

**MINUTES of SERS Board Meeting – Tuesday, March 4, 2025**

**CALLED TO ORDER: 9:31 a.m. by Chair Gregory C. Thall**

**IN-PERSON/MICROSOFT TEAMS MEETING/LIVESTREAM**

**ATTENDEES:**

**Members and Designees**

Gregory C. Thall – Chair	in Person
Donald Enders, Jr.	in Person
W. Russell Faber	in Person
Dan B. Frankel	in Person
John Galuska	via Teams
Stacy Garrity	Absent
Vincent J. Hughes	Absent
Brett R. Miller	in Person
Uri Monson	Absent
Devlin Robinson	via Teams
Wendy Spicher	in Person
Seamus Dubbs – Designee for Secretary Wendy Spicher	in Person
Matt Lindsay – Designee for Senator Vincent J. Hughes	in Person
Antoinette Marchowsky – Designee for Senator Vincent J. Hughes	via Teams
Matt McCarry – Designee for Representative Dan B. Frankel	in Person
Dan Ocko – Designee for Representative Dan B. Frankel	in Person
Eric Pistilli – Designee for Secretary Wendy Spicher	via Teams
Jill Vecchio – Designee for Representative Brett R. Miller	via Teams
Thomas Waters – Designee for Treasurer Stacy Garrity	in Person

**Executive Staff**

N. Joseph Marcucci	in Person
Sara McSurdy	in Person
James Nolan	in Person
Joseph Torta	in Person

**SERS Staff**

Kelly Bernhard	in Person
Beth Christian	in Person
Cindy Collins	in Person
Jo Ann Collins	in Person
Brenda Cunard	in Person
Thomas Derr	via Teams
Taylor Frey	via Teams
Randy Gilson	in Person
Pam Hile	via Teams
Dan Krautheim	in Person

Ryan McCoy	in Person
Michael McGeoy	via Teams
M. Catherine Nolan	in Person
Jon Ryan	in Person
Brett Shaffer	in Person
Steven Skoff	in Person
Matthew Soule	in Person
Rae Ann Tronetti	via Teams
William Truong	in Person
Mark Walter	in Person
Sheila Willrich	in Person
Courtney Yurovich	in Person
Shannon Zimmerman	in Person

**Visitors**

Brian Kimmett, Rock the Capital	in Person
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## **MINUTES of the SERS Board Meeting TUESDAY, March 4, 2025**

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### **1. CALL TO ORDER**

Chair Gregory Thall called the meeting to order at 9:31 a.m.

### **2. WELCOME AND ROLL CALL**

A. Executive Director Joseph Torta conducted a roll call of board members and designees. A quorum was met.

B. Recognition for Departing Board Designee Daniel Ocko

Chair Thall recognized departing board designee Daniel Ocko by reading a board commendation thanking him for his service as a faithful public servant and designee to the SERS Board and recognizing his extensive record of community and professional service (Attachment A).

C New board member Senator Devlin Robinson was introduced and welcomed to the board.

### **3. PUBLIC COMMENTS**

NONE

### **4. ADOPTION OF THE AGENDA**

#### **MOTION: 2025-01**

By motion that was moved, seconded, and approved by board members, it was

**RESOLVED:** That the board adopt the agenda for the March 4, 2025, board meeting.

### **5. APPROVAL OF CONSENT CALENDAR**

#### **MOTION: 2025-02**

By motion that was moved, seconded, and approved by board members, it was

**RESOLVED:** That the board approve the Consent Calendar items, as listed, for the March 4, 2025, board meeting.

A. Approving the Revised Board Meeting Minutes – December 10, 2024, Regular Meeting

B. Defined Benefit Plan Statement of Changes in Fiduciary Net Position for the Period Ending October 31, 2024

C. Defined Contribution Plan Statement of Changes in Fiduciary Net Position for the Period Ending October 31, 2024

D. Deferred Compensation Plan (DCP) Statement of Changes in Net Position Available for Benefits for the Period Ending October 31, 2024

### **6. COMMITTEE REPORTS/ACTION ITEMS**

#### **A. Investment Committee**

Committee Assistant Chair Secretary Spicher presented a report of the Investment Committee meeting of March 4, 2025, to the board. The following action was taken:

2025 COMMITTEE WORK PLAN**MOTION: 2025-03**

By motion that was moved, seconded, and approved by board members, it was

**RESOLVED:** That the State Employees' Retirement Board accept the recommendation of the Investment Committee to approve the Investment Committee 2025 Work Plan, as set forth in Attachment B.

Donald Enders Jr.	Yes	
W. Russell Faber	Yes	
Dan B. Frankel	Yes	
John Galuska	Yes	
Stacy Garrity	Designee Thomas Waters	Yes
Vincent J. Hughes	Designee Matt Lindsay	Yes
Brett R. Miller	Yes	
Uri Monson	Absent	
Devlin Robinson	Yes	
Wendy Spicher	Yes	
Gregory C. Thall	Yes	

**B. Board Governance and Personnel Committee**

Committee Chair Gregory Thall presented a report of the Board Governance and Personnel Committee meeting of March 4, 2025, to the board. The following actions were taken:

2025 COMMITTEE WORK PLAN**MOTION:2025-04**

By motion that was moved, seconded, and approved by board members, it was

**RESOLVED:** That the State Employees' Retirement Board accept the recommendation of the Board Governance and Personnel Committee to adopt the Board Governance and Personnel Committee 2025 Work Plan, as set forth in Attachment C.

Donald Enders, Jr.	Yes	
W. Russell Faber	Yes	
Dan B. Frankel	Yes	
John Galuska	Yes	
Stacy Garrity	Designee Thomas Waters	Yes
Vincent J. Hughes	Designee Matt Lindsay	Yes
Brett R. Miller	Yes	
Uri Monson	Absent	
Devlin Robinson	Yes	
Wendy Spicher	Yes	
Gregory C. Thall	Yes	

**BOARD EDUCATION PLAN****MOTION: 2025-05**

By motion that was moved, seconded, and approved by board members, it was

**RESOLVED:** That the State Employees' Retirement Board accept the recommendation of the Board Governance and Personnel Committee to adopt the 2025 *SERS Education Plan for Board Members and Designees*, as set forth in Attachment D.

Donald Enders Jr.		Yes
W. Russell Faber		Yes
Dan B. Frankel		Yes
John Galuska		Yes
Stacy Garrity	Designee Thomas Waters	Yes
Vincent J. Hughes	Designee Matt Lindsay	Yes
Brett R. Miller		Yes
Uri Monson		Absent
Devlin Robinson		Yes
Wendy Spicher		Yes
Gregory C. Thall		Yes

**INVESTMENT PROFESSIONAL PAY BANDS****MOTION: 2025-06**

By motion that was moved, seconded, and approved by board members, it was

**RESOLVED:** That the State Employees' Retirement Board accept the recommendation of the Board Governance and Personnel Committee to adopt the amended *Compensation Policy for Investment Professionals* dated March 1, 2025, to incorporate the use of cash payments, pursuant to established Commonwealth of Pennsylvania practices, for those Investment Professionals whose annual salary adjustments are limited by the established pay bands, as set forth in Attachment E.

Donald Enders Jr.		Yes
W. Russell Faber		Yes
Dan B. Frankel		Yes
John Galuska		Yes
Stacy Garrity	Designee Thomas Waters	Yes
Vincent J. Hughes	Designee Matt Lindsay	Yes
Brett R. Miller		Yes
Uri Monson		Absent
Devlin Robinson		Yes
Wendy Spicher		Yes
Gregory C. Thall		Yes

**BOARD SELF-ASSESSMENT RFP VENDOR SELECTION****MOTION: 2025-07**

By motion that was moved, seconded, and approved by board members, it was

**RESOLVED:** That the State Employees' Retirement Board approve the selection of the Board Self-Assessment Consultant and direct the Issuing Office to award the contract and to proceed with contract negotiation with the selected vendor. The vendor will be publicly named at a later date after successful contract negotiation.

Donald Enders Jr.	Yes	
W. Russell Faber	Yes	
Dan B. Frankel	Yes	
John Galuska	Yes	
Stacy Garrity	Designee Thomas Waters	Yes
Vincent J. Hughes	Designee Matt Lindsay	Yes
Brett R. Miller	Yes	
Uri Monson	Absent	
Devlin Robinson	Yes	
Wendy Spicher	Yes	
Gregory C. Thall	Yes	

**ANNUAL SALARY ADJUSTMENTS FOR INVESTMENT PROFESSIONALS****MOTION: 2025-08**

By motion that was moved, seconded, and approved by board members, it was

**RESOLVED:** That the State Employees' Retirement Board approve the salary adjustments set forth in Annual Salary Adjustments for Investment Professionals 2025, Excluding CIO, and authorize cash payments to those Investment Professionals in 2025 whose recommended salary adjustments have exceeded the pay bands, as set forth in Attachment F, to be effective the first full pay period of March 2025 and paid as soon as administratively feasible.

Donald Enders Jr.	Yes	
W. Russell Faber	Yes	
Dan B. Frankel	Yes	
John Galuska	Yes	
Stacy Garrity	Designee Thomas Waters	Yes
Vincent J. Hughes	Designee Matt Lindsay	Yes
Brett R. Miller	Yes	
Uri Monson	Absent	
Devlin Robinson	Yes	
Wendy Spicher	Yes	
Gregory C. Thall	Yes	

**ANNUAL SALARY ADJUSTMENT FOR SERS' CHIEF INVESTMENT OFFICER****MOTION: 2025-09**

By motion that was moved, seconded, and approved by board members, it was

**RESOLVED:** That the State Employees' Retirement Board approve a pay increase to \$208.33 an hour for James Nolan, Chief Investment Officer SERS, to be effective the first full pay period of March 2025.

Donald Enders Jr.	Yes	
W. Russell Faber	Yes	
Dan B. Frankel	Yes	
John Galuska	Yes	
Stacy Garrity	Designee Thomas Waters	Yes
Vincent J. Hughes	Designee Matt Lindsay	Yes
Brett R. Miller	Yes	
Uri Monson	Absent	
Devlin Robinson	Yes	
Wendy Spicher	Yes	
Gregory C. Thall	Yes	

**C. Finance and Member and Participant Services Committee**

Committee Chair Dan Frankel presented a report of the Finance and Member and Participant Services Committee meeting of March 4, 2025, to the board. The following actions were taken:

**2025 COMMITTEE WORK PLAN****MOTION: 2025-10**

By motion that was moved, seconded, and approved by board members, it was

**RESOLVED:** That the State Employees' Retirement Board approve the Finance and Member and Participant Services Committee 2025 Work Plan, as set forth in Attachment G.

