



# CORRALLING RISK

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# Corralling Risk—Where are we going?

Federal	State	Local
Tax Reform—Looking for \$\$	Funding—Discount Rate	Funding—Discount Rate
Redesign of Federal Employee Plans from Hybrid to DC	Redesign—Every State—As of yet, few have moved to DC— BUT?	Redesign — More likely to move to DC (or are they?) — What are the Risks?
Reaction to State Innovations	State Innovations	Local Innovations
Societal Risk—Huge	Societal Risk--Closer	Societal Risk—Ground Zero
Combat over the Size of Government	Battle for the State House-Redistricting	Battle of the Budget
Crisis of Trust	Erosion of Trust	Lack of Trust

## What is being done? What works...

Items	Atlanta	Chattanooga	Memphis
Impetus	Contribution Increase Reduced Tax Revenue Infrastructure Issues	Contribution Increase	Investment Risk
Process	Engage all parties Be patient	Engage all parties Transparent discussions	Competing proposals (mayor and unions) City Council to serve as review board
Result	Traditional Hybrid Reduced DB Base Robust DC Supplement	Stealth Hybrid Maintain DB plan with DROP Expand eligibility Limit COLAs	Combination DB (cash balance) with traditional DC But at retirement all balances are converted to a life annuity

ERISA type funding laws: Florida 1982, Georgia 1984 and Tennessee 2016