

To The Oregon House Rules Committee re: HB 4155

This Bill is absolutely necessary to provide information needed to public entities to comply with the requirements of GASB 68 in a consistent and cost efficient manner. Otherwise, each entity may need to hire its own actuary for a study utilizing various methods of computations and assumptions at a higher cost overall for the state. Since all of the information resides with PERS, having one study contracted out by the Oregon Public Employees Retirement Board makes sense. The Board can determine how to allocate the costs of the study to the entities affected. See the highlighted information below derived from the Governmental Accounting Standards Board website:

http://www.gasb.org/jsp/GASB/Pronouncement_C/GASBSummaryPage&cid=1176160219492.

Defined Benefit Pensions

"This Statement requires the liability of employers and nonemployer contributing entities to employees for defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position.

Actuarial valuations of the total pension liability are required to be performed at least every two years, with more frequent valuations encouraged. If a valuation is not performed as of the measurement date, the total pension liability is required to be based on update procedures to roll forward amounts from an earlier actuarial valuation (performed as of a date no more than 30 months and 1 day prior to the employer's most recent year-end). Unless otherwise specified by this Statement, all assumptions underlying the determination of the total pension liability and related measures set forth by this Statement are required to be made in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board."

Thank you for your consideration.

Sincerely,



Susan Dodd
Financial Services Director
Salem-Keizer Public Schools