Donald Enders Jr.	Yes	
W. Russell Faber	Yes	
Dan B. Frankel	Yes	
John Galuska	Yes	
Stacy Garrity	Designee Thomas Waters	Yes
Vincent J. Hughes	Designee Matt Lindsay	Yes
Brett R. Miller	Yes	
Uri Monson	Absent	
Devlin Robinson	Yes	
Wendy Spicher	Yes	
Gregory C. Thall	Yes	

**AUTHORIZED SECURITIES SIGNATORIES****MOTION: 2025-11**

By motion that was moved, seconded, and approved by board members, it was

**RESOLVED:** That the State Employees' Retirement Board approve the revision of the Authorized Securities Signatories, in the form and with the authority as more fully set forth in the Authorized Securities Signatories List, as appended, and further, that all prior authorized securities signature lists established by the Board will no longer be effective, including, but not limited to, those established by Resolution Numbers 2023-42 and 2012-03.

Donald Enders Jr.		Yes
W. Russell Faber		Yes
Dan B. Frankel		Yes
John Galuska		Yes
Stacy Garrity	Designee Thomas Waters	Yes
Vincent J. Hughes	Designee Matt Lindsay	Yes
Brett R. Miller		Yes
Uri Monson		Absent
Devlin Robinson		Yes
Wendy Spicher		Yes
Gregory C. Thall		Yes

**D. Securities Litigation Committee**

Committee Chair Brett Miller presented a report of the Securities Litigation Committee meeting of March 4, 2025, to the board. The following action was taken:

**2025 WORK PLAN****MOTION: 2025-12**

By motion that was moved, seconded, and approved by board members, it was

**RESOLVED:** That the State Employees' Retirement Board accept the recommendation of the Securities Litigation Committee to approve the Securities Litigation Committee 2025 Work Plan, as set forth in Attachment H.

Donald Enders Jr.		Yes
W. Russell Faber		Yes
Dan B. Frankel		Yes
John Galuska		Yes
Stacy Garrity	Designee Thomas Waters	Yes
Vincent J. Hughes	Designee Matt Lindsay	Yes
Brett R. Miller		Yes
Uri Monson		Absent
Devlin Robinson		Yes
Wendy Spicher		Yes
Gregory C. Thall		Yes



**E. Audit, Risk and Compliance Committee**

Designee Tom Waters, on behalf of Committee Chair Stacy Garrity, presented a report of the Audit, Risk, and Compliance Committee meeting of March 4, 2025, to the board. The following action was taken:

**2025 WORK PLAN****MOTION: 2025-13**

By motion that was moved, seconded, and approved by board members, it was

**RESOLVED:** That the State Employees' Retirement Board approve the Audit, Risk and Compliance 2025 Committee Work Plan, as set forth in Attachment I.

Donald Enders Jr.		Yes
W. Russell Faber		Yes
Dan B. Frankel		Yes
John Galuska		Yes
Stacy Garrity	Designee Thomas Waters	Yes
Vincent J. Hughes	Designee Matt Lindsay	Yes
Brett R. Miller		Yes
Uri Monson		Absent
Devlin Robinson		Yes
Wendy Spicher		Yes
Gregory C. Thall		Yes

**7. OLD BUSINESS****A. Comprehensive Pension Administration System (PAS) Discussion****MOTION: 2025-14**

By motion that was moved, seconded, and approved by board members, it was

**RESOLVED:** That the State Employees' Retirement Board

- 1) approve the recommendation presented to the Board during its December 10, 2024, meeting by Linea Solutions to acquire a modern comprehensive pension administration system to replace SERS' current pension administration systems known as SERIS and DAWPM;
- 2) authorize the current and future commitment of SERS resources, including but not limited to personnel time and talent resources and financial and monetary resources, to this multi-year project; and
- 3) authorize staff to procure a consultant, either through sole source procurement or other allowed method to assist staff in the:
  - (i) planning the process of identifying, procuring, and evaluating potential pension administration vendors and integrators;
  - (ii) design and drafting of the RFP; and
  - (iii) providing subject matter expertise during the technical and cost evaluations of the vendor proposals; using established Commonwealth and SERS' Board procurement processes.

Donald Enders Jr.		Yes
W. Russell Faber		Yes
Dan B. Frankel		Yes
John Galuska		Yes
Stacy Garrity	Designee Thomas Waters	Yes
Vincent J. Hughes	Designee Matt Lindsay	Yes
Brett R. Miller		Yes
Uri Monson		Absent
Devlin Robinson		Yes
Wendy Spicher		Yes
Gregory C. Thall		Yes

## 8. NEW BUSINESS - NONE

## 9. SPECIAL PRESENTATION – NONE

## 10. REPORTS OF EXECUTIVE DIRECTOR AND AGENCY STAFF

### A. Executive Director Torta provided the following updates:

- i. Executive Update: Welcomed Senator Robinson and his designees and Representative Frankel's new designee. Introduced the SERS' administrative team assisting with the meetings. Recognized Dawn Smith, SERS' Director of Operations, who passed untimely. She will be missed. Recognized Chair Thall who was featured in Pennsylvania Magazine's 'Who's Who in Government Relations'. SOC audit engagement is ongoing and going well. All of the business transactions for the Third-Party Administrator conversion have been relatively seamless. Preliminary notifications for shared risk went out last week. Formal notifications will go out once final rate has been provided by SERS' actuary. In the process of firming up the Chief Risk Officer position description. A candidate has been selected and agreed to accept the vacant Human Resource Director position.
- ii. Legislative Update: House Bills 408 and 411 have been reintroduced, as expected. Both are COLA bills. House Bill 429 would serve to pay down PSERS' and SERS' unfunded pension liabilities through the Rainy Day Fund.
- iii. Dismissals, Orders and Adjudications:
  - a. Account of Jaime Minnitte  
Docket No. 2023-04  
Claim of Jaime Minnitte  
The State Employees' Retirement Board DENIED Claimant's request to elect multiple service.
  - b. Account of Mary Fletcher  
Docket No. 2024-06  
Claim of Mary Fletcher  
By letter dated November 14, 2024, Ms. Fletcher withdrew her appeal. By Order dated December 13, 2024, the Board DISMISSED Ms. Fletcher's appeal WITH PREJUDICE.

- B. SERS Deputy Executive Director of Administration – NONE
- C. Chief Investment Officer – NONE
- D. Chief Financial Officer – NONE

#### 11. EXECUTIVE SESSION

- A. Chief Compliance Officer's Report on Board Referrals
- B. Benefits Administration and Appellate Litigation Update
- C. Benefits Related Litigation Summary for 2024

At 10:13 a.m. the board recessed and entered executive session to receive reports and legal advice on executive session agenda items. The public meeting resumed at 10:33 a.m.

#### 12. BOARD COMMENTS/ANNOUNCEMENTS/DATES TO REMEMBER

- April 29, 2025 – next regularly scheduled committee meetings
- May 6, 2025 – next regularly scheduled board meeting

#### 13. MOTION TO ADJOURN

##### **MOTION: 2025-15**

By motion that was moved, seconded, and approved, the board unanimously agreed to adjourn the meeting at 10:34 a.m.

Respectfully submitted,



Joseph A. Torta  
Executive Director

**Commonwealth of Pennsylvania  
State Employees' Retirement System**



**COMMENDATION**

***WHEREAS, Daniel Ocko, Esq., has served faithfully as a designee of Representative Dan Frankel to the State Employees' Retirement Board effective January 23, 2013; and***

***WHEREAS, Mr. Daniel Ocko has contributed to Board deliberations by providing the State Employees' Retirement Board with insights and knowledge derived from his extensive background of public service and personal commitment to the citizens and taxpayers of the Commonwealth of Pennsylvania since June 14, 1993, serving as legal counsel and policy advisor to the Democratic Caucus of the Pennsylvania House of Representatives; and***

***WHEREAS, Mr. Daniel Ocko has an extensive record of community and professional service in addition to his tenure on the SERS Board, including serving as Secretary to the Board of Pennsylvania Wounded Warriors; and as a Director of the Chapel of the Four Chaplains Memorial Foundation in Philadelphia; and***

***WHEREAS, Mr. Daniel Ocko has served throughout his tenure as a designee on numerous SERS Board committees, most recently on the Investment Committee, and the Finance and Member and Participant Services Committee, clearly exhibiting throughout his tenure a conscientious dedication to the best interests of the System and its members and participants; and providing a reliable voice for accountability, transparency and public integrity; now therefore be it***

***RESOLVED, that the Pennsylvania State Employees' Retirement Board expresses its appreciation to Mr. Daniel Ocko for his service as a faithful public servant and member designee to this Board, and wishes him good health and happiness in retirement, and in all his future endeavors; and be it further***

***RESOLVED, that the original resolution be transmitted to Mr. Daniel Ocko and a copy included in the minutes.***

March 4, 2025  
Harrisburg, Pennsylvania

  
Gregory C. Thall, Chairman

  
Joseph A. Torta, Secretary



## **Investment Committee Work Plan**



# memo

**To:** SERS Investment Committee  
**From:** James G. Nolan, Chief Investment Officer  
**Date:** February 25, 2025  
**Re:** Review of SERS 2025 Investment Committee Work Plan


The SERS Investment Office is providing a work plan to the Investment Committee, summarizing items that staff and consultants plan to present in 2025. Non-recurring items are highlighted in green.

