

James B. Testerman, Chairman
Delaware State Education Association

Lawrence Talley, 1st Vice Chairman
Delaware State Troopers' Association

Charlotte T. Lister, 2nd Vice Chairman
At-Large

Delaware Retired School Personnel Association
Delaware Association of School Administrators
Delaware School Food Service Association
Delaware National Guard
University of Delaware Salaried Staff Association
Delaware Fraternal Order of Police
(13) International Association of Firefighters
Local 1590 City of Wilmington Firefighters

STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
PENSION ADVISORY COUNCIL
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MINUTES OF THE STATE PENSION ADVISORY COUNCIL 5/13/08

1. The meeting was called to order at approximately 1:35 p.m. in the Board room on the 2nd floor of the McArdle Building, 860 Silver Lake Blvd., Suite 1, Dover, DE.

2. Members present:

Joseph Malloy	IAF
Charlotte Lister	At Large
Nancy Patterson	DNG
Brian Douty	FOP, State Lodge
Larry Tally	DSTA
Joe Vrudny	DRSPA
Jim Testerman	DSEA

3. Members absent:

Mary Pat Urbanik	UDSSA
Geraldine Gillespie	DSFSA
Edward Seibert	DASA

4. Others attending the meeting:

Kim Vincent, Deputy Pension Administrator

5. Additions to agenda: There were no additions to the agenda.

6. Approval of the January 8th minutes and the April 8th meeting summary. Brian Douty moved to approve the minutes of January 8th and the April 8 meeting summary. The motion was seconded by Joe Malloy and passed.

7. Announcements and correspondence. Chairman Testerman announced that our Spring Pension Workshops were successful with 52 attending in Sussex, 70 in Kent, 66 at the first Stanton Middle School, 59 at Brandywine High School and 54 at the 2nd Stanton Middle School Workshop
8. From the April Pension Board Meeting. The Pension Trust Fund contained \$7.125 billion with a loss of ½% in March, for the FY a loss of 2.8% and the CY 1st Quarter, a 4.3% loss. April has been positive up to the meeting date. Ray Johnson is retiring with 39 years of service. There will be a retirement party in August.

New Pension Rules were approved to go to the Registrar for Public Hearing. Chairman Testerman asked the Board why the Advisory Council had not had access to the new rules before they went for a Public Hearing. One of the Advisory Council charges is to have input on Pension Rules. The changes are very technical and they refer to many sections of the IRS Code but they appear to do no harm to members of the pension system.

David Craik reported that a bill was going in to change the interest on late payments. SB 205 has been introduced to make technical changes for the IRS. He also reported that a bill has been introduced regarding divestment of investments involving countries doing business with Sudan and Dufor. The Pension board has previously passed a resolution opposing the Sudan and Dufor divestment.

9. Legislation. The following items were discussed:

The bill to take away the penalty for early retirement will go nowhere this year and Larry Talley feels it is not a good time to discuss the idea of making pension contributions on the first \$6,000 of state income.

SB 209 – would raise the Burial Benefit from \$7,000 to \$8,750. Chairman Testerman reported that he has asked the Pension Board to investigate making the Burial Benefit insurance with the Pension Trust Fund paying the premium. This idea is being worked for an estimated premium at this time. Insurance would make the benefit non-taxable.

Emergency Center workers want 25-year retirement and are willing to pay 7% into the Pension Trust Fund. Past Court decisions would invalidate such legislation because it does not apply to all in the State Employees Pension System.

Kim Vincent brought attention to the fact that some members of the Legislature are upset about the pension offset with Social Security. Legislators do not pay FICA Tax on legislative salaries. The offset causes a great reduction on the amount of Social Security at retirement age.

10. The meeting adjourned at approximately 2:15 p.m. with the agenda being completed.

Respectfully submitted,

Jim Testerman, Chairman