

# Motion 2

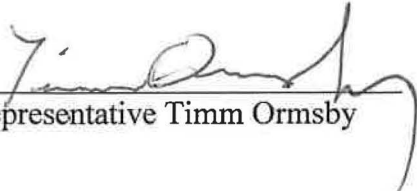
## Economic Assumptions for the Pension Systems

That the Pension Funding Council adopt the following changes to the economic assumptions used for the development of contribution rates by the State Actuary for the state retirement plans under the purview of the Council, subject to revision by the Legislature:

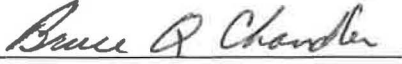
	<u>Rate</u>
Inflation	2.75%
General Salary Growth	3.50%
Annual Investment Return	7.50%
TRS Enrollment Growth	1.25%

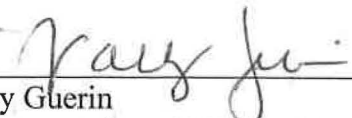
The Council adopts the change to the TRS Enrollment Growth assumption made in the 2017-19 biennial operating budget. Also, the Council states that the long-term Annual Investment return assumption adopted here be considered a step toward the recommendation of the State Actuary to reduce the Annual Investment Return assumption to 7.40%. When the Council again considers the long-term economic assumptions during the 2019 legislative interim, it is intended that the Council carefully consider continuing to reduce the Annual Investment Return assumption with the additional data and analysis that will be available two years from now.

Recommendation -- Majority: Approve  Not Approve

  
\_\_\_\_\_  
Representative Timm Ormsby

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Senator Kevin Ranker

  
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Representative Bruce Chandler

  
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Tracy Guerin  
Director, Dept. of Retirement Systems

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Senator John Braun

  
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David Schumacher, Chair  
Director, Office of Financial Mgmt.