

Minutes of the Finance and Member and Participant Services Committee Meeting
April 29, 2025
30 N. Third Street, Harrisburg, PA 17101-1716 and Microsoft Teams
SERS LIVESTREAM ACCESS: <https://www.pacast.com/live/sers>

Attendees:

Mr. Donald Enders Jr.
Mr. Matthew McCarry (Designee for Representative Dan Frankel)
Mr. John Galuska
Ms. Allison Dutrey (Designee for Senator Devlin Robinson)
Mr. Seamus Dubbs (Designee for Secretary Wendy Spicher)
Mr. Eric Pistilli (Designee for Secretary Wendy Spicher)
Mr. Jeffrey Soderstedt (Designee for Secretary Wendy Spicher)

Other Board Members and Designees:

Treasurer Stacy Garrity
Mr. Christopher Craig (Designee for Treasurer Stacy Garrity)
Mr. Matt Lindsay (Designee for Senator Vincent Hughes)
Mr. Michael Heckmann (Designee for Representative Brett Miller)
Ms. Jill Vecchio (Designee for Representative Brett Miller)

Executive Staff:

Joseph A. Torta, Executive Director
Sara McSurdy, Chief Financial Officer
Brenda Cunard, Deputy Executive Director for the Office of Member and Participant Services
James Nolan, Chief Investment Officer
N. Joseph Marcucci, Chief Counsel
Catherine Nolan, Committee Counsel
Steven C. Skoff, Committee Counsel

Committee members, other Board members, and their designees attended in person or via Microsoft Teams.

1. Call to Order

Matt McCarry, Designee for Representative Frankel, called the meeting to order at 11:25 A.M.

2. Welcome and Roll Call

Brenda Cunard, Deputy Executive Director for the Office of Member and Participant Services, conducted a roll call of the Committee members and designees.

3. Approval of Minutes

The Committee unanimously approved the minutes of the February 25, 2025 Committee meeting.

4. Old Business

None

5. Special Presentation

a. Korn Ferry presentation of key 2024 actuarial valuation results and the fiscal year 2025/2026 certification of Defined Benefit Plan employer contribution rates and any shared risk adjustment to Defined Benefit Plan member contribution rates for the upcoming fiscal year

- SERS' actuary from Korn Ferry, Craig Graby, presented the actuarial valuation results and highlights for calendar year 2024 and fiscal year 2025/2026 costs. Results were overall favorable with the funded status of the plan increasing to 70.3%, and employer contribution rates decreasing from the current fiscal year. Mr. Graby provided proposed employer contribution rates for FY 2025/2026 by the various groups for certification by the Board. If approved by the Board, the employer contribution rates will be applied to all participating employers effective July 1, 2025. He also noted that the trigger was met for potential Shared Risk for Class A-5 and A-6 members. The actual proposed adjustment will be 0.09% and will be applicable for the period July 1, 2025 through June 30, 2026, if approved by the Board. He concluded the presentation by identifying the next steps to be taken. By motion that was moved, seconded, and approved, it was RESOLVED: that this Committee recommends that the State Employees' Retirement Board:

(A) approve the results of the December 31, 2024, actuarial valuation; and for the Commonwealth's fiscal year 2025-2026, certify the following contribution rates:

- 1. Shared-risk member contribution rate increase of 0.00% for A-3 and A-4 classes of service, and .09% for A-5 and A-6 classes of service;*
- 2. Employer normal cost contribution rate of 7.65%;*
- 3. Composite employer contribution rate necessary for the funding of the system of 32.34%; and*
- 4. Employer contribution rates by group and class of service of employees as set forth in the actuarial valuation as calculated by SERS' consulting actuary, Korn Ferry, pursuant to Section 5508 of the State Employees' Retirement Code;*

(B) authorize SERS staff and Korn Ferry to use those rates to develop all the employer rates for the period of July 1, 2025, to June 30, 2026, pursuant to Section 5902(k) of the State Employees' Retirement Code; (C) establish an employer contribution rate of .04% for fiscal year 2025-2026 to fund the Benefits Completion Plan established pursuant to Section 5941 of the State Employees' Retirement Code; and (D) authorize the Executive Director to certify such rates to all employers with employees who are active members of SERS and to the Secretary of the Budget.

The roll call tabulation was as follows:

| Board Member | Vote |
|--------------------------|---------------|
| ENDERS | Yes |
| FRANKEL | Absent |
| Designee: McCarry | Yes |
| GALUSKA | Yes |
| ROBINSON | Absent |
| Designee: Dutrey | Yes |
| SPICHER | Absent |
| Designee: Dubbs | Yes |

6. New Business

a. Actuarial Services RFP Planning Discussion

- Brenda Cunard and Director of Governance and Strategic Initiatives, Cynthia Collins, provided an update on the Actuarial Services RFP planning process. Ms. Cunard reported that the contract with our current actuarial services provider, Korn Ferry, expires in August 2026, and she highlighted key services that they provide, emphasizing just how critical these services are. Ms. Collins elaborated on the procurement process, introduced SERS staff who will be involved with facilitating this process (Cathy Gusler, Chief Issuing Officer and Mark Farina, RFP Counsel) reviewed the timeline associated with the process, and spoke about the role of the Technical Committee, noting that Board members may contact Chair Thall, Representative Frankel, or Executive Director Torta if they wish to serve on this Committee. By motion that was moved, seconded, and approved, it was RESOLVED: that this Committee recommends that the State Employees' Retirement Board authorize SERS Staff to initiate the procurement process for SERS' Actuarial Services.

The roll call tabulation was as follows:

| Board Member | Vote |
|-------------------|--------|
| ENDERS | Yes |
| FRANKEL | Absent |
| Designee: McCarry | Yes |
| GALUSKA | Yes |
| ROBINSON | Absent |
| Designee: Dutrey | Yes |
| SPICHER | Absent |
| Designee: Dubbs | Yes |

b. Benefits and Membership Lists (January and February 2025)

7. Committee Comments/Concerns/Questions

None

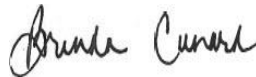
8. Motion to Adjourn

By motion that was moved, seconded, and unanimously approved by Committee members, it was RESOLVED that this meeting be adjourned at 12:09 P.M.

Respectfully submitted,



Sara McSurdy
Chief Financial Officer



Brenda Cunard
Deputy Executive Director
Member and Participant Services