

A RESOLUTION SUPPORTING THE CONTINUATION OF THE WYOMING RETIREMENT SYSTEM AS A DEFINED BENEFIT PLAN

WHEREAS, the State of Wyoming by and through the Wyoming Legislature has enacted and currently provides a retirement plan for public sector employees in Wyoming; and

WHEREAS, since inception that retirement plan has been a defined benefit plan providing a pension benefit to members based on a formula that includes the employee's length of service and earnings during that time of service; and

WHEREAS, in addition to the defined benefit plan that all retirement system members are enrolled in, the Wyoming Retirement System offers a supplemental Deferred Compensation Plan that is a form of a defined contribution plan; and

WHEREAS, the Wyoming Retirement System Board of Directors has a fiduciary duty to manage the plan the best it possibly can for its members and report to the Wyoming Legislature concerning the operation of the plan; and

WHEREAS, the Wyoming Retirement System Defined Benefit plan is not experiencing actuarial funding shortfalls of the magnitude of public employee plans in other states; and

WHEREAS, the Wyoming Retirement System plan is managed by its Board, in cooperation with the Wyoming Legislature, in a prudent and diligent manner to consistently add value to members' benefits in the current Defined Benefit structure; and

WHEREAS, the Wyoming Retirement System Defined Benefit Plan provides a retirement income to its members without subjecting them to the financial market risks of a Defined Contribution Plan; and

WHEREAS, independent studies have shown individual investors, such as those in a Defined Contribution Plan, generally achieve a lower rate of return on investments than an institutional investor such as the Wyoming Retirement System in a Defined Benefit Plan; and

WHEREAS, in reviewing and considering the benefits of converting the current Defined Benefit Plan in Wyoming to a Defined Contribution Plan, independent studies have shown

conversion from a Defined Benefit Plan to a Defined Contribution Plan generally increases liabilities so long as the Defined Benefit Plan is still active for any members.

THEREFORE, BE IT RESOLVED that the Board of Trustees of the Wyoming Retirement System supports the continuation of the Defined Benefit Plan.

BE IT FURTHER RESOLVED the Board of Trustees of the Wyoming Retirement System opposes the conversion of the Defined Benefit Plan into a Defined Contribution Plan.

PASSED, APPROVED AND ADOPTED this 19th day of August, 2011.

WYOMING RETIREMENT SYSTEM

By:


Stephen Sommers, CHAIRMAN

ATTEST:


VICE CHAIRMAN