

**AGENDA**  
**BI-MONTHLY MEETING OF BOARD OF TRUSTEES**  
**EMPLOYEES' RETIREMENT SYSTEM**  
**June 21, 2018**  
**10:30 A.M.**

---

1. Call to order by Chair.
2. Approve Minutes of annual meeting of April 19, 2018. [Agenda Package "A"]
3. Ratify action of Investment Committee at monthly meetings of April 19, 2018 and May 17, 2018. [Agenda Package "B"]
4. Review the Secretary's Report. [Agenda Package "C"]
5. Review and approve amended participant fees for Peach State Reserves plans. [Agenda Package "D"]
6. Approve plan amendments for Peach State Reserves plans. [Agenda Package "E"]
7. Receive demonstration of new ERS external website.
8. Receive presentation from CEM Benchmarking.
9. Other Business.
10. Adjournment.

# Secretary's Report

June 21, 2018

## Fund Market Values

<u>Plan</u>	<u>4/30/2018 Market Value</u>	<u>5/31/2018 Market Value</u>
ERS	\$ 13,393,545,262	\$ 13,523,714,389
JRS	462,801,349	468,160,352
LRS	34,114,554	34,497,883
PSERS	907,807,773	918,272,927
GMPF	22,470,477	23,702,572
SEAD-Active	285,677,912	289,534,349
SEAD-OPEB	1,180,230,146	1,192,943,470
SBF	146,293,089	148,371,800
<b>Total</b>	<b>\$ 16,432,940,563</b>	<b>\$ 16,599,197,743</b>
PSR 401(k)	963,674,053	**985,901,723
PSR 457	614,461,300	**622,748,661
*GDCP Total	113,026,825	114,441,489

\* No longer in the Pooled Fund

\*\* Estimated market value numbers for 401(k) and 457

## Contributions Accrued through 4/30/2018

<u>Plan</u>	<u>EE Contributions</u>	<u>ER Contributions</u>	<u>Total</u>
ERS	\$ 31,348,975	\$ 527,855,928	\$ 559,204,903
JRS	4,113,971	3,549,547	7,663,518
LRS	275,022	0	275,022
PSERS*	1,909,822	24,396,670	26,306,492
GDCP	11,961,234	0	11,961,234
GMPF	0	19,811,090	19,811,090
<b>Total</b>	<b>\$ 49,609,024</b>	<b>\$ 575,613,235</b>	<b>\$ 625,222,259</b>

\* PSERS Members Contribute September – May

## Retiree Benefits Payments

ERS distributes monthly benefits to **70,770** retirees and beneficiaries. Below represents the monthly retiree payroll for all plans as of **May 31, 2018**. (Includes PLOPs, month of death checks, and retro payments.)

<u>Plan</u>	<u>FY2017</u>	<u>FY2018</u>	<u>Retirees Apr 2018</u>	<u>Retirees May 2018</u>	<u>Total Retirees May 31, 2018</u>
ERS	\$ 1,367,346,493	\$ 1,269,441,195	228	309	50,838
LRS	1,573,716	1,577,101	0	0	266
PSERS	59,758,175	56,826,398	58	57	18,221
JRS	21,781,345	22,840,087	0	0	359
GMPF	1,043,110	1,039,905	10	9	1,070
SCJRF	1,077,091	829,931	0	0	12
DARF	51,317	42,462	0	0	4
<b>Total</b>	<b>\$ 1,452,631,247</b>	<b>\$1,352,597,080</b>	<b>296</b>	<b>375</b>	<b>70,770</b>

Below is the percentage of retirees by plan with direct deposit as of **May 31, 2018**.

	<u>Number of Direct Deposits</u>	<u>Percentage</u>
ERS	49,978	98.3%
LRS	253	95.1%
PSERS	17,071	93.7%
JRS	348	96.9%
GMPF	1,059	99.0%
SCJRF	12	100.0%
DARF	3	75.0%
<b>Total</b>	<b>68,724</b>	<b>97.1%</b>

## Group Term Life Insurance (SEAD) Payments

In **FY2017**, ERS paid GTLI benefits for **1,474** deceased eligible members for a total payout of **\$40,076,990**.

In **FY2018**, as of **5/31/18**, ERS has paid GTLI benefits for **1,334** deceased eligible members for a total payout of **\$35,183,265**.

## GSEPS Update (as of 5/31/2018)

There are **34,583** GSEPS-covered employees as of **5/31/18**. Of this population, **30,442** are actively contributing to the 401(k) Plan. Below is a summary of the employee contribution rates and the monthly opt-out rates for the last 12 months.