2025 Investment Committee Work Plan Items	February	April	June	July	September	December	Special Notes
Recommend to the Board to approve the Committee work plan	X						Annually, staff liaisons with the Executive Director to prepare draft work plans for review by the Committee in advance of the first meeting. The Committee shall recommend to the Board to approve the work plan.
Annual update to IC summarizing prior year Investment Office accomplishments and outline goals for the upcoming year	X						Annually per IPS requirement.
Performance review/report to IC of consultant/third parties overseen by Committee	X						Annually.
IC Educational Presentations	X	X	X	X	X	X	As needed.
Review Quarterly Performance of Total Fund	X		X		X	X	Four times per year.
Review Quarterly Real Estate Performance to IC	X		X		X	X	Four times per year.
Review Quarterly Private Equity Performance to IC	X		X		X	X	Four times per year.
Investment Manager Expense and Fee Report					X		Annually.
Investment Manager Fee Peer Comparison Report					X		Annually.
Proxy Voting Policy Review		X					Annually.
CIO Status Reports				X		X	Mid-year and year-end status reports.
DB, DC, DCP Plan IPS Review						X	Annually.
Asset Liability Study					X		Every 3-5 years.
Conduct searches for public market mandates and private market funds, and make recommendations on the best opportunities	X	X	X	X	X	X	As needed.
Perform due diligence on investment referrals from the Board	X	X	X	X	X	X	As needed.
Recommend hiring necessary external consultants and advisors							As needed.
Asset Allocation Review		X					
Private Equity and Real Estate Pacing Review					X		
Fixed Income Manager Interviews			X				
DC and DCP Target Date Fund Search				X			

### **Ongoing Implementation of Board-Approved Direction**

In addition to items that staff and consultants present to the Committee, staff and consultants will perform ongoing functions to implement Board-approved direction, including but not limited to:

- Implementing the Board-approved Investment Policy Statement for SERS' DB, DC, and DCP Plans
- Monitoring compliance with investment-related policies and assess investment risk
- Meeting with asset class consultants to review strategy and portfolio construction considerations
- Reviewing Fund liquidity to confirm that the Fund has sufficient liquid assets to meet obligations
- Conducting ongoing monitoring of external investment managers
- Liquidating securities received as in-kind distributions from private markets managers
- Staying up to date on current market events and resulting investment opportunities
- Reviewing corporate governance and shareholder rights issues as they arise regarding the Fund's voting securities and make proxy voting recommendations to the Board as needed

 <b>pennsylvania</b> STATE EMPLOYEES' RETIREMENT SYSTEM	Committee Work Plan Items						Special Notes	
	January	February	April	June	July	September		December
DRAFT Board Governance and Personnel Committee (BG&PC)								
2025								
Board Chair appoints Committee members. Committee members elect Committee Chairs and the Committee Chairs appoint Assistant Chairs for each Committee.								In the first committee meeting in even numbered years, conduct the election of Committee Chairs and appoint Assistant Chairs. Also, in January of even numbered years, the Board Chair appoints Committee members. <b>Committees were appointed January 2024.</b>  <b>Reminder:</b> BG&PC to review Committee assignments for resignations and appointments and coordinate with the Board Chair to properly constitute the various Committees and coordinate elections for Committee Chairs and Assistant chairs if necessary.
Recommend to the Board to approve the BG&PC work plan.		X						Annually, staff liaisons, with input from the Executive Director, prepare draft work plans for review by the BG&PC in advance of the first Board meeting. The BG&PC shall recommend to the Board to approve the BG&PC work plan and confirm that a governance review of the other Committee work plans submitted for Board approval has been completed.



Review and recommend to the Board the approval of the <i>Annual Board Education Plan</i> .		X							<p>The Annual Board Education Plan is presented to the Committee for review and comment. Once approved by the Committee, a recommendation for approval is made to the full Board.</p> <p><b>Reminder:</b> The 2024 Annual Board Education plan was approved at the May 2024 Board meeting through <i>Motion 2024-24</i>.</p>
Review and confirm continued services of board portal vendor		X						X	<p>The current provider of the board portal is BoardDocs, a Diligent Brand. BoardDocs was first engaged in 2015 to provide a board portal and a PO was issued. In 2020, SEBS issued another 5 year PO. The current PO will expire on February 28, 2025 and a new one-year PO to continue the BoardDocs services is required. The services provided will be reviewed as part of the Board Self-Assessment and a determination will be made as to the services provided prior to the next renewal period on February 28, 2026.</p> <p><b>Reminder:</b> The agreement with the current vendor renews automatically every year unless terminated with 30 days advanced written notice. Notice would need to be given prior to January 28, 2026, and if services are to be continued a new PO will need to be put in place in advance of the expiration of the current PO.</p>
Consider annual salary adjustments for specific investment professionals.		X							<p>Individual salary adjustment discussions with BG&amp;PC/Board typically occur in February with salary adjustments being effective the first full pay period in March. Adjustments can be made retroactive if BG&amp;PC/Board does not act timely. Salary adjustments for the CIO require Board approval. BG&amp;PC has delegated authority for salaries of the other investment professionals.</p> <p><b>Reference:</b> Recommended salary adjustments should be reviewed against the pay-bands to confirm adjustments fall within the appropriate bands contained in the <i>Compensation Policy for Investment Professional State Employees' Retirement System</i>.</p>

Committee to oversee and monitor the existing SERS' Strategic Plan (July 1, 2023 through June 30, 2027). Committee to recommend to the Board any changes or adjustments to the Strategic Plan.			X	X	X	X	X			Provide updates on the existing Strategic Business Plan (July 1, 2023 - June 30, 2027). During the Summer of 2022, work began on the New Strategic Plan for July 2023 through June 2027 (the plan covered an expanded 4 year cycle). Obtain approval from Committee and Board for changes to the Strategic Plan.  <b>Reference:</b> Board adopted the new Strategic Plan in July 2023 through <i>Motion 2023-34</i> .
Work with the Executive Director, Office of Chief Counsel and Chief Compliance Officer in the comprehensive Board policies and procedures review.			X	X	X					To be completed every four years. This review began in January of 2023 and should be completed by June of 2025. Update the BG&PC with results of review and discuss any possible action items. One final internal office charter remains to be reviewed as part of the 2023 governance review. Its approval will complete the 2023 comprehensive Board policy review.  <b>Reminders:</b> Reviews will now be conducted every four years instead of every two years. The next comprehensive review will begin in January of 2027. Updates or new policies may be brought before the committee prior to the next comprehensive governance review as indicated by Board or business needs and governance best practices.

Review BG&PC Charter, including a review of Board delegations and bylaws, in collaboration with the Executive Director, Chief Counsel's Office and Chief Compliance Officer.				X	X					<p>Last review cycle began in 2023. The committee should review its own charter and submit suggested revisions or updates to the BG&amp;PC who will then recommend any changes to the full Board. Executive Staff will review the other Committee charters and will coordinate with liaisons from all the Committees. The BG&amp;PC will be updated with results of the review and discuss any possible action items related to the charters. Current review is continuing from 2023 and all Committee charters, bylaws and delegations have been approved. One remaining internal office charter remains to be approved to complete the 2023 review cycle. Next comprehensive review will begin in 2027.</p> <p><b>Reminder:</b> Reviews will now be conducted every four years instead of every two years. <b>The next comprehensive review will begin in January of 2027.</b> Updates to the charters, bylaws or Board delegations may be brought before the Committee prior to the next comprehensive governance review if indicated by Board or business needs and governance best practices.</p>
Review all other Committee charters and internal office charters. Make any recommendations to the other Committees of revisions to their respective charters for consistent governance in the charters, and receive and review any requests for charter revisions.				X	X					<p>Must be completed every four years. Last review cycle began in 2023. Each Committee should review its own charter as well and submit suggested revisions or updates to the BG&amp;PC. Staff will review the other Committee charters and will coordinate with liaisons from all the Committees. The BG&amp;PC will be updated with results of the review and discuss any possible action items related to the Committee charters. Current review is continuing from 2023 and all Committee charters have been approved, one remaining internal office charter remains to be approved to complete the 2023 review cycle.</p> <p><b>Reminder:</b> Reviews will now be conducted every four years instead of every two years. <b>The next comprehensive review will begin in January of 2027.</b> Updates to the charters may be brought before the Committee prior to the next comprehensive governance review if indicated by Board or business needs and governance best practices.</p>

Engage a consultant to conduct a Board Self-Assessment pursuant to the <i>Board Self-Assessment Policy, 2018 POL-BD-13</i> .		X	X					Should be completed every year, but no later than every other year. Last review cycle began in 2021. This Self-Assessment shall include questionnaires, interviews, round tables, and other tools made available to the Board to facilitate the Self-Assessment and the preparation of final reports.  <b>Reminder:</b> Pursuant to the <b>Board Self-Assessment Policy, 2018-POL-BD-13</b> , the next Board Self-Assessment should occur in 2027 at the latest, but can occur in 2026 if the Committee determines it is in the best interest of the Board to conduct the Self-Assessment at that time.
Board Self-Assessment Project			X	X	X	X	X	The successful vender is to be awarded a contract during the February/March 2025 Board cycle and will begin work with the Board and staff on the Board Self-Assessment project in April of 2025, once all legally required contracting has been fully executed. This Self-Assessment shall include questionnaires, interviews, round tables, and other tools made available to the Board to facilitate the Self-Assessment and the preparation of final reports and recommendations.  <b>Reminder:</b> The next Board Self-Assessment should occur in 2027 at the latest, but can occur in 2026 if the Committee determines it is in the best interest of the Board to conduct the Self-Assessment at that time. <i>See Board Self-Assessment Policy, 2018 POL-BD-13.</i>

<p>Engage consultant to conduct SERS Fiduciary Review in 2026 as provided in the <i>Fiduciary Review Policy, 2018-POL-BD-14</i>.</p>				X	X	X	X		<p>To be completed every 3-4 years. Last occurred in 2021 with the procurement process occurring during 2020.</p> <p>The Board delegated the oversight of the Fiduciary Review to the BG&amp;PC through <i>Motion 2024-10</i>, when it adopted changes to the <i>Fiduciary Review Policy, 2018-POL-BD-14</i>. The Committee shall conduct a Fiduciary Review and incorporate, if possible, the results of the Board Self-Assessment into the Fiduciary Review planning process. The planning process should begin in mid 2025. The BG&amp;PC will establish the nature and scope of the 2026 project, and the scope of services with input from the full Board. Staff will draft and prepare a procurement request for the fall of 2025. It is anticipated that consultant proposals will be received and reviewed by the technical committee and a consultant will be engaged to begin the fiduciary review process in early 2026.</p>
<p>Authorize pay increases for management-classified positions excluding Executive Director, Special Assistant to ED, investment professionals, and attorneys, if appropriate, when collective bargaining agreements are entered into.</p>									<p>The Retirement Code assigns compensation authority to the SERS Board for positions not represented by a collective bargaining agreement and consistent with the standards of compensation established by the commonwealth's Executive Board. The Board authorized management pay a raise after June 30, 2024, covering the entire term of the new 2023-2027 AFSCME contract with <i>Motion 2024-25</i>. <b>No action is needed this year.</b></p> <p><b>Note: Motion 2023-26</b> addresses management pay for the period of July 1, 2023 through June 30, 2024. The AFSCME contract for the period of July 1, 2023 through June 30, 2027 had not yet been finalized when <i>Motion 2023-26</i> passed. An additional motion was required to authorize management pay increases after June 30, 2024 (noted above). Following past practice, and for future reference any management pay increase motion would align with the duration of the AFSCME contract. Management raises usually match the raises detailed in the AFSCME contract.</p>

Secure 2.0 and other legislative mandates requiring Board consideration.			X	X	X				There are certain legislative provisions related to the Defined Benefit, Hybrid and Deferred Compensation Plans that may involve mandatory provisions, while others require the Board to either adopt them through varying processes up to and including the need for legislation. The Chief Counsel's Office will be briefing the Board on the provisions during the April and June meetings and will seek direction as to the path the Board determines with respect to plan amendments and potential options.
Receive mid-year status report from Executive Director.					X				Executive Director to provide a mid-year status report to the BG&PC.  <b>Reference:</b> SERS Board Governance Policy Manual, <i>Performance Management for Select Key SERS Positions Policy, 2023-POL-BD-02.</i>
Discuss Executive Director salary adjustment.					X			X	The Executive Director position does not receive automatic pay increases. Pay must be approved by the SERS Board then by the commonwealth's Executive Board.  The Executive Director is on a calendar year performance review cycle (Jan. - Dec.).

