



# Public Plans – New regulatory issues

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**GRS**

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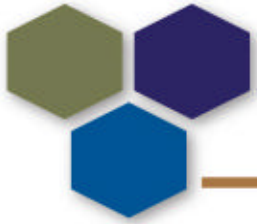
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## House Bill #2664

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- ◆ Passed in 2007 by the 80<sup>th</sup> Legislature – State of Texas
- ◆ Amended Texas Government Code Section 802.1012
- ◆ Requires an audit by an independent actuary of the actuarial report and related studies of public sector retirement systems in Texas
- ◆ Must be done at least once every five (5) years



## House Bill #2664

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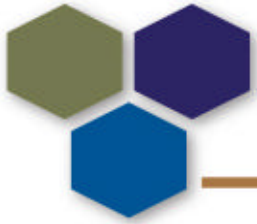
- ◆ Only applies to Plans with total assets of \$100 million or more
- ◆ Does NOT apply to the State Retirement Funds such as TRS and TMRS



## Different types of actuarial audits

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- ◆ Level One – full replication
- ◆ Level Two – a review of the actuarial reports along with a test of the valuation results using a mathematical model of plan activity or sampling
- ◆ HB 2664 does not provide detailed guidance on the scope of review required for the actuarial audit



## Who pays for the audit?

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- ◆ The City
- ◆ “Governmental Entity” means a unit of government that is the employer of active members of a public retirement system



## Due Dates?

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- ◆ Not really clear
- ◆ First audit “conducted” not later than September 1, 2008



# What do you do with the final audit report?

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- ◆ Within 30 days send it to:
  - the Plan that you just audited
  - the State Pension Review Board (PRB)
  
- ◆ Hold on to it for public inspection