National Association of State Retirement Administrators

RESOLUTION 1996-06 - Retirement System Fiduciary Investment Standards

WHEREAS:

- State and local public employee retirement systems manage assets to provide retirement income to millions of workers and retirees and those participants rely on the trustees and other fiduciaries to invest these assets for the exclusive benefit of the plan members, retirees, and beneficiaries.
- The vast majority of public employee retirement systems follow prudent investment standard or state statutes.
- Employers generally bear the cost of investment under-performance in a defined benefit plan, the most popular type of plan in the public sector.
- Several proposals that have come before Congress have stipulated acceptance of below market rates of return for defined benefit plans, which would violate fiduciary duties, compromise the plans' risk-return standards, and produce less than competitive rates of return.

NOW, THEREFORE, BE IT RESOLVED that the National Association of State Retirement Administrators:

1. Supports strong fiduciary standards set in law by state and local governments and supports investment strategies for which the paramount goal is the financial security of pension fund assets.
2. Opposes any attempt, either implicitly or explicitly, to direct or influence state and local government retirement systems to make investments that circumvent the trustees' fiduciary responsibility.

Adopted August 7, 1996