



New York State
**PUBLIC EMPLOYEES
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Comments for the Public Forum on Public Pension Disclosures
American Academy of Actuaries
1100 Seventeenth Street NW
Washington, DC 20036

Dear Academy,

I am writing in regards to your September forum on Public Pension Disclosures. I represent the NYS Public Employees Federation (PEF). Our membership of over 59,000 consists of the Professional, Scientific and Technical staff of New York State Government. We are all members of the NY State and Local Retirement System. The NY Common Retirement Fund (CRF) consists of both the NYS and Local Retirement System and the NYS Police and Fire Systems and is one of largest public retirement systems in the country. It has provided the hard working state and local government workers a secure retirement since 1921.

PEF has strong reservations to changing the long standing principles used successfully in the public disclosures of public pension system funds. While change isn't necessarily bad, change for the sake of change does not seem justified. With the amounts of money involved, there are many who would like to claim a piece of the pie. Public pension funds are fundamentally different from private pension funds and the State of New York is not going out of business; this is not Enron.

The PEF history of changes in disclosures leads us back to the PUC (Projected Unit Credit) funding method. The introduction of PUC disclosure during the 1980's led New York State to believe that they did not need to be putting as much money into the CRF as had previously been calculated. New York changed the funding method and PEF took them to court. After a three year court battle PEF was successful in having the change in funding method declared unconstitutional.

In conclusion, if PEF feels that the secure retirement of our members is being put in jeopardy we will not hesitate to defend it, as we have in the past. The changes involving market value liabilities in the private industry can arguably be called a reason in the vast number of vacated private defined benefit funds. Who would gain, if the currently secure funds suddenly 'appeared' to be underfunded? If the unintentional consequences of a change harm the viability of pension funds the losses will be, as has happened many times in the past, paid for on the back of public servants.

Sincerely,

Kenneth Brynien,
President