Review investment pay bands and recommend band adjustments to Board for approval.					X					<p>Salary band adjustments are authorized by the full Board upon recommendation from the BG&amp;PC and incorporated into the <b>Compensation Policy for Investment Professional State Employees' Retirement System</b>.</p> <p><b>Notes:</b> SERS HR typically receives salary data around September/October. Data is discussed with the ED, CIO, and CFO before presenting to the BG&amp;PC. Ideally, pay band adjustment considerations go before the Committee in December so any adopted pay band updates are timely authorized for a January 1 effective date. Pay bands can be adjusted retroactively, if necessary, when the Committee and/or Board fail to take action at the December meeting. At the December 2024 meeting, the Board approved increases to the pay bands for 2025, <b>Motion 2024-65</b>, but deferred action on pay band adjustments beyond 2025 and tabled the discussion for early 2025, which is why pay bands are listed as possible discussion topics in early 2025.</p>
Receive year-end status report from Executive Director.									X	<p>Executive Director to provide a year-end status report to the BG&amp;PC.</p> <p><b>Reference:</b> SERS Board Governance Policy Manual, <b>Performance Management for Select Key SERS Positions Policy, 2023-POL-BD-02.</b></p>
Obtain input from the Board on the annual evaluation of the Executive Director and Chief Counsel.  Develop performance goals for the Executive Director.									X	<p>The HR Director will coordinate the solicitation of performance input.</p> <p><b>References:</b> BG&amp;PC Charter assigns responsibility to the Committee to solicit full Board input for the ED and Chief Counsel positions. Further detail is found in the SERS Board Governance Policy Manual, <b>Performance Management for Select Key SERS Positions Policy, 2023-POL-BD-02.</b></p>

<p>Discuss Executive Director cost-of-living adjustment (COLA).</p>												<p>Act 51 of 1995 grants the Governor and Cabinet annual cost-of-living increases in January. The Governor's Office may extend/approve the same increase for other non-statutory agency heads (e.g., Executive Directors) whose salaries are set by the commonwealth's Executive Board.</p> <p>Since SERS Board approves the Executive Director's salary, a motion is necessary to authorize application of the COLA for the Executive Director should one be granted by the Governor's Office for the non-statutory agency heads.</p> <p>References: At its 2024 December meeting the Board approved a 2025 cost-of living increase as approved by the Governor through <i>Motion 2024-64</i>.</p>
												<p>X</p>





**pennsylvania**

STATE EMPLOYEES' RETIREMENT SYSTEM

# SERS Education Plan for Board Members and Designees

February 2025

## **Purpose**

Pursuant to the State Employees' Retirement Code and the *Board Education Policy* (2017 POL-BD-06), all State Employees' Retirement ("SERS") Board members are required annually to successfully complete a specified number of hours of mandatory education, detailed below. In addition to the annual education hours required of all Board members, Board members appointed to the Audit, Risk, and Compliance Committee are required to complete a specified number of hours of education in risk assessments, internal controls, and auditing standards.

The updated 2025 SERS Education Plan for Board Members and Designees (the "Plan") was initially created in 2022 and incorporates the following:

- The development of a core curriculum with elective offerings tied to the Board's strategic initiatives and key decisions, as outlined below;
- Educational opportunities tailored to help meet the needs of each Board member regardless of experience and expertise;
- Educational sessions offered as part of Committee and Board meetings;
- A curated program offered at the annual off-site Board Retreat;
- Opportunities to attend on-demand courses, webinars and industry conferences, and
- The opportunity to include independent third parties in providing educational offerings when appropriate.

The Plan will provide direction on a curriculum for Board members and their designees to fulfill their fiduciary obligations and to exercise that degree of judgment, skill, and care that a prudent investor would observe under similar circumstances. It will also enable Board members and designees to acquire and expand their personal knowledge and improve their understanding in specific areas of mandatory and non-mandatory training.

## **Statutorily Mandated Training Requirements of the Board and Designees**

### **I. Mandatory General Board Training Requirements**

Pursuant to Act 2020-128, effective January 1, 2022, and annually thereafter, all Board members and their designees are required to complete at least ten (10) hours of mandatory training in investment strategies, actuarial cost analysis, asset allocation, risk assessment, retirement portfolio management, and fiduciary responsibilities on an annual basis. In addition, Board members and designees are also required to complete one hour of ethics training annually. The mandatory general Board education requirements will be identified in the educational opportunities list offered to the Board.

## **II. Additional Mandatory Audit, Risk, and Compliance Committee Education Requirements**

### **A. First Year of Service**

Pursuant to Act 2020-28, effective January 1, 2022, a newly appointed Audit, Risk and Compliance Committee member (Board member and designee(s)), must complete at least sixteen (16) hours of training in risk assessment, internal controls, and auditing standards within ninety (90) days of an initial appointment to the committee to be able to vote at Audit, Risk, and Compliance Committee meetings.

These requirements are in addition to the annual mandatory fiduciary and ethics requirements every Board member and designee must complete. Some of the risk assessment sessions may count as Dual Credits. Please see section III below.

### **B. Following the First Year of Service**

To continue serving as a voting member of the Audit, Risk and Compliance Committee after the first year of service, a member must complete at least eight (8) hours of continuing education in risk assessment, internal controls, and auditing standards each calendar year thereafter.

These requirements are in addition to the annual mandatory fiduciary and ethics requirements every Board member and designee must complete. Some of the risk assessment sessions may count as Dual Credits. Please see section III below.

## **III. Dual Credits for Mandatory and Audit, Risk, and Compliance Training Requirements<sup>1</sup>**

Some courses covering risk assessment may count as credits for both the Mandatory and the ARC Committee education requirements ("Dual Credits"). Such credits will be designated as Dual Credits and will be appropriately noted on the Board member and designee records kept by SERS' staff.

## **IV. Mandatory Ethics Training Requirement**

Every Board member and designee must complete one hour of ethics training annually.

## **IV. Educational Opportunities**

SERS' staff shall develop educational opportunities and inform Board members and designees of opportunities offered outside of the system, and specific trustee educational programs offered

by industry members. Staff will also provide a list of on-demand opportunities with course links, at the beginning of each year to Board members and designees. The list will indicate what requirements the course fulfills (i.e., mandatory, ethics, ARC Committee-related, Dual Credit, etc.). The offerings listed include, but are not limited to, the following:

- Investment Strategies\*
- Benchmarking and Performance Comparisons\*
- Strategic Asset Allocation for Investment Portfolios\*/\*\*/#
- Assumed Rate of Return\*
- Fiduciary Duties and Responsibilities\*
- Environmental, Social and Governance (ESG) Investing\*
- Performance Measurement and Monitoring\*
- Internal Controls \*\*
- Risk Assessment \*/\*\*/#
- Risk Appetite \*/\*\*/#
- Auditing Standards\*\*
- Demographic Actuarial Assumptions\*
- Managing Investment Risk\*/\*\*/#
- Managing Business and Operational Risk\*/\*\*/#
- Actuarial Cost Analysis\*
- Funding and Asset-Liability Concepts\*
- Stress Testing and Risk Management\*/\*\*/#
- Ethics\*
- Risk Management\*/\*\*/#
- Managing Cyber Security Risk \*/\*\*/#
- Basics of Artificial Intelligence Impact and Risk \*/\*\*/#
- Member and Participant Services

\* - Mandatory Board Training Requirements

\*\* - Mandatory Audit, Risk, and Compliance Committee Training Requirements

# - Courses addressing risk may qualify as a “Dual Credit” for Mandatory Board Training Requirements and ARC Committee Risk Training Requirements. Please see section III.

## V. Educational Goals

The educational goals describe the skills, competencies, and qualities that Board members and designees should possess upon completion of an annual educational program, with a focus on the following categories:

### Ethics Education

Every Board member and designee must complete 1 hour of ethics education annually. Following the completion of the ethics requirement, Board members and designees should be able to:

- Understand the roles and duties of fiduciaries
- Be aware of potential conflicts of interest and how to avoid them
- Be aware of ethical responsibilities that are expected of fiduciaries
- Understand their responsibilities as board members
- Understand the roles and responsibilities of investment consultants and managers, the board's actuary, legal counsel, and auditors
- Utilize best practices associated with good pension plan governance
- Be familiar with state and federal ethics laws that apply to public officials, including nepotism, gifts, and benefits
- Understand the consequences of violating ethics laws
- Know about prohibited transactions and interests
- Be aware of required disclosures
- Understand issues relating to confidentiality

### Investment-Related Education

Every Board member and designee must complete 10 hours of investment-related education sessions annually, including investment strategies, asset allocation, and retirement portfolio management; actuarial cost analysis; risk assessment; and fiduciary responsibilities.

