

Minutes of the TCRS Board of Trustees meeting on February 4, 2013

The Board of Trustees of the Tennessee Consolidated Retirement System met on Monday, February 4, 2013 at 10:00 a.m. The meeting was held in the 11th Floor Conference Room of the Andrew Jackson Building with Chairman David Lillard presiding.

The following members were present: Chairman David Lillard, State Treasurer; Commissioner Mark Emkes, Department of Finance and Administration; Commissioner Rebecca Hunter, Department of Human Resources; Ms. Jill Bachus, Director of TCRS; Ms. Libby Sykes, Administrative Director of the Courts; Mr. Michael Barker; Mr. Al Laney; Ms. Patsy Moore; Mr. Bill Kemp; Ms. Traci Jefferson; Mr. Harold Morrison; Mr. Dennis Carroll; Mr. Ken Wilber; and Mr. David Seivers.

New Pension Plan

Chairman Lillard began the meeting by informing the Board about the current status of the pension fund. On an actuarial basis, the state employee and teacher groups are about 92% funded. TCRS serves over 300,000 active and retired members with an annualized payroll of \$1.7 billion. Chairman Lillard noted the unfunded liability of the pension fund had an actuarial value of \$2.6 billion and \$5.0 billion on a market value basis. Chairman Lillard also reviewed the trend lines for investment performance and employer contribution rates.

Chairman Lillard reviewed various aspects of a proposed new hybrid plan for state employees, higher education employees, and K-12 teachers hired after July 1, 2014. The plan would have no impact on current employees or retirees. The Board was given material to review. The hybrid plan will include aspects of a defined benefit plan and a defined contribution plan. Chairman Lillard also discussed that cost and liability controls were included in the proposed new plan to assist the employer in managing pension obligations. The plan would also be offered to local governments on an optional basis.

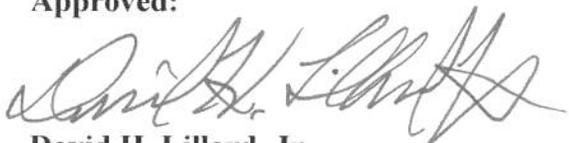
No action was taken.

Respectfully Submitted,



**Jill Bachus
Director, TCRS**

Approved:



**David H. Lillard, Jr.
Chairman of the Board**