

In the Media

At deadline, Chicago makes its annual teacher pension contribution with help from layoffs and borrowing

[Mayor] Emanuel used the situation to once again call for changes in how pensions are funded. Currently, the state makes the employer contribution to teacher pensions for districts outside Chicago, while CPS pensions are funded by Chicago taxpayers. The mayor calls that system unfair, saying no other districts have to worry about whether to fund pensions or classrooms.

[Northwest Herald](#)

Pennsylvania State Auditor submits recommendations for distressed municipal plans

[The] State Auditor ... charged in May with heading a task force on municipal pension overhaul, delivered a series of "realistic and responsible reforms" to the governor Tuesday that include shifting hundreds of

Federal Focus

Supreme Court's marriage ruling clarifies multiple tax issues

The U.S. Supreme Court's decision to legalize same-sex marriage nationwide will clarify the ability for same-sex couples to file joint state tax returns, inherit property, have hospital-visitation rights, and qualify for spousal Social Security and veteran benefits, among other things.

[Bloomberg BNA](#)

SEC issues guidance on definition of marriage and spouse

The Securities & Exchange Commission is scheduled to publish in the Federal Register today interpretive guidance to clarify how the Commission will interpret the terms "spouse" and "marriage" in light of the Supreme Court's ruling in *United States v. Windsor* that invalidated the Defense of Marriage Act.

[Federal Register guidance](#)

distressed plans into a state system for management purposes.

[Pittsburgh Post-Gazette](#)

US Supreme Court will hear case next term on mandatory union dues for public sector workers

In the most recent case last year, the court ruled 5-4 along ideological lines that home-care workers in Illinois do not have to pay dues to public employee unions. The workers said the unions lobbied the government, often on issues the workers oppose -- thereby abridging their First Amendment rights. In his ruling, Alito said that except in rare circumstances, "no person in this country may be compelled to subsidize speech by a third party that he or she does not wish to support."

[USA Today](#)

Pensions & Investments: More pension funds consider internal asset management

Just doing the math, comparing the cost of external management vs. internal management is enough to persuade many pension plans to review operations to gauge their ability to manage some portion of their portfolios internally. Calculated on the basis of investment cost, a CEM Benchmarking Inc. survey of 19 large pension funds showed an average expense of 46 basis points for external money management vs. eight basis points for internal management.

[Read the article](#)

CalPERS unveils new, mobile-friendly website

Some of the most noticeable changes include a larger font size, less clutter and a page dedicated to retiree information. About 1 in 5 users access the site via a mobile device, so the new website maintains its format while adjusting its width to fit smartphones, tablets and PCs.

- [Sacramento Bee](#)
- [See the new website](#)

Tweet of the Week



[All NASRA tweets](#)

Social Security publishes final rule clarifying Government Pension Offset exemption

The Social Security Administration earlier this month published a final rule that adopts, with clarifying changes, regulations explaining how and when the SSA will reduce the spouse's Social Security benefit for some people who receive federal, state, or local government pensions if Social Security did not cover their government work. The final rule becomes effective July 15, 2015.

[Federal Register](#)

Studies & Reports

Funston Advisory Services: What Does it Take to Make Internal Management Work?

This article, the second of a two-part series, addresses how systems can improve their understanding of what it takes to successfully increase internal investment management.

- [Read the article](#)
- [Part 1](#)
- [Investment @NASRA.org](#)

OECD says sustained low interest rates threaten pensions

Pension funds and life insurers "are feeling the pressure to chase yield themselves, and to pursue higher-risk investment strategies that could ultimately undermine their solvency. This not only poses financial sector risks, but potentially jeopardizes the secure retirement of our citizens," said OECD Secretary-General Ángel Gurría in a speech. Problems could arise as high-yielding bonds held by pension funds and insurers are replaced by lower-yielding bonds.

- [MarketWatch](#)
- [Read the report](#)

Perspectives

The Economist: Public pension funding methods are an absurdity

Research by the London Business School, covering 20 countries over 113 years, shows that real (inflation-adjusted) returns on stockmarkets suffer when real interest rates are low. The average return when real rates were below average was 3%, compared to 7.6% when rates were above average. A real return of 3% when inflation is 2% would imply nominal equity returns of 5%-a far cry from the returns being counted on.

[Read the editorial](#)