- Following the completion of **investment strategies, asset allocation, and retirement portfolio management** education sessions, Board members and designees should be able to:
  - Distinguish the different characteristics of stocks, bonds, and other major asset classes
  - Understand the risk involved in investing in certain asset classes
  - Comprehend passive and active investment management strategies

- Understand the importance of diversification
- Analyze returns and be able to compare them with a system's assumed rate of return
- Understand the basic elements of an investment policy statement
- Understand the role of the trustee as it relates to investment decisions
- Be familiar with due diligence and investment performance evaluation processes
- Understand the role of investment consultants and investment managers
- Be aware of best practices for selecting and evaluating investment managers
- Understand the sources of investment fees and other expenses, as well as key elements of fund and manager fee terms
- Following the completion of **actuarial** education sessions, Board members and designees should be able to:
  - Explain the role of the board's actuary
  - Comprehend basic actuarial terms and be familiar with different types of actuarial reports
  - Read and understand an actuarial valuation
  - Understand stress testing
  - Be familiar with the demographic and economic types of actuarial assumptions
  - Understand market value and actuarial value of assets
  - Be aware of different types of actuarial cost methods
  - Understand the amortization period and different amortization methods
  - Understand asset smoothing techniques
  - Be aware of best practices such as funding policies
  - Understand what should be taken into consideration for a system to increase benefits
- Following the completion of **investment-related risk management** education sessions, Board members and designees should be able to:
  - Be familiar with investment risk assessment
  - Understand internal control concepts
  - Understand a Comprehensive Annual Financial Report
  - Comprehend the role of auditors, internal and external

- Be familiar with measures for ensuring security of confidential information
- Understand the importance of recordkeeping requirements
- Explain the importance of investment diversification
- Be familiar with types of investment risk and how to manage total risk
- Understand the role of due diligence in investments
- Risk oversight is a primary Board responsibility, as a well-informed Board is able to influence management's processes for monitoring risks. Following the completion of Board risk management oversight education sessions, Board members and designees should be able to:
  - Confidently discuss, analyze and define which risks the full Board should talk about regularly versus risks that can generally be delegated to a Board committee(s).
  - Review and develop a governance risk structure that maps enterprise risks to a specific Board committee(s) for oversight.
  - Set a risk appetite for the organization
  - Understand and oversee cyber and IT risk management.
  - Understand financial risk oversight and assessment
  - Integrate risk with strategy

#### ARC Committee-Related Education

Members of the ARC Committee are expected to have a general understanding of the financial topics that they have oversight of as a member of the ARC Committee. Following is a general list of basic understandings every committee member should have:

- An understanding of financial statements and generally accepted accounting principles (GAAP)<sup>2</sup>
- An ability to assess the general application of GAAP in connection with accounting for estimates, accruals, and reserves
- An ability and understanding of preparing, auditing, analyzing, or evaluating financial statements that present a breadth and level of complexity of accounting issues generally comparable to what can reasonably be expected to be raised by the company's financial statements, or experience actively supervising those engaged in such activities, gained through experience or relevant coursework in these areas

- An ability to evaluate risk:
  - An understanding of risk assessment from an auditing perspective, as well as an enterprise-wide view
  - Complex accounting and reporting areas and how management addresses them with respect to risk assessments, significant accounting policies, judgments, management estimates, and their impacts on the financial controls
  - Cyber Risk
  - Fraud Risk
- An understanding of internal control over financial reporting:
  - Understand what internal controls are
  - Explain why internal controls are important
  - Comprehend the three types of internal controls
  - Be familiar with potential weaknesses in internal controls
  - Understand the components of internal controls
  - Identify high-risk processes
- An understanding of the Committee's functions:
  - Be familiar with different types of auditing standards
  - Understand the objectives of an audit and the auditor

## **VI. Instructional Educational Methodologies and Session Length**

Methodologies for educational opportunities will include a variety of venues and formats, with best efforts being made to include independent third parties. Educational opportunities can include the following types of formats:

- Conferences (in person or virtual) (i.e. Board Retreat)
- Presentations (in person or virtual)
- Webinars (live or recorded)
- Executive Educational Programs (in person or virtual)
- Specialized Trustee Educational Programs (in person or virtual)
- Industry periodicals, books, and other written material
- Online coursework
- Podcasts



Most internal training sessions will be no less than 30 minutes and no more than 60 minutes in length. External training sessions are typically between 15 to 60 minutes. The goal is to provide training sessions in conjunction with regularly scheduled Committee and Board meetings and Board-sponsored events (i.e. offsite Board Retreat).

A list of pre-approved educational opportunities will be made available to Board members and designees, with offerings updated periodically. Outside training not on the pre-approved list can be submitted by Board members and designees to the Executive Assistant of Board Education and the Director of Board Governance and Strategic Initiatives and will need to go through an approval process before credit can be awarded.

For those Board members and designees who also sit on the Pennsylvania Public School Employees' Retirement System Board (PSERS), we offer reciprocal credit for those courses taken as part of your PSERS board service. SERS and PSERS staff collaborate with each other to confirm courses taken to ensure Board members and designees receive credit for all courses taken.

## **VII. Budget Costs**

The anticipated annual budget for Board education is approximately \$75,000. The cost will cover such items as the SERS Board Retreat, internal and external training sessions, attendance at outside conferences and classes, materials and periodicals, memberships, and other external educational opportunities.



**pennsylvania**

STATE EMPLOYEES' RETIREMENT SYSTEM

**COMPENSATION POLICY FOR INVESTMENT PROFESSIONAL STAFF**

**STATE EMPLOYEES' RETIREMENT SYSTEM**

Effective January 1, 2017

Amended Effective January 1, 2025

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## Compensation Policy for Investment Professional Staff

### State Employees' Retirement System

#### INTRODUCTION

SERS was established by the General Assembly of the Commonwealth of Pennsylvania in 1923. SERS' enabling legislation, the State Employees' Retirement Code, was recodified in 1959 and again in 1974.

The Retirement Code establishes the Board as an independent administrative board, which has the authority to make all decisions with respect to the implementation of the Retirement Code and the management of the State Employees' Retirement Fund.

Section 5902(a) of Title 71, amended April 2, 1998:

- (1) Effective 30 days after the effective date of this paragraph, the positions of secretary, assistant secretary and investment professional shall be placed under the unclassified service provisions of the act of August 5, 1941 (P.L.752, No.286), known as the Civil Service Act, as those positions are vacated. All other positions of the board shall be placed in either the classified or unclassified service according to the definition of the terms under the Civil Service Act.
- (2) Notwithstanding any other provisions of law, the compensation of investment professionals and legal counsel shall be established by the board. The compensation of all other officers and employees of the board who are not covered by a collective bargaining agreement shall be established by the board consistent with the standards of compensation established by the Executive Board of the Commonwealth.

SERS' *Compensation Policy for Investment Professional Staff* is established to:

- Maintain transparency for the compensation of investment professional staff
- Attract, motivate, and retain highly qualified, experienced investment professionals needed to satisfy the standard-of-care requirements of fiduciary obligations consistent with SERS Board policy
- Provide a reasonable and competitive pay program for investment professional staff

SERS continually strives to have a compensation plan for its investment professional staff that attracts and retains highly qualified individuals, establishes internal equity of positions, and maintains external competitiveness. The Board shall establish and maintain a pay schedule and structure that reflects market competitive salary ranges for each job classification based on median salary levels in the Public Pension Funds Comparator Group. This comparator group may be re-established as appropriate with changes in the public pension systems.

## DELEGATION OF AUTHORITY

The Board has authority to set compensation for SERS' investment professional staff. With approval of this policy the Board delegates the following, effective January 1, 2017 and as amended:

- Authority to SERS' Chief Investment Officer and SERS' Executive Director, in consultation with SERS' Human Resources Director, to recommend salaries and annual salary adjustments for investment professional positions in the Investment Office to the Board Governance and Personnel Committee for approval as discussed in the PROGRAM ADMINISTRATION section; and
- Authority to SERS' Executive Director and SERS' Chief Financial Officer, in consultation with SERS' Human Resources Director, to recommend salaries and annual salary adjustments for the investment professional positions in the Office of Finance and Administration to the Board Governance and Personnel Committee for approval as discussed in the PROGRAM ADMINISTRATION section; and
- Authority to SERS' Executive Director in consultation with SERS' Human Resources Director to recommend the salary of the Chief Financial Officer position and annual salary adjustments to the Board Governance and Personnel Committee for approval as discussed in the PROGRAM ADMINISTRATION section.

If the parties named above cannot reach consensus concerning the actions that have been delegated by SERS Board, the issue(s) will be elevated to the Board Governance and Personnel Committee of SERS Board for a final determination.

The Board will maintain authority to approve the annual pay increase budget based on current market pay data and the availability of funds.

## **PEER COMPARATOR GROUP**

The below peer comparator group, used to determine the appropriate compensation for SERS' investment professional staff, was originally established in June 2013 in conjunction with McLagan, a professional organization with well-established expertise in the area of pension system compensation. This group of 15 public pension systems, at the time the list was developed, was similar to SERS in size and investment approach, and none of the comparable pension systems utilized a bonus program. The salary structures of these comparative systems were used to determine the initial market pay for SERS' investment professional staff.

Illinois Municipal Retirement Fund

Indiana Public Retirement System

Iowa Public Employees Retirement System

LA County Employees Retirement Association

Maryland State Retirement Agency

Massachusetts Pension Reserves Investment Management Board

Minnesota State Board of Investment

Mississippi Public Employees Retirement System

Missouri Public Schools Retirement System

Nevada PERS

Pennsylvania Public School Employees' Retirement System (included in the comparator group due to geographical location)

South Carolina Retirement System

Texas County and District Retirement System

Texas Municipal Retirement System

Utah State Retirement System

## PAY SCHEDULE

SERS moved investment professional positions from a pay schedule of 12 pay ranges with 20 steps within each range, to a banded pay structure effective January 1, 2017. Each investment professional position was appropriately placed within the respective band based on the comparative parity with peer pension systems, experience and credentials, contributions to SERS, and internal pay equity. The banded pay structure has six bands, with minimum and maximum annual salaries for each band, but no steps. This type of structure allows for increased flexibility to differentiate salaries based on an employee's performance, workload, contributions to SERS, etc. The below chart shows annual salaries down the left side and the bands across the bottom.

