the most recent award cycle?

□ Yes: Skip to item 3 c). □ No: Please complete items 2 and 3 below.

1. **Audit**

The system obtains an independent audit in accordance with auditing standards generally accepted in the United States of America. The audit was in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States*.* The plan received an unqualified opinion from the auditor on the system’s financial statements and on the reports on internal controls, and is in compliance with applicable laws and regulations. □ Yes □ No Explain:

1. **Actuarial Valuation** 
   1. Valuation performed at least every two years. □ Yes □ No Explain:
   2. Actuary certifies that the valuation was performed using generally recognized and accepted actuarial principles and practices consistent with pronouncements of the Actuarial Standards Board. The report meets the Code of Professional Conduct and Qualifications Standards for Public Statements of Actuarial Opinion issued by the American Academy of Actuaries. □ Yes □ No Explain:
   3. An actuarial review has been performed by an outside, third party actuary, including a full scope audit, a sampling audit, or an audit that reviews the methods and assumptions for reasonableness and consistency, within the last ten (10) years. (please see definitions below)

□ Yes □ No Explain:

*Outside, third party actuary is a qualified actuary independent from the current actuary and any staff actuaries. When a new consulting actuary is engaged, often the new consulting actuary performs a full replication of the previous actuarial valuation to establish a baseline which would be acceptable as a full scope audit.   
  
1. In a level one, or “full-scope,” actuarial audit, the reviewing actuary fully replicates the original actuarial valuation, based on the same census data, assumptions, and actuarial methods used by the plan’s consulting actuary. In addition, the reviewing actuary examines the consulting actuary’s methods and assumptions for reasonableness and internal consistency.  
  
2. In a level two actuarial audit, the reviewing actuary does not fully replicate the consulting actuary’s valuation, but instead uses a sampling of the plan’s participant data to test the results of the valuation. The reviewing actuary also examines the consulting actuary’s methods and assumptions for reasonableness and internal consistency.  
  
3. In a level three actuarial audit, the reviewing actuary examines the consulting actuary’s methods and assumptions for reasonableness and internal consistency, but does not perform actuarial calculations.*

1. **Investments**
   1. The Board or governing body has adopted and follows written investment policies. □ Yes □ No Explain:
   2. The governing body, retirement board, investment board or legislative body has adopted written fiduciary standards. □ Yes □ No Explain:
   3. An annual investment performance evaluation is conducted by an outside independent investment review entity.   
        
      □ Yes □ No Explain:

*An outside independent investment review entity is, usually, a consulting firm that is independent of any money managers used by the retirement system or retirement system staff who may manage funds. This can be the same consulting firm used for asset allocation studies, manager searches and similar tasks. The results of the independent review are presented directly to the board of trustees by the consultant.*

1. **Communications**
   1. The system EITHER 1) provides members a handbook or summary plan description at time of employment, OR 2) provides a "welcome letter" or similar notification informing new members that a handbook or summary plan description is available online. Also, updates to the document are published on a regular basis. Updates to the handbook can be provided regularly on the system’s website as long the member is made aware of the updates and may request and receive a hard copy.

□ Yes □ No Explain:

* 1. Members are provided with an annual benefit statement.   
     □ Yes □ No Explain:
  2. Meetings of the governing board of the system are conducted at least quarterly with adequate public notice.   
     □ Yes □ No Explain:

**Funding Standard Assessment**

**To qualify for the Recognition Award for Funding the system must meet the Funding Adequacy Standard below:**

**Funding Adequacy**

In order to demonstrate the funding adequacy of the system, the most recent system actuarial report shows one of the following:  
  
1) at least 100% Funded Ratio (ratio of actuarial value of assets to actuarial accrued liability, calculated in compliance with Actuarial Standards of Practice)  
  
OR

2) actual contribution rates are at a level equal to or greater than 100% of the actuarially determined contribution (ADC).

OR

3) a plan has been approved by the governing body to achieve 1) or 2) above within 5 years.

□ Yes system meets 1 or 2

□ No system does not meet 1, 2 or 3

□ System meets 3 Explain and state plan to achieve the Standard.

Actuarially Determined Contribution: A target or recommended contribution to a defined benefit pension plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.