

AGENDA
BI-MONTHLY MEETING OF BOARD OF TRUSTEES
EMPLOYEES' RETIREMENT SYSTEM
February 20, 2014
10:30 A.M.

1. Call to order by Chair.
2. Approve Minutes of Bi-monthly meeting of December 19, 2013.
[Agenda Package "A"]
3. Ratify action of Investment Committee at monthly meetings of December 19, 2013 and January 22, 2014. [Agenda Package "B"]
4. Report from the Trustee Search Committee.
5. Review the Secretary's Report. [Agenda Package "C"]
6. Other business.
7. Adjournment.

Secretary's Report



February 20, 2014

Fund Market Values

<u>Plan</u>	<u>12/31/2013</u> <u>Market Value</u>	<u>1/31/2014</u> <u>Market Value</u>
ERS	\$13,043,414,157	\$12,667,136,195
LRS	32,005,761	31,166,933
PSERS	796,995,322	778,344,436
JRS	386,885,063	376,851,677
GMPF	14,040,010	13,812,586
SEAD- Active	225,748,043	220,227,502
SEAD-OPEB	999,224,668	973,937,228
SBF	109,364,711	106,832,224
Total	\$15,607,677,735	\$15,168,308,781
*GDCP Total	\$108,435,479	\$109,300,566

*No longer in the Pooled Fund

Contributions Accrued through 12/31/2013

<u>Plan</u>	<u>EE Contributions</u>	<u>ER Contributions</u>	<u>Total</u>
ERS	\$ 17,556,505	\$ 206,372,219	\$223,928,724
PSERS*	718,712	15,843,331	16,562,043
JRS	2,329,557	1,131,139	3,460,696
LRS	167,775	0	167,775
GDCP	8,231,247	0	8,231,247
GMPF	0	1,103,501	1,103,501
Total	\$ 29,003,796	224,450,190	253,453,986

* PSERS Members Contribute September - May

Retiree Benefits Payments

ERS distributes monthly benefits to **62,408** retirees and beneficiaries. Below represents the monthly retiree payroll for all plans as of **January 31, 2014**. (Includes PLOPs, month of death checks, and retro payments.)

<u>Plan</u>	<u>FY2013</u>	<u>FY2014</u>	<u>Retirees Dec. 2013</u>	<u>Retirees Jan. 2014</u>	<u>Total Retirees Jan. 31, 2014</u>
ERS	\$ 1,222,389,832	\$ 758,635,300	177	259	45,071
LRS	1,785,634	1,050,535		1	260
PSERS	54,528,699	32,799,733	81	138	16,012
JRS	15,755,659	10,037,483	2	4	270
GMPF	757,540	483,635	6	8	767
SCJRF	1,628,587	894,238	0	0	21
DARF	80,005	46,670	0	0	7
GDCP	9,000	0	0	0	0
Total	\$ 1,296,934,956	\$ 803,947,594	266	410	62,408

Group Term Life Insurance (SEAD) Payments

In **FY2013**, ERS paid GTLI benefits for **1,307** deceased eligible members for a total payout of **\$32,091,922**.

In **FY2014**, as of **1/31/14**, ERS has paid benefits for **739** deceased eligible members for a total payout of **\$20,455,813**.

GSEPS Update (as of 1/31/2014)

There are **20,552** GSEPS-covered employees as of **1/31/14**. Of this population, **18,565** are actively contributing to the 401(k) Plan. Below is a breakdown of the employee contribution rates and the monthly opt-out rate as of last year, the last Board Report and **1/31/14**.

	Jan 2013	Nov 2013	Jan 2014
0%	12.6%	10.0%	9.7%
1%	62.4%	60.3%	59.5%
2% - 4%	12.1%	13.0%	12.6%
5%	8.3%	11.3%	12.0%
6% - 8%	2.2%	2.5%	3.0%
>8%	2.4%	3.0%	3.2%
Monthly Opt-Out Rate	8.6%	1.6%	2.9%

In **FY2013**, ERS received Employer Match Contributions in the amount of **\$7,760,928**.

In **FY2014**, as of **12/31/13**, ERS has received Employer Match Contributions in the amount of **\$4,576,382**.

Information Technology

- Re-negotiated contract with AT&T Internet for savings of \$7,800/year
- Installed new 100 MB internet connection for use in conjunction with wireless network
- Negotiated new agreements with SunGuard Availability Services for DR services and for penetration testing in May
- Installed additional 20 TB of storage

Financial Management Division

State Accounting Office & ERSGA Interface File Modification Project - This data refinement project will provide more timely and accurate data for employees on Statewide PeopleSoft Payroll. The improved data feed will enhance the quality of data received from state agencies and create efficiencies in internal processes. The project is scheduled for completion in March 2014.

Focus areas of the project include enrollment, percent time worked, leaves of absence, and termination data. Since our last report in December 2013, ERSGA and SAO continue to make progress:

- Continued weekly meetings to review file changes and discuss test results
- User Acceptance Testing completed on percent time/termination data
- Percent time changes implemented November 2013
- Positive feedback from internal data users on percent time changes
- Termination data changes 50% completed
 - Employee leaves state employment and \$0 Pay - Scheduled for migration February 20, 2014
 - Employee transfers to another state agency – Requirements and Design updated and signed off
 - Programming began February 3rd
 - Testing to immediately follow

Member Services Division

Member statements for active LRS members will be delivered at the end of February.

Communications

- 2014 Communications Tracking Document created with agency-wide communication initiatives
- Webinars have been scheduled for the following topics: ERS Overview, PSR Overview, WRAP Overview through June
- Legislative Maps section of the ERSGA website has been updated with current data for Legislators
- Legislative Updates posted on website each Monday

Legislation

The following bills have been assigned to the House Retirement Committee.

- HB 579 allows a full-time JRS member to use any prior part-time service for vesting and qualification for benefits. Credit will be one month for each three months of prior part-time service.
- HB 761 provides a reference date of June 15, 2013 for GASB Statements 25 and 27.
- HB 764 increases the GSEPS automatic enrollment employee contribution rate to 5%. This bill applies to those becoming members on or after July 1, 2014. Employees may continue to opt out or otherwise elect to change their contribution rate.
- HB 843 replaces detailed IRC language with a general compliance statement as required for IRS determination letter approvals.

Peach State Reserves (PSR)

- A total of 63,693 Annual PSR Statements for 2013 were mailed in January.
 - 401(k) – 36,928 statements mailed to active employees; 12,292 mailed to inactive employees.
 - 457 – 8,067 statements mailed to active employees; 6,406 mailed to inactive employees
- A total of 9,568 PSR 1099-Rs were mailed in January.
 - 401(k) - 7,027
 - 457 – 2,541
- A total of 1,007 Annual Required Minimum Distributions (RMDs) were processed in December.
 - 401(k) – 175
 - 457 - 832