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State and Local Governments Release Pension Funding Guide.

On March 26, the Big Seven state and local government associations, and the Government Finance Officers Association (GFOA) released Pension Funding Guide: A Guide for Local Officials to provide key facts about public pension plans and a brief overview of which issues state and local officials should address. The guide explores why developing a pension funding policy is essential and offers guidelines to follow when developing that policy.

Last year, the Governmental Accounting Standards Board (GASB) issued new standards that focused on how state and local governments should account for pension benefit costs but did not address how employers should calculate the annual required contribution (ARC) necessary to fund those pensions. To assist state and local government employers, the Big 7 and GFOA established a Pension Funding Task Force (Task Force) to develop policy objectives and guidelines. The policy objectives were released last October.

The Big 7 is a coalition of seven national associations in Washington, D.C., whose members represent state and local governments. Members of the Big 7 include the National Governors Association, the National Conference of State Legislatures, The Council of State Governments, the National Association of Counties, the National League of Cities, The U.S. Conference of Mayors and the International City/County Management Association.

In addition, the National Association of State Auditors, Comptrollers and Treasurers; the National Association of State Retirement Administrators; and the National Council on Teacher Retirement serve on the Task Force. The Center for State and Local Government Excellence is the convening organization.

<http://www.naco.org/legislation/policies/Documents/Labor%20and%20Employment/PensionFundingGuide.pdf>