

RESOLUTIONS

Adopted at the
81st Annual NCTR Convention
Business Meeting
October 15, 2003

Resolutions Committee Members

Melva Vogler, Chair (Pennsylvania)

Peggy Boykin (South Carolina)

Hazel Coleman (Arkansas)

Dave Stella (Denver)

Iris Wolfson (New York State)

Alan Belstock, Executive Committee Liaison
(ERFC – Fairfax County)

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**IN APPRECIATION
CAROL F. ACKERSON**

WHEREAS, Carol F. Ackerson retired, having served as President, Vice-President and Trustee of the Minnesota Teachers Retirement Association; and

WHEREAS, Ms. Ackerson served on the Board of Trustees with distinction from July 1, 1987 through June 30, 2003; and

WHEREAS, Ms. Ackerson provided invaluable guidance and insight to the Board of Trustees, was constantly aware of the concerns of her fellow teachers, and served the Minnesota Teachers Retirement Association with wisdom, loyalty, and dedication; and

WHEREAS, Ms. Ackerson proudly served the public education community for 41 years as a high school English teacher for the New Ulm Minnesota School District; and

WHEREAS, Ms. Ackerson earned the respect, confidence and admiration of countless students, associates, officials and trustees; and

WHEREAS, Ms. Ackerson regularly attended NCTR conventions for the last 16 years and shared her expertise and vision by serving on several of its committees; now therefore be it

RESOLVED, that the National Council on Teacher Retirement expresses its best wishes and appreciation to Carol F. Ackerson for her dedicated service to and unwavering support of the Minnesota Teachers Retirement Association; and be it further

RESOLVED, that a copy of this resolution be presented to Carol F. Ackerson and be included in the proceedings of the 81st Annual Convention of the National Council on Teacher Retirement, 2003.

Submitted by: The Minnesota Teachers Retirement Association

**IN APPRECIATION
DR. G. ROBERT BOWERS**

WHEREAS, Dr. G. Robert “Bob” Bowers has served with distinction as the first Education Director of the National Council on Teacher Retirement (NCTR) since January 2001, and in earlier years, he worked on many NCTR projects; and

WHEREAS, Dr. Bowers previously served as Deputy Executive Director, Administration for the State Teachers Retirement System of Ohio from 1989 until December, 2000; and

WHEREAS, Dr. Bowers is personally responsible for drafting the first editions of NCTR’s Board Member Handbook and the Executive Director’s Handbook; and

WHEREAS, Dr. Bowers was instrumental in the development and success of the initial NCTR Trustee Workshop; and

WHEREAS, Dr. Bowers has done valuable consulting work for NCTR member systems. As a policy consultant for the Arkansas Teacher Retirement System from 2001-2003, he was instrumental in the review and revision of the System’s Governance Policies. His commitment to excellence and ability to work cooperatively with System Trustees and Staff was invaluable to the Arkansas system; and

WHEREAS, Dr. Bowers has been an invaluable asset to NCTR and its member systems and his contributions will continue to serve the NCTR members for many years; now therefore be it

RESOLVED, the National Council on Teacher Retirement expresses its appreciation to Dr. G. Robert Bowers for his distinguished service to NCTR, the State Teachers Retirement System of Ohio, and NCTR member systems; and be it further

RESOLVED, a copy of this resolution be presented to Dr. G. Robert Bowers and be included in the proceedings of the 81st Annual Convention of the National Council on Teacher Retirement.

Submitted by: The National Council on Teacher Retirement and the Arkansas Teacher Retirement System

**IN APPRECIATION
CHARLES L. DUNLAP**

WHEREAS, Charles L. Dunlap of Austin, Texas is retiring as executive director of the Teacher Retirement System of Texas (TRS) on August 31, 2003 after rendering outstanding service since October 1995;

WHEREAS, Mr. Dunlap has always placed the interests of those who teach and serve our state's public and higher education students as his highest priority; and

WHEREAS, Mr. Dunlap has shared his extensive expertise in the areas of management, finance, and investments for the benefit of the system and its members; and

WHEREAS, Mr. Dunlap has led the system at a time when extensive strategic planning was initiated, management controls were strengthened, significant changes in investment allocations and procedures were adopted and implemented, and reports by the State Auditor's Office provided unqualified opinions with no material findings; and

WHEREAS, TRS introduced several important technological improvements during his tenure, including enhancements to the TRS Telephone Counseling Center, introduction of an agency Web site with online account information, development of an Internet-based employer reporting system, and implementation of a new investment accounting system;

WHEREAS, Mr. Dunlap oversaw timely implementation of the largest benefit improvements in TRS history, with member benefit payments increasing from \$1.7 billion in 1995 to \$4.6 billion in 2002;

WHEREAS, under his leadership, TRS implemented a series of major benefit enhancements approved by the Texas Legislature, including two increases to the multiplier used to calculate retirement annuities, a series of Consumer Price Index (CPI) catch-up annuity increases, creation of a statewide health care program for active public education employees, and establishment of a long-term care insurance option;

WHEREAS, Mr. Dunlap served as executive director at a time when pension fund net assets grew from \$46 billion to approaching \$80 billion; the number of members in the system grew from 770,000 to more than a million;

WHEREAS, his integrity, professionalism, good judgment, and caring for others have earned him the respect and admiration of those who have worked with him; now therefore be it

RESOLVED, that the National Council on Teacher Retirement expresses its best wishes and appreciation to Charles L. Dunlap on his retirement from public service; and be it further

RESOLVED, that a copy of this resolution be presented to Charles L. Dunlap and be included in the proceedings of the 81st Annual Convention of the National Council on Teacher Retirement, 2003.

Submitted by: Teacher Retirement System of Texas

**IN APPRECIATION
DALE H. EVERHART**

WHEREAS, for the last 28 years Dale H. Everhart tirelessly served the citizens of Pennsylvania through the Commonwealth's pension plans, including the last four and one-half years as the Executive Director of the Pennsylvania Public School Employees' Retirement System (PSERS); and

WHEREAS, Mr. Everhart was responsible for the supervision of 290 employees at PSERS and the management of one of the largest public pension funds in the United States; and

WHEREAS, Mr. Everhart made it his highest priority to ensure that PSERS continued to meet the pension promise to its members who have dedicated their lives to educating children in Pennsylvania; and

WHEREAS, Mr. Everhart led PSERS through one of the most challenging periods in its history and has positioned the System to continue to serve its members in the years to come; and

WHEREAS, Mr. Everhart is appreciated by his colleagues as a man meticulous in his honesty, integrity, trustworthiness, and professionalism; and therefore be it

RESOLVED, that the National Council on Teacher Retirement hereby acknowledges Mr. Everhart for all of his devoted efforts on behalf of the Pennsylvania Public School Employees' Retirement System and its members, his outstanding service to the Commonwealth of Pennsylvania, and offers best wishes to him in all his future endeavors; and be it further

RESOLVED, that a copy of this resolution be presented to Dale H. Everhart and be included in the proceedings of the 81st Annual Convention of the National Council on Teacher Retirement, 2003.

