

## IPMA-HR Joins Public Sector Opposition to Federal Pension Legislation

On February 16, IPMA-HR joined several other public sector organizations such as the National League of Cities, the National Association of State Retirement Administrators and the Government Finance Officers Association in opposition to legislation to require public pension plans to report liabilities using private sector assumptions.

The bills, H.R. 567 and S. 347, the “Public Employee Pension Transparency Act” requires public plans to report liabilities using two methods, the one currently used and another one using private-sector assumptions. Plans that refuse to comply would be unable to continue offering federally tax-exempt bonds.

In writing to members of the House and Senate, the groups stated:

This legislation creates a dangerous precedent with regard to federal taxation and regulation of state and local governments and represents a fundamental lack of understanding regarding the operations and funding of public pensions and the strong accounting rules and strict legal constraints already in place requiring open and transparent governmental financial reporting and processes.

Further, this legislation ignores the extensive efforts made at the state and local levels to close short-term budget deficits as well as address longer-term obligations such as pensions. Inaccurate and misleading descriptions of the state of public finance and pensions are unhelpful and Federal intrusion into areas that are the fiscal responsibility of state and local governments are unwarranted.

The bills are similar to ones introduced in December of last year and are expected to receive attention this year as the debate over the funding of state and local government pension plans continues. More information is available on the IPMA-HR website: <http://www.ipma-hr.org/public-sector-hr-community/public-policy/government-affairs-advocacy/advocacy>