The current salary band structure, effective January 1, 2025, is depicted in the below tables:

<b>Current as 01/01/2025 with 3.3% Increase</b>	<b>Spc Asst Jr, Inv Anl Trn Jr Inv Anl Inv Acct</b>	<b>Inv Anl 1 Sr Inv Acct</b>	<b>Inv Anl 2 Asst CFO</b>	<b>PM 1 CFO</b>	<b>PM 2 MD Inv Op Dep CIO</b>	<b>CIO</b>
<b>Current Hourly</b>	<b>IS Band 3</b>	<b>IS Band 4</b>	<b>IS Band 5</b>	<b>IS Band 6</b>	<b>IS Band 7</b>	<b>IS Band 8</b>
Minimum	\$ 38.83	\$ 49.41	\$ 59.51	\$ 72.21	\$ 103.32	\$ 134.20
Midpoint	\$ 50.42	\$ 64.12	\$ 77.18	\$ 93.97	\$ 134.42	\$ 174.89
Maximum	\$ 62.01	\$ 78.81	\$ 94.84	\$ 115.76	\$ 165.56	\$ 215.59

<b>Current Annual</b>	<b>IS Band 3</b>	<b>IS Band 4</b>	<b>IS Band 5</b>	<b>IS Band 6</b>	<b>IS Band 7</b>	<b>IS Band 8</b>
Minimum	\$ 75,951	\$ 96,646	\$ 116,402	\$ 141,243	\$ 202,094	\$ 262,495
Midpoint	\$ 98,622	\$ 125,419	\$ 150,964	\$ 183,805	\$ 262,926	\$ 342,085
Maximum	\$ 121,292	\$ 154,152	\$ 185,507	\$ 226,427	\$ 323,835	\$ 421,694

## CLASSIFICATION

The below job titles (*Figure 1*) are currently covered by this compensation policy. SERS- Human Resources Division is responsible for maintaining the job specifications (definition of work, examples of work, knowledge, skills, abilities, minimum experience and training) for each job title. SERS-Human Resources Division is authorized to make content changes to the job specifications with the concurrence of the Executive Director and the Chief Investment Officer or Chief Financial Officer, as applicable.

Adding new jobs, abolishing jobs, or changing the designated pay level for a job requires authorization from the Board Governance and Personnel Committee.

*Figure 1*

Job	SAP Code	Pay Band
Junior Investment Analyst Trainee SERS	R9403	Band 3 (ISB3)
Junior Investment Analyst SERS	R9404	Band 3 (ISB3)
Investment Accountant	R9300	Band 3 (ISB3)
Special Assistant to the Chief Investment Officer SERS	R9402	Band 3 (ISB3)
Investment Analyst 1 SERS	R9405	Band 4 (ISB4)
Senior Investment Accountant	R9305	Band 4 (ISB4)
Investment Analyst 2 SERS	R9406	Band 5 (ISB5)
Assistant Chief Financial Officer SERS	R9310	Band 5 (ISB5)
Portfolio Manager 1 SERS (Director)	R9513	Band 6 (ISB6)
Chief Financial Officer SERS	R9315	Band 6 (ISB6)
Portfolio Manager 2 SERS (Managing Director)	R9511	Band 7 (ISB7)
Managing Director of Investment Operations SERS	R9515	Band 7 (ISB7)
Director of Public Markets SERS	R9512	Band 7 (ISB7)
Deputy Chief Investment Officer SERS	R9514	Band 7 (ISB7)
Chief Investment Officer SERS	R9510	Band 8 (ISB8)

## PROGRAM ADMINISTRATION

A high-level annual study will be conducted to determine current market pay for the industry. The Board Governance and Personnel Committee will use the data to determine whether adjustments should be made to the salary pay bands. The data will also be considered when establishing the annual aggregate pay increase budget subject to approval by SERS Board.

Pay increases shall give consideration to individual employee performance, changes to job duties, retention, internal pay equity relationships, periodic market comparison of peer pension systems, or other relevant issues. Annual salary reviews will be conducted to make adjustments to pay based upon merit and competitive levels as necessary. Reflecting good-governance practices, each employee's salary level will be reviewed annually to ensure pay levels remain competitive, high performers are recognized, and staff development and growth are reinforced. Adjustments to



current employees' salaries outside of the annual scheduled adjustments may be made under the delegation of authority of this policy for retention purposes to meet a critical need of the agency. These adjustments will be recommended to the Board Governance and Personnel Committee for approval.

A comprehensive study, if approved by the SERS Board, will be conducted every three to five years by an external and qualified consultant, and appropriate adjustments will be made to this compensation policy to maintain comparative parity with peer pension systems.

Investment Office professional staff are currently, and will remain, on a January 1 through December 31 performance review cycle with performance reviews due to the Human Resources Division by January 31 each year. They will receive pay increases, if appropriate, effective the first full pay in March each year. Effective January 1, 2017, investment professional staff in the Investment Office will no longer be eligible to receive the general pay increases, service increments, or any other one-time pay adjustments approved by the SERS Board for management employees.

Office of Finance and Administration investment professional staff are currently on an October 1 through September 30 performance review cycle. Effective January 1, 2017, they will be transferred to the January 1 through December 31 performance review cycle. Their performance reviews will be due to the Human Resources Division by January 31 each year and they will receive pay increases, if appropriate, effective the first full pay in March each year. Effective January 1, 2017, investment professional staff in the Office of Finance and Administration will no longer be eligible to receive the general pay increases, service increments, or any other one-time pay adjustments approved by the SERS Board for management employees.

When a new investment professional is hired, initial placement in the appropriate band will take into account the person's relevant work experience, relevant education, relevant professional credentials, and pay equity.

The salary range in each band can be broken down into thirds that fit the following general or illustrative profiles:

#### Lower Third

- Employees who are not meeting the established performance criteria for the position, or
- Employees who have minimum qualifications to fulfill the job responsibilities, or
- Employees with minimum amount of relevant work experience

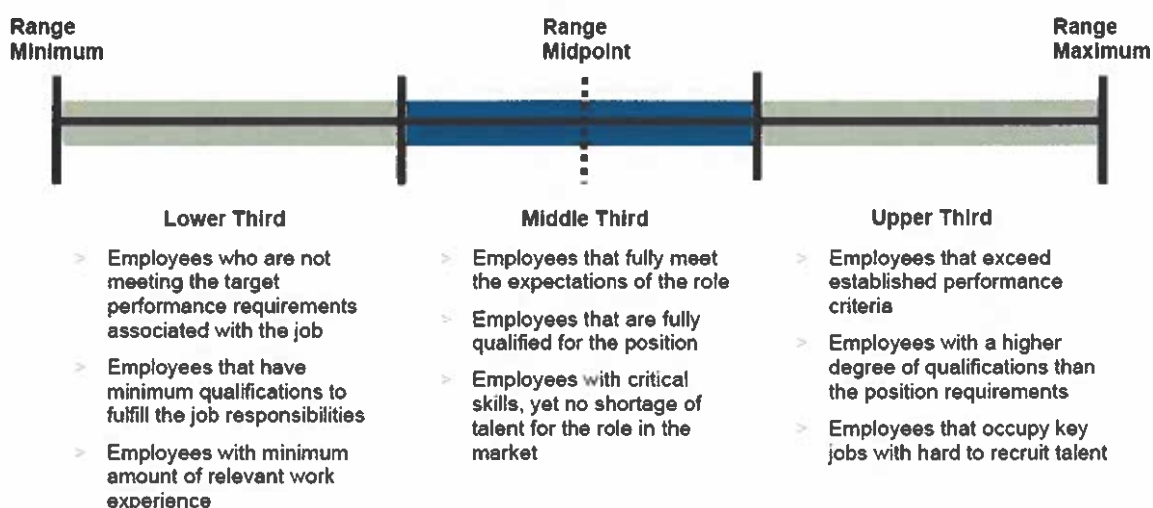
### Middle Third

- Employees who fully meet the established performance criteria, or
- Employees who are fully qualified for the position, or
- Employees with critical skills, yet no shortage of talent for the role in the market

### Upper Third

- Employees who exceed established performance criteria, or
- Employees with a higher degree of qualifications of the position requirements, or
- Employees who occupy key jobs with hard to recruit talent.

*Figure 2*



As shown in *Figure 2* above, employees who fully meet the expectations of their positions should fall within the middle third of the pay range, taking into account length of service with SERS and job relevant experience. Annually each investment professional shall be evaluated on a calendar year basis and receive a performance review by January 31 of each year.

The following process applies to all investment professional staff in SERS:

- Supervisors meet with each employee at the beginning of the review cycle to set goals and objectives for the year, set clear expectations, and provide performance standards
- Supervisors conduct a mid-year review with each employee to discuss/confirm progress toward goals and adjust, as appropriate, objectives of the program plan. If progress is less than expected the supervisor will contact the Human Resources Division for assistance in improving performance
- At the end of each rating cycle supervisors complete the *Employee Performance Review* form (Form 363L) for each employee and discuss performance and recommended pay increase with the Executive Director and Human Resources Director. Pay increases are

- recommended to the Board Governance and Personnel Committee for approval
- Supervisors conduct an annual performance review with each employee, communicate the salary increase, and link the salary increase to overall performance. Pay increases for investment professional staff will be effective the first full pay in March each year
- Supervisors will conduct a formal six month performance review, using the *Employee Performance Review* form (Form 363L), for each newly appointed investment professional employee.

#### GUIDELINES FOR PAY ADJUSTMENTS

Annually, taking into account the pay increase budget approved by the Board, the Chief Investment Officer, with the concurrence of the Executive Director and in consultation with the Human Resources Director, will submit pay adjustment recommendations to the Board Governance and Personnel Committee. The recommended pay adjustment for an investment professional covered by this policy may exceed the maximum amount of the assigned pay band. If the approved pay adjustment for each investment professional staff member in the Investment Office will exceed the maximum amount of the assigned pay band, then the employees' rate of pay will be increased to the maximum of the assigned pay band, or remain at the maximum of the assigned pay band if the rate of pay already exceeds the maximum amount, and the employee will receive the difference in a one-time cash payment.

The pay adjustment for each investment professional staff member will be based on the individual's overall annual performance evaluation and the individual's position in the band at the time of the annual review. When the annual employee review results in an overall less than satisfactory rating, no pay increase is awarded. A less than satisfactory rating may result in employee discipline, up to and including termination.

For investment professional positions in the Office of Finance and Administration, the Chief Financial Officer, with the concurrence of the Executive Director and in consultation with the Human Resources Director, will follow the same process.