Submitted by: Pennsylvania Public School Employees' Retirement System

**IN APPRECIATION
VERONICA J. HAMBACKER**

WHEREAS, Veronica J. Hambacker served as a member of the Board of Trustees of The Public School Retirement System of Missouri from July 1, 1994 until June 30, 2002, and as Chair of the Board from July 1, 1998, until June 30, 2000; and

WHEREAS, during the period of this tenure Mrs. Hambacker served the interests of teachers and school support personnel of Missouri with loyalty, dedication and integrity; now therefore be it

RESOLVED, the National Council on Teacher Retirement expresses its appreciation to Veronica J. Hambacker for her distinguished service to the Board of Trustees of The Public School Retirement System of Missouri; and be it further

RESOLVED, a copy of this resolution be presented to Veronica J. Hambacker and be included in the proceedings of the 81st Annual Convention of the National Council on Teacher Retirement, 2003.

Submitted by: The Public School Retirement System of Missouri

**IN APPRECIATION
JOHN JENSEN**

WHEREAS, John Jensen has served with distinction as a Trustee of the Omaha School Employees' Retirement System as a representative of the certificated employees for 24 years; and

WHEREAS, Mr. Jensen has served as Vice President of the Board of Trustees for 19 years; and

WHEREAS, Mr. Jensen has brought his high standards of leadership, honesty, loyalty, dedication, and integrity to the position at all times in working to provide a better retirement and investment program for all Omaha Public Schools employees and retirees; and

WHEREAS, Mr. Jensen has served the National Council on Teacher Retirement as a member of the Executive Committee and as President; and

WHEREAS, Mr. Jensen currently is and has been active in community and education organizations providing invaluable service as Retirement Committee Chair, Board of Directors member and President of the Omaha Education Association; Retirement Committee member and Board of Directors member of the Nebraska State Education Association; Investors Advisory Corporation Board of Directors member, Member Benefits Corporation Board of Directors member and Board of Directors member, all of the National Education Association; and Board of Directors member of the Educators Credit Union; and

WHEREAS, Mr. Jensen retired June 1, 2003 following a distinguished 36 year professional career at Omaha Public Schools having served as a math and science instructor and at retirement was serving as curriculum specialist of math, science and technology at Omaha South High School; now therefore be it

RESOLVED, that the members of the National Council on Teacher Retirement join with the Retirement System members, Board of Trustees, and staff in extending their grateful appreciation to John Jensen and recognize him for his contributions to NCTR and for his dedicated service to the members of the Retirement System and extend their best wishes to him and his wife, Sandy, for good health and for success and happiness in all their future endeavors; and be it further

RESOLVED, that a copy of this Resolution be presented to John Jensen and be included in the proceedings of the 81st Annual Convention of the National Council on Teacher Retirement, 2003.

Submitted by: Board of Trustees, Omaha School Employees' Retirement System

**IN APPRECIATION
GLORIA B. JOHNSON**

WHEREAS, Gloria B. Johnson has served on the Board of Trustees for the Educational Employees' Supplemental Retirement System of Fairfax County (ERFC) with distinction for 28 years; and

WHEREAS, Mrs. Johnson has been an active participant in the National Council on Teacher Retirement, serving on a variety of committees and attending its national conventions regularly, and

WHEREAS, Mrs. Johnson served as Chairperson of the Board of Trustees for 24 years; and

WHEREAS, Mrs. Johnson contributed to the improved benefits for active and retired members while being adamant that the ERFC remain actuarially funded; and

WHEREAS, Mrs. Johnson provided valuable leadership to the ERFC through her exceptional loyalty and visionary outlook; and

WHEREAS, Mrs. Johnson's integrity and great dedication provided valuable leadership to the ERFC; and

WHEREAS, during Mrs. Johnson's tenure, the ERFC grew substantially both in assets, benefits and membership; and

WHEREAS, under Mrs. Johnson's direction many benefit enhancements were provided, including, but not limited to, the conversion of accumulated sick leave to provide additional pension benefits on retirement, expansion of pension portability through liberalized provisions for purchased service credit, preservation of members' benefit expectations under ERFC when Virginia Retirement System benefits (which ERFC benefits supplement) were revised, offering an optional form of benefit under which members can receive a partial lump sum at retirement and a reduced annuity during retirement, improving joint-and-survivor benefits for spouses and non-spouse dependents, providing opportunities for members to obtain pension credit for periods during which they had been required to take leave for pregnancy in past years, and designing a new benefit plan first effective for those hired in 2001 to provide benefits of equivalent value to the original system but with simpler, more understandable rules; and

WHEREAS, Mrs. Johnson will retire from her position on the ERFC Board of Trustees on July 1, 2004; now therefore be it

RESOLVED, that the National Council on Teacher Retirement expresses its appreciation to Gloria B. Johnson for her contributions and dedicated years of outstanding service and leadership to the Educational Employees' Supplemental Retirement System of Fairfax County; and be it further

RESOLVED, that a copy of the resolution be presented to Gloria B. Johnson and be included in the proceedings of the 81st Annual Convention of the National Council on Teacher Retirement, 2003.

