



# Retirement Finance Services

**Comprehensively addressing the affordability, sustainability, and competitiveness of pensions and other post-employment benefit (OPEB) funds**

## Retirement Finance Practice

### Financial Analysis & Funding Evaluation

- Pension/OPEB Funding Alternatives
- Benefit Bond Analysis: Pros, Cons, Impact
- Credit Analysis & Communications

### Workforce Consulting & Strategy

- Retiree Benefit Benchmarking
- Expert Testimony
- Facilitating Joint Labor-Management Solutions

### Asset Management Services

- Discretionary Asset Management of Pension/OPEB Funds
- OPEB Trust Establishment
- Investment Policy Review

The growing costs of pensions and retiree health benefits present a unique set of challenges to governments. Ensuring that active and retired employees receive the benefits they have been promised can be difficult, especially when confronting budgetary constraints. These challenges can include addressing significant unfunded liabilities, maintaining financial stability despite ongoing budgetary pressures, and planning for increased retiree healthcare costs.

Today, managers must address increases in liabilities and future expenses in a climate of constant change. Revised accounting standards have added to the list of concerns, as such new guidelines may lower discount rates, shorten amortization periods, and cause current expenses to increase and be more volatile. PFM's dedicated practice of retirement professionals, constituting the Retirement Finance Practice, can help you meet these challenges.

### Why PFM?

PFM's Retirement Finance team uses their collective expertise to provide recommendations to retirement plans and plan sponsors, helping to ensure that retirement benefits are sustainable, affordable, and sufficient for employees' retirement needs. These specialized services can include advice on pension and OPEB bonds, management and budget consulting, and asset management.

### Retiree Benefit Plan Financial Analysis

As a registered independent municipal advisor, ranked #1 in the field according to Thomson Reuters, we advise on debt and funding issues for all manner of public sector funding challenges – including retirement plan-related funding. Our proprietary, Excel-based retirement funding model uses actuarial data from pension and OPEB plans to create a dynamic tool to help decision makers evaluate alternative funding options. The model considers funding alternatives from three perspectives: the plan trust, the employer's cash flow and balance sheet, and the participant's wallet. This multi-faceted financial view helps PFM clients fully evaluate and quantify the costs and benefits of various funding strategies.



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## Workforce Services

PFM also helps public employers ensure that their pension benefits and OPEBs are sustainable and affordable for themselves and their employees, in order to provide employees with a secure and dignified retirement. We understand that ensuring the security of these benefits is not simply a math problem; employees rely on these benefits once they are retired, and these benefits are a key component to attracting and retaining a qualified workforce. Our team can integrate these workforce-related recommendations into budget models to assist governments with long-term financial planning, help communicate alternative scenarios to key stakeholders, and assist in the development of more sustainable approaches.

## Retiree Benefit Plan Asset Management

We provide asset management to hundreds of public-sector clients through a comprehensive suite of services that include investment policy development, asset allocation recommendations resulting from asset-liability modeling, and the execution of investment strategy recommendations. We act as a fiduciary, serving in our clients' best interest. PFM's investment professionals can also help develop the governance structure for retiree benefit plans. The structure typically includes development of trust documents, a charter, and bylaws along with any other documentation required to execute and effectively oversee retiree benefit plans.

## PFM: National in Scope, Local in Orientation

PFM couples the advantages of a national firm possessing special sector expertise with office locations all across the country, staffed by professionals who are deeply familiar with the distinct needs of investors in their region.

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