The performance review of the Chief Investment Officer will be conducted by the Executive Director and Investment Committee Chair with input from the Board. Pay adjustments will be recommended to the Board Governance and Personnel Committee and approved by the SERS Board.

The performance review of the Chief Financial Officer will be conducted by the Executive Director who will recommend to the Board Governance and Personnel Committee, in consultation with the Human Resources Director, a pay adjustment based on the overall annual performance evaluation and the individual's placement in the range at the time of the annual review.

The recommended pay adjustments for the Chief Investment Officer and Chief Financial Officer may exceed the maximum amount of the assigned pay band. If the approved pay adjustment for the Chief Investment Officer or Chief Financial Officer will exceed the maximum amount of the Compensation Policy for Investment Professional Staff, Rev. 03/04/2025

assigned pay band for that employee, then the employee's rate of pay will be increased to the maximum of the assigned pay band, or remain at the maximum of the assigned pay band if the rate of pay already exceeds the maximum amount, and the employee will receive the difference in a one-time cash payment.

The Executive Director, in conjunction with the Chief Investment Officer or Chief Financial Officer, as appropriate, and in consultation with the Human Resources Director, may recommend to the Board Governance and Personnel Committee salary adjustments for new investment professional staff in conjunction with a six-month performance evaluation. No action related to salary adjustments will be considered for new employees until the completion of a six-month performance evaluation.

#### **PROMOTION/RECLASSIFICATION**

Individuals promoting from Junior Investment Analyst Trainee to Junior Investment Analyst may receive up to a 9% pay increase.

For all other promotion actions (excluding trainee to working level), a 9% pay increase is recommended per pay band or placement at the minimum of the pay band, whichever is greater, however, the actual percentage may be less or more depending on the circumstances. Placement should be in the appropriate band, not to exceed the band maximum, taking into account the person's relevant work experience, relevant education, relevant professional credentials, and pay equity. Sufficient justification must be provided in support of pay increases less than or exceeding the recommended 9% per pay band.

A promotion is defined as moving from one job title to a higher job title either as a result of moving to a different position or the reclassification of a current position. Changes to job title within the same pay band are generally not considered promotions, although exceptions may apply. For example, changes to pay may be appropriate when moving between investment professional titles with accounting functions and investing functions or appointment from Portfolio Manager 2 to Deputy Chief Investment Officer. Any changes to pay resulting from changes to job title within the same pay band must be sufficiently justified.

Placement within the pay bands under this section is at the discretion of the Chief Investment Officer or Chief Financial Officer subject to the concurrence of the Executive Director and in discussion with the Human Resource Director. Issues which cannot be resolved will be escalated to the Board Governance and Personnel Committee to make the final determination.

#### **DEMOTION**

When an employee demotion results from employee poor performance, or the employee voluntarily agrees to be demoted to a position in a lower pay band, the employee's current salary may be reduced by 9% and then compared to the maximum pay of the lower pay band. If the employee's

adjusted salary is greater than the new salary grade maximum, the new salary will be reduced to the maximum pay of the lower pay band.

When an organizational change results in an employee's job title being changed to a job title in a lower pay band, the employee will be demoted to the new job title and will maintain the current pay level.

#### **COMPLETION OF CHARTERED FINANCIAL ANALYST (CFA) EXAM**

When completion of the above exam is relevant to the employee's current role at SERS, the Chief Investment Officer, with the concurrence of the Executive Director and Human Resources Director, shall have the discretion to award an individual an increase of up to 2.5% of annual salary each time one of the three levels that make up the Chartered Financial Analyst (CFA) certification examination is successfully completed. The Executive Director, with the concurrence of the Human Resources Director, shall have discretion to award the same increase to the Chief Investment Officer for successfully completing each level of the exam. Said increases shall be effective prospectively from the date the successful exam completion notification has been provided to the employee's supervisor.

#### **COMPLETION OF CERTIFIED PUBLIC ACCOUNTANT (CPA) EXAM**

When completion of the above exam is relevant to the employee's current role at SERS, the Chief Financial Officer, with the concurrence of the Executive Director and Human Resources Director, shall have the discretion to award an individual an increase of up to 2% of annual salary each time one of the four sections of the CPA certification exam is successfully completed. The Executive Director, with the concurrence of the Human Resources Director, shall have discretion to award the same increase to the Chief Financial Officer for successfully completing each level of the exam. Said increases shall be effective prospectively from the date the successful exam completion notification has been provided to the employee's supervisor.

#### **COMPLETION OF CHARTERED ALTERNATIVE INVESTMENT ANALYST (CAIA) EXAM**

When completion of the above exam is relevant to the employee's current role at SERS, the Chief Investment Officer, with the concurrence of the Executive Director and Human Resources Director, shall have the discretion to award an individual an increase of up to 2% of annual salary each time one of the two levels of the CAIA certification exam is successfully completed. The Executive Director, with the concurrence of the Human Resources Director, shall have discretion to award the same increase to the Chief Investment Officer for successfully completing the exam. Said increases shall be effective prospectively from the date the successful exam completion notification has been provided to the employee's supervisor.

## PERFORMANCE MANAGEMENT

SERS is committed to attracting, developing, managing, and retaining a high performing, diverse, and productive workforce. This requires effective performance management. Performance management entails constructive direction, training, assessment, feedback, and recognition of employees by managers and supervisors to assure a competent, high-performing, and motivated workforce. Establishing clear expectations and evaluating performance are very important parts of that process. The SERS General Performance Standards, provided by the supervisor to each new employee and also annually in conjunction with the performance review, provide supervisors with the opportunity to establish clear expectations. The annual performance review provides supervisors the opportunity to formally discuss performance outcomes with staff.

As part of the performance management process, performance evaluations for investment professional staff shall be issued consistent with the Management Directive 540.7, Performance Management Program, and as discussed in PROGRAM ADMINISTRATION section.

New employees will receive an interim evaluation after six months to review performance and evaluate continued employment. The annual performance evaluation rating will be used to determine annual salary increases as outlined in PROGRAM ADMINISTRATION section.

## RECRUITMENT AND PLACEMENT

SERS Board has the authority to hire the Chief Investment Officer. Recruitment for this position will be conducted internally or through the services of an executive search firm, as determined by the Board.

The filling of all investment professional vacancies will comply with the Commonwealth policies for filling senior level non-civil service positions and may involve internal promotions or active recruitment.

With the exception of the Chief Investment Officer position, investment professional positions in the Investment Office will be filled at the discretion of the Chief Investment Officer, with the concurrence of the Executive Director and in consultation with the Human Resources Director.

The Chief Financial Officer position will be filled at the discretion of the Executive Director in consultation with the Human Resources Director. All other investment professional positions in the Office of Finance and Administration will be filled at the discretion of the Chief Financial Officer and Executive Director, in consultation with the Human Resources Director.

Background investigations will be conducted on all new SERS employees. Although employees may begin employment, their continued employment is contingent upon a satisfactory background investigation report. Background investigations are conducted by the Office of Inspector General.

Consistent with Commonwealth policies and directives, recruitment shall not be influenced by race, color, religious creed, ancestry, union membership, age, gender, sexual orientation, gender identity or expression, national origin, AIDS or HIV status, or disability.

#### **AT-WILL EMPLOYMENT**

The State Employees' Retirement System reserves the right to terminate the employment of an investment professional at any time for any reason or no reason, except as prohibited by law.

#### **SUCCESSION PLANNING**

The Chief Investment Officer, Chief Financial Officer, and their direct subordinate staff are responsible for workforce and succession planning in their respective areas to ensure effective business continuity. Areas to include for this purpose include knowledge management, staff development, career progression, and staffing projections.

#### **EXCEPTIONS**

SERS Board reserves the right to revise or make exceptions to this policy at any time.

## HISTORY OF POLICY CHANGES

Policy Document Update	Explanation
10/02/2013	Final draft created
03/30/2015	Revisions to draft
08/09/2016	Updates to include CAIA, current dates
09/30/2016	Incorporated final edits from 08/2016
10/19/2016	Incorporated edits from Personnel Committee to give Personnel Committee approval for pay increases
01/03/2017	Incorporated recommendations from SERS Board and CBIZ
05/24/2017	Updated pay band chart and table values as approved at the 01/25/2017 SERS Board meeting through <b>Board Motion #2017-08</b> which authorized the <b>implementation of this policy to be effective 01/01/2017.</b>
03/16/2018	Update pay band chart with <b>01/2018</b> board approved min/max amounts. <i>HR Note 11/19/2024: HR records show a 2.5% upward adjustment, however, have not found a corresponding Board Motion.</i>
01/01/2019	Adjusted pay band chart and table values <b>upwards 1.6%</b> . Added classification section and removed appendix containing job specifications. Updated committee name to Board Governance and Personnel Committee. Added Investment Committee Chair to performance review of CIO. Changes approved at the 12/05/2018 SERS Board meeting through <b>Board Motion #2018-94</b> with the changes to be <b>effective 01/01/2019.</b>
12/07/2019	Removed reference to background, most recent salary, and comparison to other staff and added reference to education and professional credentials under PROGRAM ADMINISTRATION section regarding determination of pay for new investment professionals. Revised entire PROMOTION/RECLASSIFICATION section to provide increased <b>flexibility in employee placement in pay bands instead of restricting to just 9%</b> . Changes approved at the 12/04/2019 SERS Board meeting through <b>Board Motion #2019-83</b> with the changes to be <b>effective 12/07/2019.</b>
02/10/2020	Adjusted pay band chart and table values <b>upwards 2%</b> as approved at the 12/04/2019 SERS Board meeting through <b>Board Motion #2019-81</b> with the changes to be <b>effective 01/01/2020.</b> Added “and legal counsel” to INTRODUCTION Section 5902(a)(2) because of Act 2017-5.
01/21/2021	Adjusted pay band chart and table values upwards <b>1.7%</b> as approved at the 12/02/2020 SERS Board meeting through <b>Board Motion #2020-81</b> with changes to be effective <b>01/01/2021.</b>
Document not updated	Pay band <b>upward</b> adjustment of <b>5.3%</b> approved at the 09/26/2023 SERS Board meeting through <b>Board Motion #2023-45</b> with changes to be effective <b>09/26/2023.</b>



12/12/2023	Adjusted pay band table values upwards <b>3.6%</b> as approved at the 12/12/2023 SERS Board meeting through <b>Board Motion #2023-55</b> with changes to be effective <b>01/01/2024</b> . Added hourly rate table. Updated history of policy changes to add Board Motion numbers.
12/10/2024	Approval of pay band table values <b>upward</b> adjustment of <b>3.3 %</b> approved at the 12/10/2024 SERS Board meeting through <b>Board Motion #2024-59</b> with the changes to be effective <b>01/01/2025</b> .
03/04/2025	Approved amendment to Compensation Policy for Investment Professionals to provide for cash-payments to employees who receive a pay raise that exceeds their existing pay-band through Board Motion # 2025-_____, with the changes to be effective 03/04/2025.