Submitted by: The Educational Employees' Supplementary Retirement System of Fairfax County Board of Trustees

**IN APPRECIATION
THOMAS R. LUSSIER**

WHEREAS, Thomas R. Lussier has served the active and retired teachers and school administrators of the Commonwealth of Massachusetts for more than 18 years as the Executive Director of the Massachusetts Teachers' Retirement Board; and

WHEREAS, Mr. Lussier was responsible for the administration of retirement benefits for over 125,000 members and has led the System's expansion of member services and the implementation of new technology to build a client-oriented service organization committed to quality; and

WHEREAS, Mr. Lussier dedicated his entire professional career to the delivery of quality service to all Massachusetts teachers and administrators, and to the establishment of a retirement system that operates as an independent retirement trust; and

WHEREAS, Mr. Lussier provided leadership and rendered invaluable service to the Massachusetts public retirement community as Executive Director, past president of the National Pre-retirement Education Association (NPEA), past president of the National Council on Teacher Retirement (NCTR), and as an instructor with the International Foundation of Employee Benefit Plans' Certificate of Achievement in Public Plan Policy (CAPPP™) in Employee Pensions; and

WHEREAS, Mr. Lussier, as a member of NCTR, served as chairman of the Exhibit Committee (1991), the Resolutions Committee (1995 and 1996), the Finance Committee (1999), President (2000), the Annual Conference Planning Committee (2000), a member of the NCTR Executive Committee since 1993 and represented the NCTR on the Public Pension Coordinating Council (PPCC); now therefore be it

RESOLVED, that the National Council on Teacher Retirement expresses its appreciation to Thomas R. Lussier for his many years of outstanding service to the retirement community, teachers and school administrators and extends its very best wishes to him for success and happiness in all future endeavors; and be it further

RESOLVED, that a copy of this resolution be presented to Thomas R. Lussier and be included in the proceedings of the 81st Annual Convention of the National Council on Teacher Retirement, 2003.

Submitted by: Massachusetts Teachers' Retirement Board

**IN APPRECIATION
J. CLARE MARTIN-WEST**

WHEREAS, J. Clare Martin-West will have served as a member of the Board of Trustees of the Public School Retirement System of the School District of Kansas City, Missouri (Retirement System) from January 1996 through January 2004; and

WHEREAS, during her tenure as Trustee of the Retirement System, Ms. Martin-West participated at annual meetings of the National Council on Teacher Retirement; and

WHEREAS, Ms. Martin-West was a teacher in the School District of Kansas City, Missouri (District) for 25 years; and

WHEREAS, Ms. Martin-West served as Chairperson of the Board of Trustees of the Retirement System from January 2000 through January 2003; and

WHEREAS, during Ms. Martin-West' s tenure as a Trustee, and especially as Chairperson, she provided important leadership to the Retirement System with the cultivation of its assets, its membership; its technology infrastructure and a harmonious relationship between staff and the Board, that will insure the Retirement System' s success for years to come; now therefore be it

RESOLVED, that the National Council on Teacher Retirement expresses its appreciation to J. Clare Martin-West and congratulates her for her many contributions to the District, the Retirement System, and the public pension plan community; and be it further

RESOLVED , that a copy of this Resolution be presented to J. Clare Martin-West and be included in the proceedings of the 81st Annual Convention of the National Council on Teacher Retirement, 2003.

Submitted by: The Public School Retirement System of the School District of Kansas City, Missouri

**IN APPRECIATION
WILLIAM E. WASSON**

WHEREAS, William E. Wasson served as a member of the Board of Trustees of The Public School Retirement System of Missouri from July 1, 1990 until February 25, 2003, and as Chairman of the Board from July 1, 1997, until June 30, 1998; and

WHEREAS, during the period of this tenure Mr. Wasson ably served the interests of teachers and school support personnel of Missouri and the State of Missouri; and

WHEREAS, through his experience in public education and dedication as a teacher, coach, principal, superintendent, director of business operations at Southwest Missouri State University and Deputy Commissioner of Education, he was able to lead and counsel wisely in the enactment of legislation and the formulation of policies and regulations bringing continued improvement in the retirement systems; now therefore be it

RESOLVED, the National Council on Teacher Retirement expresses its appreciation to William E. Wasson for his distinguished service to the Board of Trustees of The Public School Retirement System of Missouri; and be it further

RESOLVED, a copy of this resolution be presented to William E. Wasson and be included in the proceedings of the 81st Annual Convention of the National Council on Teacher Retirement, 2003.

Submitted by: The Public School Retirement System of Missouri

**IN MEMORIAM
HARRY L. DU BRIN, JR.**

WHEREAS, Harry L. Du Brin, Jr., a long time friend and associate of the National Council on Teacher Retirement (NCTR) passed away on October 11, 2002;

WHEREAS, Mr. Du Brin served for 35 years with New York Insurance Department and as Assistant Executive Director for the New York State Teachers' Retirement System; and

WHEREAS, Mr. Du Brin served six years on the Executive Committee on NCTR and as its Legislative Chairman, and was an active contributor to many aspects of the association during his long career with the New York Teachers' Retirement System; and

WHEREAS, Mr. Du Brin was also active in other organizations such as the American Bar Institute, the International Foundation of Governmental Finance Officers Association, the National Association of State Retirement Administrators, and numerous other groups; and

WHEREAS, Mr. Du Brin was a recipient of the prestigious 1997 Lillywhite Award presented by the Employee Benefit Research Institute; and

WHEREAS, during his tenure with the MetLife Company, Mr. Du Brin was actively involved with the support of the National Teacher of the Year's annual appearance at the NCTR Convention; and

WHEREAS, Mr. Du Brin was a close friend, mentor, and advisor for numerous people in the public pension industry; now therefore, be it

RESOLVED, that the National Council on Teacher Retirement, with deep sadness and sense of loss, extends its sympathy to Harry's wife, Carol, and their children: and be it further

RESOLVED, that a copy of this resolution be presented to Mrs. Carol Du Brin and be included in the proceedings of the 81st Annual Convention of the National Council on Teacher Retirement, 2003.

Submitted by: The National Council on Teacher Retirement

**IN MEMORIAM
FRANK WHITE**

WHEREAS, Frank White served in many capacities for the State of Arkansas, a former Governor and more recently the State Bank Commissioner and from August 1, 1998, until his untimely death on May 21, 2003, a Trustee of the Arkansas Teacher Retirement System; and

WHEREAS, Mr. White devoted his lifetime to civic involvement, being recognized numerous times for his tireless efforts and ideas, which helped promote business, industrial development, tourism, community pride, and international relations for the State of Arkansas; and

WHEREAS, Mr. White's enthusiasm, tireless involvement, leadership and vision will be sorely missed, having earned the highest respect and admiration of his fellow man; and

WHEREAS, Mr. White provided valuable insight and service to the Arkansas Teacher Retirement System, now therefore be it

RESOLVED, that a copy of this resolution be presented to Mrs. Gay White and the White Family and be included in the proceedings of the 81st Annual Convention of the National Council on Teacher Retirement, 2003.

