

SPECIAL MEETING
BOARD OF TRUSTEES
OF
THE PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI
AND
THE PUBLIC EDUCATION EMPLOYEE RETIREMENT SYSTEM OF MISSOURI
March 7, 2012

The Board of Trustees was informed via email from Steve Yoakum, Executive Director, that SB 842 was scheduled for a hearing at 8:30 a.m. on March 8. Mr. Yoakum's email explained that SB 842, introduced by Senator Lamping, would essentially put the provisions of the Funding Stabilization Policy adopted by the Board last August into state statute. Mr. Yoakum also furnished a copy of a letter from PricewaterhouseCoopers (PwC) regarding the legislation. PwC indicated that they had concerns because the legislation would not allow any flexibility for the Board to adjust future contribution rates or cost-of-living adjustments until the plans were 100% funded. Mr. Yoakum requested the trustees to contact him with their thoughts, concerns and/or position on the proposed legislation.

Mr. Yoakum was then contacted by Hoffman, Heath, McClintic, Cupps, Zalis and Hunt prior to the hearing on March 8. All six trustees voiced opposition to the proposed legislation indicating that the inflexibility of the Board to set contribution rates would be detrimental to their ability to properly carry out their fiduciary duties to properly fund the retirement system going forward. Mr. Wheeler was traveling at the time but contacted Mr. Yoakum after the hearing and concurred with the other trustees.