**EXHIBIT A****Annual Salary Adjustments for Investment Professionals 2025, Excluding CIO**

	Name	Title	New Hourly Rate
<b>FINANCE OFFICE PROFESSIONALS</b>	Sara McSurdy	Chief Financial Officer	\$114.76
	Michael McGeoy	Assistance Chief Financial Officer	\$88.18
	Michele Crow	Senior Investment Accountant	\$66.92
	John Gibboney	Senior Investment Accountant	\$53.29
	Heather Rossell	Investment Accountant	\$51.11
	Matthew Casolo	Investment Accountant	\$50.75
	Mark Phillippy	Investment Accountant	\$43.30
<b>INVESTMENT OFFICE PROFESSIONALS</b>	Frederick Wilson	Junior Investment Analyst	\$42.23
	Ryan Wood	Junior Investment Analyst	\$42.71
	Suzanne Hansel	Investment Analyst 1	\$51.51
	Jenny Keim	Investment Analyst 1	\$51.51
	Matthew Sechrist	Investment Analyst 1	\$54.12
	Destiny Julo	Investment Analyst 1	\$58.63
	Kirk Heavner	Investment Analyst 1	\$66.63
	Brian Gilroy	Investment Analyst 2	\$63.51
	Alan Lin	Investment Analyst 2	\$67.62
	Robert Borski	Investment Analyst 2	\$71.54
	Stephen Balucha	Portfolio Manager 1	\$78.79
	Stephen Shank	Portfolio Manager 1	\$89.67
	Jeffrey McCormick	Portfolio Manager 1	\$91.33
	Meredith Jones	Portfolio Manager 1	\$96.04
	Jonathan Ferrar	Portfolio Manager 2, Managing Director	\$118.50
	Kyle Reinfeld	Portfolio Manager 2, Managing Director	\$126.26
	Jeffrey Meyer	Managing Director, Investment Operations	\$162.00
	William Truong	Deputy Chief Investment Officer	\$165.56

**EXHIBIT B**

**One-Time Cash Payment Adjustment for Investment Professionals Exceeding the Salary  
Bands in 2025**

William Truong	Deputy Chief Investment Officer	\$5,321
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<b>SERS 2025 Committee Work Plan Items</b>	<b>February</b>	<b>April</b>	<b>June</b>	<b>July</b>	<b>September</b>	<b>December</b>	<b>Special Notes</b>
<b>Finance and Member &amp; Participant Services*</b>							
Board Chairperson appoints Committee members. Committee members elect Committee Chair and the Committee Chair appoints Assistant Chair.							In the first committee meeting in even numbered years, conduct the election of committee Chairs and appoint Assistant Chairs. Also, in January of even numbered years, the Board Chairperson appoints committee members.
Review Board bylaws, Committee charter, including a review of Board delegations of authority, in collaboration with the Executive Director, Director of Governance and Strategic Initiatives, and Chief Counsel's Office.							Must be completed every four years. Next review 2027.
Recommend to the Board to approve the Committee work plan.	X						
Review policies and processes contained in the SERS Governance Manual and policies and procedures described in the Committee's charter, or otherwise overseen by the Committee, in collaboration with the Executive Director, Director of Governance and Strategic Initiatives, and Chief Counsel's Office.							Must be completed every four years. Next review 2027.
Actuary presents key actuarial valuation results and Committee recommends that the Board certify the annual employer contribution rate and any shared risk adjustment to the Defined Benefit Plan for the upcoming fiscal year.		X					
Actuary and Investment Consultant present on the five year experience study and actuarial assumed rate of return assumption. Committee recommends that the Board approve any changes to the rate, which will be effective with the next upcoming valuation.				X			
Office of Financial Management Update			X				
Office of Member and Participant Services Update	X						
Agency budgets are presented. Committee recommends that the Board approve the budgets that are being requested.					X		
Actuary presents key results from the Stress Testing and Risk Assessment on SERS Defined Benefit Plan. Committee recommends that the Board accept the report.					X		
Annual communication of external advisor and consultant performance.					X		

\* Committee will oversee the procurement of the Actuary (RFP needed - contract expires 08/15/2026) and Third-Party Administrator.

# Attachment I

<b>SERS 2025 Committee Work Plan Items</b>	January	February	April	June	July	September	December	Special Notes
<b>Audit, Risk and Compliance</b>								
Committee members elect Committee Chair; Committee Chair appoints Assistant Chair.								N/A - Applicable for 2026
Recommend to the Board to approve the Committee Work Plan.		X						2025 - Annually, staff liaisons prepare draft work plans for review by the committee in advance of the first meeting. The committee shall recommend to the Board to approve the work plan. NOTE: The establishment of expectations and criteria for an annual performance review of SERS' independent auditor overseen by the committee was developed with Board input.
2025 Internal Audit Director Performance Goals (informational item)		X						
2025 Chief Compliance Officer Performance Goals (informational item)		X						
Review reports of internal audit and consulting engagements, and their accompanying recommendations issued by the Internal Audit Office upon completion.		X	X	X	X	X	X	Refer to Board approved audit plan for further details
ARC Committee's preliminary review of Internal Audit's operating budget				X				For the following CWoPA FY Budget
ARC Committee's recommendation for Board approval of Internal Audit's operating budget						X		For the following CWoPA FY Budget
ARC Committee's preliminary review of the Internal Audit's 2025 Audit Plan and Risk Assessment for following fiscal year.					X			ARC Committee to receive the Internal Audit Plan for the following year in September, review the audit plan, and propose changes or recommendations at the audit plan at the following February meeting (Next review to occur in 9/2025)
ARC Committee's proposed changes to, and acceptance of annual Audit Plan for following fiscal year							X	Initially provided during the September ARC Committee Meeting (Next review to occur in 12/2025)
Annual discussion on Internal Audit resources, strategy, mandate, and attestation of Internal Audit Office Independence to ARC Committee							X	Details of any impairments in objectivity will be provided to and discussed with the Committee
Internal Audit Office updates.		X	X	X	X	X	X	Ad hoc when necessary
Chief Compliance Officer updates		X		X		X	X	
Information Security updates		X		X		X	X	Ad hoc when necessary
Review Audit, Risk & Compliance Committee charter.								Must be completed every two years and is to include a review of Board delegations of authority in collaboration with the Executive Director and Chief Counsel's Office. (Next review to occur in 2/2028)
Review of State Employees' Retirement Board Internal Audit Office Charter.		X	X					Off-cycle review for Global Internal Audit Standards Update (Next review to occur in 2/2025 or 4/2025. Once review takes place, no anticipated changes until 2028)
Review of audited financial statements and audit results with Independent (external) auditor, KPMG. Recommendation to the Board to accept the audited financial statements.				X				

<b>SERS 2025 Committee Work Plan Items</b>	<b>January</b>	<b>February</b>	<b>April</b>	<b>June</b>	<b>July</b>	<b>September</b>	<b>December</b>	<b>Special Notes</b>
<b>Audit, Risk and Compliance</b>								
Review of State Employees' Retirement Board Compliance Program Charter.			X	X				In collaboration with the Executive Director and Chief Counsel's Office, Director of Board Governance, and Chief Compliance Officer.
ARC Committee's review of the agency's Enterprise Risk Management Assessment prior to submission to the Office of Budget.						X		Facilitated by Executive Office. Risk Officer discussions currently ongoing between ARC Committee and management.
Report by the Chief Information Security Officer on the results of the agency's independent network vulnerability assessment.						X		Meeting date for discussion subject to change contingent upon completion of report and mitigation of findings.
Independent financial statement auditor review of the upcoming 2025 independent audit work plan.							X	
The Committee members provide input to the Executive Director into the January performance evaluation of the Internal Audit Director and Chief Compliance Officer (Informational item).							X	
Progress report on 2025 Performance Goals for the Internal Audit Director and Chief Compliance Officer (informational item)							X	
Conduct an annual performance review of the independent auditor based on Board expectations with a report to the Board on results.							X	
Oversee the independent accounting firm selected to perform Service Organization Control (SOC) 1 Type 2 audit.		X	X	X	X	X	X	2025 - Clifton Larson Allen (CLA) was selected as the vendor to complete the SOC 1 Type 2 attestation. The engagement will last from December 2024 through Q3 of 2024, and the report is expected to be presented to the ARC Committee at the September or December 2025 meeting. The Internal Audit Director will provide frequent status updates to the ARC Committee Chair through out the course of the engagement, and will provide a formal update on the engagement's progress at each scheduled ARC Committee meeting until the project is complete and the final report can be distributed to the Committee
Oversee independent actuary performing level one actuary replication audit of SERS actuarial methods, procedures, and assumptions being utilized by Korn Ferry. The ARC Committee will provide direction and oversight for this engagement when it take place during 2025		X	X	X	X	X	X	2025 - Gabriel Roeder Smith and Company (GRS) were selected to perform the level actuary replication audit which will be conducted on SERS' 2023 actuarial valuation. The engagement is expected to start February 2025 and occur over several months with the report anticipated to be discussed with the Committee by the December 2025 meeting. The Internal Audit Director will provide frequent status updates to the ARC Committee Chair through out the course of the engagement, and will provide a formal update on the engagement's progress at each scheduled ARC Committee meeting until the project is complete and the final report can be distributed to the Committee

**2025 Securities Litigation Committee Work Plan Items**

Tasks	February	April	June	July	September	December	Special Notes
Committee members elect Committee Chair							Must be completed every two years at first meeting of the applicable year or when position is vacant. Next election date is 2026.
Committee Chair appoints Assistant Chair	X						Must be completed every two years at first meeting of the applicable year or when position is vacant. Next appointment date is 2025.
Review Securities Litigation Committee Charter							Must be completed every four years. Next review date is 2028.
Review Securities Litigation Policy							Must be completed every four years. Next review date is 2028.
Review Securities Litigation Committee Work Plan	X						Must be completed annually.