Submitted by: The Arkansas Teacher Retirement System

III. CONTINUING RESOLUTIONS:

A. Plan Design

A-1. Support for Defined Benefit Plans

WHEREAS, efforts to convert state and local government retirement plans from defined benefit to defined contribution have taken place; and

WHEREAS, state and local government employees traditionally participate in defined benefit plans that provide a pension benefit based on the employee's length of service and salary at retirement; and

WHEREAS, some state and local government employees have in addition to defined benefit plan coverage a supplementary defined contribution plan, such as a Section 403(b) tax sheltered annuity, a Section 457 deferred compensation plan, or a Section 401(k) plan, in which they may voluntarily participate; and

WHEREAS, state and local government defined benefit plans help to attract and retain productive employees, which helps produce a high performance work force for taxpayers; and

WHEREAS, such plans provide employees with an effective means of building retirement income; and

WHEREAS, such plans offer a predictable lifetime retirement benefit that can never be reduced; and

WHEREAS, such plans are long-term investors and average the bad periods against the good, therefore, the amount of a retiree's benefit is not reliant on the health of the stock market as could be the case with defined contribution plans; and

WHEREAS, such plans frequently offer plan participants the opportunity to purchase service credit which affords portability; and

WHEREAS, the funding policy of such plans is intended to produce relatively level rates of funding that will accumulate sufficient assets to meet the cost of promised benefits; and

WHEREAS, some changes have been made recently in state and local retirement plans to address the issue of short service employees and to enhance portability within the structure of the existing defined benefit plan and not by converting to a defined contribution plan; now therefore be it

RESOLVED, that the National Council on Teacher Retirement supports the prevailing system of retirement benefits in the public sector, namely, a defined benefit plan and a supplementary defined contribution plan into which the employee voluntarily contributes.

Submitted by: The NCTR Legislative Committee

A-2. Support for All Governmental Employers to Have Authority to Offer 401(k) Plans, in Addition to Defined Benefit Plans and Existing Supplementary Pension Plans, to Their Employees

WHEREAS, defined benefit plans provide the basic retirement income for state and local government employees; and

WHEREAS, some employees also contribute to a supplementary pension plan in which they voluntarily defer a portion of their income (subject to limits) on a tax-favored basis; and

WHEREAS, supplemental savings plans for education employees are known as 403(b) tax sheltered annuities and/or 457 deferred compensation plans; and

WHEREAS, private sector employees have 401(k) plans available to them, but only a few state and local employees have the same opportunity to participate because Congress, in the Tax Reform Act of 1986, terminated the right of states and localities to offer any new 401(k) plans after that time; and

WHEREAS, allowing states and localities to offer 401(k) plans to their employees in addition to other types of voluntary supplemental retirement savings vehicles would give the governmental employers desirable additional flexibility in assisting their employees in preparing for retirement; and

WHEREAS, granting such authority to the states and localities will restore the status quo that was in effect before the Tax Reform Act of 1986; and

WHEREAS, states and localities should be allowed to offer 401(k) plans if desirable for their employees; and

WHEREAS, the extension of 401(k) plans to the public sector should not be based on conditions that restrict or eliminate the use of other existing tax favored vehicles, such as 403(b) tax sheltered annuities and 457 deferred compensation plans; and

WHEREAS, 401(k) and other supplemental pension programs complement defined benefit plans, but are not a substitute for them; now therefore be it

RESOLVED, that the National Council on Teacher Retirement supports the enactment of legislation authorizing the use of 401(k) plans by public sector employers as a complement, not a substitute for defined benefit plans; and be it further

RESOLVED, that the extension of the availability of 401(k) plans to public sector employees pursuant to the foregoing should be in addition to existing tax favored arrangements, such as 403(b) tax sheltered annuities and 457 deferred compensation plans, and not conditioned on the restriction or closing of these savings vehicles.

Submitted by: The NCTR Legislative Committee

A-3. Resolution Urging Money Managers to Recognize the Fundamental Role of Defined Benefit Plans and the Need for Plan Member and Trustee Input and Concurrence on any Change in Plan Design

WHEREAS, virtually all retirement systems that belong to NCTR are structured as defined benefit plans; and

WHEREAS, defined benefit plans provide the basic retirement income for state and local government employees; and

WHEREAS, many money managers offer services to defined benefit plans; and

WHEREAS, some money managers are actively lobbying state legislatures to set up a defined contribution plan that either would directly supplant the defined benefit plan, if it replaces the defined benefit plan, or compete with it, if it is an alternative to the defined benefit plan; and

WHEREAS, this lobbying activity directly conflicts with NCTR's support for defined benefit plans as an effective means of building retirement income, the best means of offering a predictable lifetime retirement benefit that can never be reduced, and a proven method of attracting and retaining productive employees; now therefore be it

RESOLVED, that the National Council on Teacher Retirement calls upon money managers involved in such lobbying efforts to recognize the fundamental role of defined benefit plans for state and local government employees and that any conversion to a defined contribution or a defined benefit/defined contribution hybrid plan must have the input and concurrence of the plan members and Trustees.

Submitted by: The NCTR Executive Committee

A-4. Effect on Retirement Systems of Policies that Encourage Veteran Educators to Remain in Workforce

WHEREAS, a teacher shortage in certain geographic areas and in certain disciplines has prompted discussion about ways to retain veteran educators; and

WHEREAS, school districts may wish to encourage veteran teachers to remain in the workforce to expand the available labor supply; and

WHEREAS, veteran educators may wish to work after retirement or, alternatively, transition from full-time work to retirement by reducing hours and/or responsibilities; and

WHEREAS, under current law, some employment provisions act as incentives while others create barriers to veteran teachers remaining in the workforce; and

WHEREAS, some state laws provide an incentive by allowing retired teachers to return to work without losing retirement benefits, although such laws usually impose a limit on the amount of earnings or hours worked; and

WHEREAS, other state laws allow individuals who have retired to remain on the job through deferred retirement option plans (DROPs); and

WHEREAS, federal law creates a barrier to veteran educators transitioning from full-time work to retirement through reduced hours and/or responsibilities because the “in service distribution” rule prohibits an individual from drawing a pension while continuing to work unless he/she has reached normal retirement age; and

WHEREAS, the issue has been discussed in relation to its potential effect on school districts and veteran educators, but not on the funding of the retirement systems that serve teachers; and

WHEREAS, consideration of any policy that encourages teachers to remain in the workforce must include the effect on retirement system funding; and

WHEREAS, without such consideration, policies could be adopted that raise retirement system costs without adequate funding being made available; now therefore be it

RESOLVED, that the National Council on Teacher Retirement recommends that an actuarial study be conducted as a precondition to considering any proposal that encourages veteran educators to remain in the work force; and be it further

RESOLVED, that any proposal be adopted only if it is determined that it will either have no adverse actuarial impact on the retirement system's funding or adequate funding is available to mitigate such impact.

