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April 11, 2017

TO: The Honorable Members of Senate Public Employment
and Retirement Committee

FROM: Don Gilbert, Mike Robson, Trent Smith, and Jason Ikerd

RE: **SB 671 (MOORLACH) -- SUPPORT**

Our client, the State Association of County Retirement Systems (SACRS), supports SB 671 by Senator Moorlach which clarifies the law pertaining to the authority of a Board of Supervisors to make advance payments for the county contribution to its retirement system.

This bill would provide flexibility to employer agencies participating in County Employee Retirement Law (CERL) retirement systems when considering advance payment of the required employer contributions, and if they do participate, to avoid interest charges that would be included in the contribution rates if paid over time.

The bill further removes the restriction on district participation to a county of the seventh class and allows all CERL system districts to participate which conforms to current practice among some CERL systems.

Advance payments provide CERL systems with a larger inflow of contributions that can be deployed into the system's investments and have the opportunity to earn the assumed earning rate of return, or be used to make benefit and administrative expense payments, without the necessity of liquidating investment holdings.

On behalf of SACRS, we urge your AYE vote on SB 671.

cc: Consultant, Senate Public Employment and Retirement Committee
Consultant, Senate Republican Caucus