

## **HB 1499**

### **Testimony to the House Government and Veterans Affairs Committee January 31, 2019**

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On behalf of the Teachers’ Fund for Retirement (TFFR) Board, I am testifying in opposition to HB 1499.

HB 1499 changes the powers and duties of the Legislative Employee Benefits Programs Committee. Legislators and legislative committees would no longer be required to submit proposed bills or amendments to the Committee for review to ensure an actuarial study is done, although executive and judicial branch entities would need to continue doing so.

According to TFFR’s actuarial consultant, Segal, the bill itself does not have an actuarial cost impact. However, the bill could lead to a scenario that would have a significant impact on the financial health of TFFR and other ND public pension plans. Since no actuarial study would be required if this bill were passed, legislators or legislative committees might not identify the potential range and impact of the risk associated with bills or amendments. This could have significant actuarial cost impact on TFFR, affect the benefits payable from the retirement system which could adversely impact TFFR, or have administrative or IRS compliance implications. An actuarial study helps to identify and assess risks associated with proposed legislation. (Segal letter dated September 4, 2018).

During the interim, this bill was studied by the Legislative Employee Benefits Programs Committee. The Committee gave the bill an unfavorable recommendation.

The TFFR Board opposes HB 1499 due to concerns about the potential negative impact on the financial health of the TFFR plan.

Thank you.