Submitted by: The NCTR Legislative Committee

A-5. Support for Pension Simplification Proposals

WHEREAS, the federal government is involved to a degree in the regulation of state and local government plans through the pension qualification rules of the federal Internal Revenue Code; and

WHEREAS, the federal Internal Revenue Code grants state and local government retirement plans and their participants tax-deferred treatment; and

WHEREAS, in exchange for this tax-deferred treatment, state and local government retirement plans must comply with a series of complicated qualification rules; and

WHEREAS, many of these rules have little application to the operation of state and local retirement plans; and

WHEREAS, many of these rules interfere with an employee's ability to save for retirement; and

WHEREAS, many of these rules impose great administrative cost with little or no corresponding benefit; now therefore be it

RESOLVED, that the National Council on Teacher Retirement supports proposals to simplify the Internal Revenue Code pension qualification rules to facilitate the administration of state and local government retirement plans and benefit plan participants.

Submitted by: The NCTR Legislative Committee

A-6. Maintaining Fiscal Integrity of State and Local Government Retirement Systems

WHEREAS, the assets in state and local government retirement systems are dedicated to provide retirement and other benefits to current and future plan participants; and

WHEREAS, benefits under state and local government law are contractually guaranteed; and

WHEREAS, responsible funding practices are critical to carry out these guarantees and ensure the continued stability of the systems; and

WHEREAS, sufficient funding is especially critical now as “Baby Boomers” begin retirement; and

WHEREAS, insufficient funding will unduly burden future generations of taxpayers; and

WHEREAS, some state and local governments have diminished the stability of retirement systems by reducing or deferring employer contributions, taking control of actuarial matters, invading the corpus of a system’s trust fund, and intervening in a system’s daily operation; and

WHEREAS, state and local governments should, in principle and practice, recognize that retirement administrators and trustees are fiduciaries whose unwavering duty is to act for the exclusive benefit of plan participants; now therefore be it

RESOLVED, that the National Council on Teacher Retirement urges state and local governments to respect and maintain the fiscal integrity of their retirement systems; and be it further

RESOLVED, that the National Council on Teacher Retirement calls upon state and local governments to resist taking actions that impair the systems’ stability, place in jeopardy the guaranteed rights of plan participants to their benefits, or both.

Submitted by: The Teachers’ Retirement System of the City of New York and the NCTR Legislative Committee

A-7. Support for Liberalizing the IRC §415(b) Defined Benefit "Dollar" Limitations

WHEREAS, state and local retirement systems are primarily defined benefit plans subject to the so-called "dollar" limitations of section 415(b) of the Internal Revenue Code; and

WHEREAS, the enforcement of the dollar limitations pose cumbersome administrative burdens for public sector pension plans because it is often difficult to predict in advance whether the 415(b) limitations will impact a given participant's benefit and the overwhelming majority of public employees are ultimately not affected by the dollar limitations in any event; and

WHEREAS, the uncertainties created by the 415(b) dollar limitations also present potential traps for plan participants considering retirement who cannot be expected to be familiar with the complexities of the Federal tax laws but because of their particular age and circumstances may have their promised benefits capped by an unforeseen application of the IRC §415(b) dollar limitations; and

WHEREAS, the 415(b) dollar limitations were recently liberalized by the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"); and

WHEREAS, as a result of the enactment of EGTRRA, even fewer participants in public sector defined benefit plans will be actually affected by the 415(b) dollar limitations; and

WHEREAS, the changes in the 415(b) dollar limitations made by EGTRRA will sunset on December 31, 2010 and throw plan participants back under the 415(b) dollar limitations as they existed prior to the enactment of EGTRRA; and

WHEREAS, implementation of the "sunset" provision in EGTRRA, if it were to occur, would be substantially detrimental to the interests of participants in governmental plans and create enormous administrative problems for public sector plans; and

WHEREAS, instead of a roll-back of the beneficial changes made by EGTRRA, further liberalization of the 415(b) dollar limitations, or a complete exemption from them for governmental plans, would be greatly welcomed by public sector pension plans as a way of easing or eliminating the administrative burdens of complying with the limitations and by participants as a means of assuring they will be able to predict with confidence the benefit they will receive in retirement; now therefore be it

RESOLVED, that the National Council on Teacher Retirement supports the enactment of legislation eliminating the "sunset" of the positive changes in the IRC §415(b) dollar limitations made

by the Economic Growth and Tax Relief Reconciliation Act of 2001; and be it further

RESOLVED, that the National Council on Teacher Retirement supports the enactment of further legislation liberalizing the IRC §415(b) dollar limitations or exempting governmental plans from the IRC §415(b) dollar limitations altogether.

Submitted by: The NCTR Legislative Committee

A-8. Support for a Social Security Reform Initiative that Ensures the Long-term Solvency of the System, that Guarantees at least the Benefits of the Current Program, that Preserves Voluntary Participation for State and Local Governmental Employees, and that Provides All Americans, including All Public Employees and Their Survivors, with a Benefit Commensurate with Their Contributions

WHEREAS, the National Council on Teacher Retirement recognizes that Social Security has successfully provided basic retirement and other benefits since 1935, raising countless older Americans out of poverty while serving as the primary source of retirement income for many senior citizens thereby allowing them to live out their retirement years with dignity; and

WHEREAS, Social Security is more than a retirement program, it is a family protection plan that provides benefits to survivors, including spouses and dependent children, as well as disabled adults and children and other Americans with special needs; and

WHEREAS, many state and local governments established independent retirement systems to provide comprehensive and actuarially-sound retirement and related benefit programs for their employees prior to the enactment of the Social Security Act, an act that initially prohibited the inclusion of state and local governmental employees and the mandating of which would seriously threaten, if not destroy, these and other public retirement programs that have been initiated since its enactment; and

WHEREAS, the anticipated retirement of the estimated 77 million so-called “Baby Boomers” will seriously deplete the Social Security Trust Fund leaving funding for only 75% of the promised benefit beginning in 2042; and

WHEREAS, the National Council on Teacher Retirement believes that some of the reform initiatives that have been advanced would actually reduce the retirement security of millions of Americans and jeopardize the guaranteed benefits promised to those covered by the Social Security system, such as proposals to divert funds from the Social Security Trust Fund to establish private accounts and to impose mandatory Social Security coverage on over five million public employees; and

