



CITY OF HOLLYWOOD, FLORIDA POLICE OFFICERS' RETIREMENT SYSTEM

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July 10, 2018

The Honorable Debbie Wasserman Schultz
Florida District 23
House of Representatives
Washington, DC 20515

Dear Representative Schultz:

On behalf of the Hollywood Police Officers' Retirement System, I am writing to relay our strong opposition to the Public Employee Pension Transparency Act (PEPTA), which Congressman Devin Nunes (R-CA) plans to introduce shortly. This legislation would impose inappropriate, costly and burdensome unfunded federal mandates on sovereign States and local governments and would additionally threaten the tax-exempt status of their municipal bonds. I respectfully request that you not cosponsor the legislation, and I strongly urge you to oppose this bill and any attempts to include its harmful provisions in other legislation.

PEPTA does not save taxpayer dollars, protect employee pension benefits, improve state and local retirement system funding, or provide decision-useful information to policymakers. Rather, it creates an expensive federal bureaucracy and imposes red tape on government operations that will only serve to divert taxpayer resources from other priorities. State and local governments have the fiscal responsibility for these programs, have comprehensive oversight and reporting requirements in place, and have recently taken steps to strengthen their retirement systems:

- The Governmental Accounting Standards Board (GASB), which sets public pension accounting and reporting standards, has reviewed and significantly modified these financial disclosures, which must be followed by governments and their retirement systems in order to receive a clean audit. GASB considered and rejected the assumptions and calculations proposed by PEPTA as inappropriate for governmental entities.
- The financial condition of the plan, including funded status and necessary contributions, must be certified by enrolled actuaries that adhere to Actuarial Standards of Practice (ASOPs) maintained by the Actuarial Standards Board. The ASB is currently considering amendments to ASOPs applicable to pensions, including changes relating to assumptions and disclosures.
- The Bureau of Local Retirement Systems in the Department of Management Services' Division of Retirement is responsible for monitoring Florida's local government defined benefit pension plans for compliance with Florida law and Florida Administrative Code provisions which dictate minimum funding standards

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- From the low point of the financial market decline to now, Hollywood Police Officers' Retirement System has grown in assets from \$185 million to \$280 million.
- Hollywood Police Officers' Retirement System provided \$191 million of benefits to participants in that time without a missed payment.
- In 2006, 2009, 2010, and 2011, the City has approved modifications to the retirement system, which is on track to continue to provide benefits to the more than 700 current and former employees and their beneficiaries.

The federal government has no financial obligation for state and local pensions and imposing onerous federal regulations serves no constructive purpose. I hope we can count on your opposition to this harmful legislation and any congressional consideration of its provisions.

Respectfully,



David M. Williams, Plan Administrator
FOR THE BOARD