WHEREAS, the Congress has previously enacted ill-conceived provisions, such as the Windfall Elimination Provision and the Government Pension Offset that actually deprive certain public employees of Social Security benefits that they have rightfully earned and/or those that have been earned by their spouses, thereby breaking the promise of Social Security and further weakening the retirement security of millions of Americans; and

WHEREAS, the National Council on Teacher Retirement includes state and local retirement

systems that provide excellent retirement and other related benefits that are actuarially funded, that address the unique needs of their members and their survivors, and that provide models for reform of the Social Security system; now therefore be it

RESOLVED, that the National Council on Teacher Retirement calls upon the President and the Congress of the United States of America to enact comprehensive Social Security reform legislation that will:

- Guarantee and fully fund the current level of promised Social Security benefits, thereby ensuring the long-term solvency of the Social Security Trust Fund and the guaranteed inflation-adjusted benefits currently promised to American workers, retirees and their survivors;
- Establish an investment program for the Social Security Trust Fund that insulates investment decisions from political interference, that empowers an independent investment committee that includes Social Security beneficiaries as trustees, that requires a transition to a diversified portfolio of assets that are invested in public and private markets for the exclusive benefit of Social Security beneficiaries and that can be used solely for retirement, survivor, and disability benefits;
- Protect the rights of state and local governments and their employees to decide whether to affiliate with the Social Security system, thereby protecting the retirement security of millions of American public employees, saving state and local taxpayers unnecessary federally mandated expenses, and preventing costly and ill-considered design changes to financially secure and well designed public retirement systems; and
- Address those provisions of prior amendments to Social Security, such as the Government Pension Offset and Windfall Elimination Provision, that actually deprive certain public employees of Social Security benefits that they have rightfully earned and/or those that have been earned by their spouses, thereby breaking the promise of Social Security and further weakening the retirement security of millions of Americans; and be it further

RESOLVED, that the National Council on Teacher Retirement will actively oppose any Social Security reform, which undermines the long-term solvency of the Social Security Trust Fund, reduces the current level of Social Security benefits, establishes individual private accounts, or that jeopardizes the guaranteed inflation-adjusted retirement income currently promised to American workers, retirees, and their survivors.

Submitted by: The NCTR Executive Committee and the NCTR Legislative Committee

A-9. Support for Enabling Phased Retirement as a Matter of Plan Design

WHEREAS, the National Council on Teacher Retirement recognizes that the retirement of the so-called, “Baby Boomers,” represents a fundamental shift in the demographics of America that will inevitably impact an individual’s traditional transition from his/her working life to retirement; and

WHEREAS, these demographic realities, when combined with the inevitability of longer life expectancy due to ongoing medical advances that continue to extend the quality of life for retirees, will result in a greater need for financial security amongst retirees for a much longer time than historically projected; and

WHEREAS, a study by the Employee Benefits Research Institute reports that 67% of today’s workers expect, either for economic, social or other reasons, to work for compensation after retirement; and

WHEREAS, it must be recognized that these changes in retirement trends are occurring at a time when the teaching profession, as well as countless other occupations, is anticipating a major worker shortage that may threaten the quality of public education and other public and private services; and

WHEREAS, retired teachers, school administrators and other public sector professionals represent an available, highly skilled potential workforce that may be utilized for mentoring, job sharing opportunities, professional development, and part-time or short-term employment, thereby addressing the individual’s need for transitional employment while providing the employer with an invaluable human resource; and

WHEREAS, public pension plans may wish to design benefit programs that are responsive to these changing retirement and workforce issues but are inhibited from doing so due to tax code provisions that prevent partial retirement distributions while a plan member remains employed at any level; now therefore be it

RESOLVED, that the National Council on Teacher Retirement calls upon the Internal Revenue Service to enable qualified retirement plans to offer benefit programs that may allow for the payment of partial retirement benefits in order to design a transitional or “phased retirement” program that addresses the changing needs of our members and their employers without endangering the plans tax qualification.

Submitted by: The NCTR Executive Committee and the NCTR Legislative Committee

B. Investment of Assets

B-1. Prudent Investment of State and Local Government Pension Plan Assets

WHEREAS, the exclusive purpose of state and local government pension plans is to provide benefits to their participants; and

WHEREAS, state and local pension plan administrators and trustees must invest plan assets according to fiduciary standards which include the duty to invest the assets in a prudent manner; and

WHEREAS, in investing prudently, state and local pension plan administrators and trustees seek investments that provide an appropriate risk adjusted market rate of return; and

WHEREAS, if state and local pension plan administrators and trustees do not invest according to these standards, they violate their fiduciary duties and responsibilities to the plan participants and are subject to personal liability; and

WHEREAS, some policy makers are interested in using pension funds as a source of program funding in violation of these duties and responsibilities; and

WHEREAS, other policy makers would like plan administrators and trustees to make investments that advance certain social concerns, which are not directly related to investment returns; now therefore be it

RESOLVED, that the National Council on Teacher Retirement vigorously opposes any mandate that requires state and local pension plan administrators and trustees to make investment decisions that violate their fiduciary duties and responsibilities.

Submitted by: The NCTR Legislative Committee

B-2. Support for Increased Investor Protection

WHEREAS, the members of National Council on Teacher Retirement invest in and are shareholders of all or most of the publicly held companies in the United States; and

WHEREAS, as investors in and shareholders of publicly held domestic companies, National Council on Teacher Retirement members must rely on the vigilance and integrity of the boards of directors, officers, and independent auditors of portfolio companies to assure: 1) the companies are operated on a sound financial basis; 2) their reports on the financial condition and operating results of those companies are truthful and accurate; and 3) the companies are managed solely in the interest of shareholders;

WHEREAS, the magnitude of corporate disasters has demanded vigorous and appropriate response in order to restore investor confidence in publicly held domestic companies, assure the truthfulness and reliability of corporate financial statements, and assure the proper accountability of corporate boards, management, and independent auditors to their shareholders; and

WHEREAS, Congress approved and the President signed into law the Sarbanes-Oxley Act of 2002 that includes such important reforms as:

-Assuring meaningful auditor independence by limiting non-audit services that auditors may perform for their audit clients; and

-Making meaningful reform in the oversight of auditors by establishing a new body consisting of a majority of non-accountants with independent funding and meaningful disciplinary powers; now therefore be it

RESOLVED, that the National Council on Teacher Retirement urges the Securities and Exchange Commission to implement fully and promptly the provisions of the Sarbanes-Oxley Act; and be it further

RESOLVED, that the National Council on Teacher Retirement urges the appropriate regulatory bodies, exchanges, and Congress to continue to develop policy, procedures, and controls that promote the interest of shareholders; and be it further

RESOLVED, that the National Council on Teacher Retirement strongly urges corporate boards of directors and officers to make decisions in all matters in the interest of shareholders.

Submitted by: The NCTR Legislative Committee

C. Plan Governance

C-1. Support for Current Governance of State and Local Government Retirement Plans

WHEREAS, most state and local government retirement plans have been in operation for decades, some having been in existence since the beginning of the 20th century; and

WHEREAS, over 90% of full-time state and local government employees are covered by a defined benefit pension plan; and

WHEREAS, state and local government retirement plans are funded by revenues provided by the employees themselves, state and local taxpayers, and/or earnings from investments managed by the pension board of trustees; and

WHEREAS, state and local governments have a strong contractual, and in some cases, constitutional commitment to guarantee their pension liabilities; and

WHEREAS, the political process ensures that state and local government employees and retirees have meaningful input regarding legislative decisions affecting retirement plans; and

WHEREAS, state and local government retirement plans operate pursuant to an array of state laws, including statutory and common law trust principles, conflict of interest laws, codes of ethics, and sunshine laws; and

WHEREAS, the boards of trustees of state and local government retirement plans have diverse memberships that frequently are made up of representatives of employees, retirees, investment professionals, elected officials, and members of the public; and

WHEREAS, state and local government retirement plans have a long history of success in providing retirement security to their participants under the current regulatory structure; now therefore be it

RESOLVED, that the National Council on Teacher Retirement advocates the regulation and protection of state and local government retirement plans by the respective state or local government.

Submitted by: The NCTR Legislative Committee

C-2. Pension Security Legislation

WHEREAS, the National Council on Teacher Retirement supports the rights of employees to receive from their employer timely notifications about their pension benefits and the status of their defined contribution pension plan investments; and

WHEREAS, employees should receive timely notifications when their ability to make withdrawals or secure loans from their pension account is temporarily suspended; and

WHEREAS, employee pension benefits should be protected when these funds are invested in employer stock and employees are prohibited from selling these securities in self-directed accounts when the corporation is experiencing financial difficulties and executives of the corporation are allowed to sell the securities and employees are not; and

WHEREAS, employees should be provided with appropriate investment information so they can make informed decisions about self-directed investment accounts and maximize their pensions; and

WHEREAS, participants in state and local government plans do not have the option to invest in employer's stock;

WHEREAS, public employees are currently being provided with notifications, reports, and investment education as required by state and local statute and regulations; and

WHEREAS, making state and local public plans duplicate reporting, notification, and investment education to comply with federal regulations is not only unnecessary but would be costly, with the cost being passed onto the plan participants; and

WHEREAS, the application of a monetary penalty or excise tax by the federal government on state and local government pension plans for failure to comply with additional federal requirements violates a long-standing precedent of exempting such plans from federal taxation as well as forcing the cost of such penalty or tax to be passed onto the plan participants; now therefore be it

RESOLVED, that the National Council on Teacher Retirement calls on the Congress to exclude public plans from pension security legislation because they comply with the reporting, notification, and investment education requirements governed by state and local statute and regulations; and be it further

RESOLVED, that the National Council on Teacher Retirement calls on the Congress to oppose

the application of any penalty or tax to state and local government plans as a violation of long-standing precedent of exempting such plans from federal taxation.

Submitted by: The NCTR Legislative Committee

D. Taxation

D-1. Opposition to Tax on the Assets and Income of Public Pension Plans and Opposition to Elimination of Tax-Exempt Status of Public Pension Plan Assets

WHEREAS, the administrators and trustees of a public pension plan invest the plan's assets to earn income as part of the overall funding process; and

WHEREAS, any tax on these assets and income whether in the form of a securities transfer excise tax or any other form, or the elimination of the tax-exempt status of these assets, will erode the financial integrity of the plans as well as raise the cost of these programs to the employees, employers, and taxpayers; and

WHEREAS, this result would be contrary to the retirement objectives embodied in the Internal Revenue Code; now therefore be it

RESOLVED, that the National Council on Teacher Retirement vigorously opposes any effort to enact any tax on the assets and income of public pension plans or any effort to eliminate the tax-exempt status of such plans.

Submitted by: The NCTR Legislative Committee

D-2. Support for Deleting Sunset Provision for Pension Provisions Enacted in the Economic Growth and Tax Relief Reconciliation Act of 2001 (“EGTRRA”)

WHEREAS, the Economic Growth and Tax Relief Reconciliation Act of 2001 (“EGTRRA”) greatly simplified the regulation of state and local government retirement systems; and

WHEREAS, EGTRRA significantly improved the portability of various types of tax sheltered retirement savings plans for public employees; and

WHEREAS, over each of the next few years, EGTRRA increases the dollar limits that public employees may contribute annually to their tax deferred retirement savings accounts, thereby encouraging them to provide for their own financial well-being after retirement; and

WHEREAS, EGTRRA, will sunset on December 31, 2010, at which time prior law, including the complex and burdensome regulations, barriers to portability, and lower annual contribution limitations will be effective again; and

WHEREAS, the potential return of prior law makes financial planning for retirement very confusing and difficult, and if the return of prior law were to occur, it would be substantially detrimental to the interests of participants in state and local government retirement systems and create enormous problems for plan administrators; now therefore be it

RESOLVED, that the National Council on Teacher Retirement urges Congress to delete the sunset provisions as they relate to the pension provisions in the Economic Growth and Tax Relief Reconciliation Act of 2001.

Submitted by: The NCTR Legislative Committee

D-3. Support for Retirees to Pay for Health Insurance and Other Medical Expenses on a Pre-Tax Basis

WHEREAS, health care costs are dramatically rising each year; and

WHEREAS, many state and local governments provide health insurance programs for both their employees and retirees; and

WHEREAS, these programs allow employees and retirees access to health care at a reasonable cost; and

WHEREAS, some of the programs allow employees to pay for their health insurance premiums and other medical expenses on a pre-tax basis through cafeteria plans or flexible spending accounts, as authorized by the federal Internal Revenue Code; and

WHEREAS, current federal law fails to provide the same mechanism for retirees to pay for their health insurance premiums and other medical expenses on a pre-tax basis; and

WHEREAS, retirees are disproportionately affected by rising health care costs; and

WHEREAS, this disparity of tax treatment between employees and retirees violates simple notions of fairness; now therefore be it

RESOLVED, that the National Council on Teacher Retirement calls upon the President and Congress to support the provisions in HR 1776 or similar legislation or introduce legislation that modifies the federal Internal Revenue Code so that retirees may pay for health insurance premiums and other medical expenses on a pre-tax basis.

Submitted by: The South Carolina Retirement System and NCTR Legislative Committee

E. Plan Members

E-1. Support for Increased Retirement Savings and Enhanced Education on the Subject

WHEREAS, employees of state and local governments as well as large companies usually have pension coverage; and

WHEREAS, only 20% of small business workers have pension coverage; and

WHEREAS, women and minorities are less likely to have pension coverage than other groups; and

WHEREAS, Americans' savings rate is very low; and

WHEREAS, the number of Americans reaching retirement age will accelerate in the next few decades; and

WHEREAS, many other organizations, individual employers, and employee associations are also conducting campaigns to educate Americans about retirement savings; now therefore be it

RESOLVED, that the National Council on Teacher Retirement urges Congress to provide incentives to ensure pension coverage for all Americans, including the encouragement of programs that educate the public about the need to save for retirement.

Submitted by: The NCTR Legislative Committee

F. Other Issues

F-1. Support for Pension Provisions in Pending Bankruptcy Reform Bill

WHEREAS, preserving the security of the interests of state and local government employees, including teachers, in their retirement systems, IRC §403(b) tax deferred annuities, IRC §457 deferred compensation plans, and other tax favored retirement savings vehicles is a matter of overriding interest and concern to the National Council on Teacher Retirement; and

WHEREAS, in line with that interest and concern, the National Council on Teacher Retirement has welcomed the trend in court decisions affording increasing protection from creditor claims for the retirement interests of state and local government employees, including teachers, who are compelled by circumstances to file for bankruptcy; and

WHEREAS, each House of Congress has passed legislation to provide additional protection for retirement interests; and

WHEREAS, the additional protections would, among other things, establish a new exemption in bankruptcy for tax favored retirement savings vehicles not protected from creditor claims under current law, assure continued ability of state and local government employees, including teachers, to repay their plan loans after filing for bankruptcy under Chapter 13 of the Bankruptcy Code, and assure contributions can continue to be made to tax favored plans by and for the benefit of state and local government employees, including teachers, notwithstanding their filing for bankruptcy under Chapter 13; and

WHEREAS, the enactment of the additional protections would be of substantial benefit to state and local government employees, including teachers; now therefore be it

RESOLVED, that the National Council on Teacher Retirement supports the inclusion of the additional protections for retirement savings in the bankruptcy legislation and urges both Congress to approve the final version of the bill and the President to sign it into law.

Submitted by: The NCTR Legislative Committee

IV. NEW NCTR POLICY RESOLUTIONS FOR 2003-2004

1. **Support for Flexibility in Compliance with IRC Section 401(a)(9), the Minimum Distribution Rules**

WHEREAS, IRC Section 401(a)(9) regulates how retirement benefits are distributed; and

WHEREAS, IRC Section 401(a)(9) sets out broad rules about such distributions; and

WHEREAS, state and local governments generally provide retirement benefits to broad groups of individuals; and

WHEREAS, such benefit designs usually include post-retirement increases to offset the decline over time in the value of retirement benefits due to inflation; and

WHEREAS, such benefit designs offer flexible benefit distribution options to meet the various needs of their retirees; and

WHEREAS, many of these post-retirement increases and the benefit distribution options have been in law for many years; and

WHEREAS, these post-retirement increases and the benefit distribution options are critically important to retirees and have enhanced their financial security; and

WHEREAS, the U.S. Department of the Treasury and the Internal Revenue Service have proposed rules and issued temporary rules that would terminate certain types of post-retirement increases and would interfere with a number of flexible benefit distribution options; now therefore be it

RESOLVED, that the National Council on Teacher Retirement commends Representatives Portman (R-OH) and Cardin (D-MD) for proposing Section 905 of H.R. 1776 that could help address the effect of the Treasury and IRS positions; and be it further

RESOLVED, that the National Council on Teacher Retirement urges Congress take other action, such as adding more flexibility for governmental plans to comply with Section 401 (a)(9) or exempting governmental plans altogether, to assure the continuation both of these post-retirement increases and the flexible benefit distribution options.

Submitted by: The NCTR Legislative Committee

2. Support for Governmental 403(b) Programs

WHEREAS, a number of governmental retirement plans that serve public school teachers administer supplementary Section 403(b) programs; and

WHEREAS, these programs serve thousands of public school employees around the country; and

WHEREAS, these programs have various structures that range from allowing products from selected 403(b) providers to being entirely self-insured; and

WHEREAS, the U.S. Department of the Treasury is undertaking a revision of the rules that apply to all types of 403(b) programs; and

WHEREAS, these programs provided by governmental retirement plans offer their members lower costs, management by retirement professionals, and unique investment options not available in the public market; and

WHEREAS, a number of these programs were granted a grandfather rule upon which the programs and their members have relied; now therefore be it

RESOLVED, that the National Council on Teacher Retirement urges the U.S. Department of the Treasury, as part of the revision of the 403(b) rules, to preserve these supplementary programs offered to public school teachers by governmental plans; and be it further

RESOLVED, that the National Council on Teacher Retirement urges the U.S. Department of the Treasury, as part of the revision of the 403(b) rules, to take other steps that maintain the value and utility of these programs.

Submitted by: The NCTR Legislative Committee

3. **Support for Clarification of State and Local Government Retirement Systems' Use of Social Security Numbers**

WHEREAS, for decades many state and local government retirement systems have used the social security number of the member as the main numeric identification number in the administration of the member accounts; and

WHEREAS, the member's social security number has been used by state and local government retirement systems and health insurance providers in administering retiree health insurance plans; and

WHEREAS, social security numbers are required extensively by the federal government in tax and Medicare reporting; and

WHEREAS, proposals have been made by the Congress that would prohibit the display, sale, or purchase of social security numbers; and

WHEREAS, such proposals do not make clear that state and local government retirement systems' use of social security numbers do not constitute display, sale, or purchase of such numbers; and

WHEREAS, state and local government retirement systems are already required by state law to have extensive safeguards in place to prevent public release of member social security numbers and other personal member information; and

WHEREAS, converting to different member identification systems will result in significant cost and disruptions in the administration of state and local government retirement systems; now therefore be it

RESOLVED, that the National Council on Teacher Retirement urges Congress to make clear in any relevant legislation that state and local government retirement systems' use of social security numbers does not constitute display, sale, or purchase of such numbers.

Submitted by: The NCTR Legislative Committee