	May 2017	Mar 2018	May 2018
<b>0%</b>	10.7%	10.5%	10.9%
<b>1%</b>	15.9%	16.6%	12.2%
<b>2% - 4%</b>	9.3%	9.7%	9.0%
<b>5%</b>	52.7%	51.7%	54.2%
<b>6% - 8%</b>	6.5%	6.7%	7.8%
<b>&gt;8%</b>	4.9%	4.9%	5.9%
<b>Monthly Opt-Out Rate</b>	4.2%	4.4%	4.5%

In **FY2017**, ERS received Employer Match Contributions in the amount of **\$26,104,634**.

In **FY2018**, as of **4/30/2018**, ERS had received GSEPS Employer Match Contributions in the amount of **\$25,620,534**.

## Retirement Eligible as of 4/30/2018

	Active			Total	% Retire Eligible
	Elig - ER	Elig - NR	Not Elig		
<b>ERS</b>	<b>2,531</b>	<b>4,413</b>	<b>53,920</b>	<b>60,864</b>	<b>11.4%</b>
GSEPS Plan	3	46	33,907	33,956	0.1%
New Plan	2,429	4,247	18,855	25,531	26.1%
Old Plan	2	45	2	49	95.9%
Law Enforcement	97	71	1,138	1,306	12.9%
Appellate/Supreme	-	4	18	22	18.2%
<b>PRS</b>	<b>2,714</b>	<b>2,466</b>	<b>30,408</b>	<b>35,588</b>	<b>14.6%</b>
<b>JRS</b>	<b>39</b>	<b>106</b>	<b>341</b>	<b>486</b>	<b>29.8%</b>
<b>LRS</b>	<b>5</b>	<b>49</b>	<b>168</b>	<b>222</b>	<b>24.3%</b>
<b>Grand Total</b>	<b>5,289</b>	<b>7,034</b>	<b>84,837</b>	<b>97,160</b>	<b>12.7%</b>

	Inactive – Vested			Total	% Retire Eligible
	Elig - ER	Elig - NR	Not Elig		
<b>ERS</b>	<b>131</b>	<b>468</b>	<b>5,679</b>	<b>6,278</b>	<b>9.5%</b>
<b>PRS</b>	<b>984</b>	<b>417</b>	<b>3,657</b>	<b>5,058</b>	<b>27.7%</b>
<b>JRS</b>	<b>5</b>	<b>6</b>	<b>34</b>	<b>45</b>	<b>24.4%</b>
<b>LRS</b>	<b>13</b>	<b>14</b>	<b>51</b>	<b>78</b>	<b>34.6%</b>
<b>Grand Total</b>	<b>1,133</b>	<b>905</b>	<b>9,421</b>	<b>11,459</b>	<b>17.8%</b>

## Project Updates

### ***Communications Division***

- The new ers.ga.gov website launched smoothly and on schedule at noon on June 4, 2018. This substantial project was the culmination of numerous efforts, including both internal and external focus groups. A preview of the site was held for colleagues to show appreciation and garner internal excitement and pride. Phase II of the website project will continue the focus of improving organization, communication processes and outreach.
- Attended the CEM conference in Indiana and gained valuable knowledge on best practices from other state pension agencies.
- Well-attended educational presentations were provided on site for:
  - HRA Quarterly HR Community Meeting
  - Georgia Student Finance Commission and Agency

### ***Financial Management Division***

- The first Employer Forum was successfully held in May and provided the opportunity to partner and interact with Agencies, as well as share information on specific topics and projects. In addition to the general information forum, there were break-out sessions where individual Agencies addressed issues important to them. The Employer Forum will be held a minimum of three times a year.
- As we approach fiscal year end, we continue our data cleanup efforts through system identification of issues and an organized and thorough methodology for correction. Where there are persistent trends, we determine the root cause of the issues and depending on that cause, we address it through system or processing modification, knowledge transfer, training, etc. As a result, we reduced the number of prioritized identified problem accounts by 95%.

### ***Information Technology***

#### Applications Development

- Enhanced payroll reports to provide more detail regarding payroll exceptions
- Implemented new reports to track invoice processing
- Made enhancements to CAFR and actuary data
- JRS Member Statements processed
- Automated Required Minimum Distribution Letters
- Enhancements / bug fixes for member/retiree web portal

#### Operations

- Implemented new SQL Server 2016 database servers for all PARIS environments.
- Implemented new Multi-Factor Authentication DualShield to enhance security with VPN, Outlook Web App and Desktop connectivity, end user roll-out planned for end of month.
- Installed disaster recovery CISCO Unified Communication solution: CISCO Phone, Contact Center, and Recording Systems.
- Colocation relocation / Disaster Recovery facility vendor change from Sungard to FLEXENTIAL (Peak10). Acquired double the rack/equipment space and increased telecom services for \$4,000 less a month (\$144,000 3yr contract savings).

#### Support Center

- Preparing for an office-wide Windows 10 upgrade / rollout

### ***Member Services***

- Cross Training and Development Program – In May, ERSGA introduced a new Cross Training and Development program designed to provide additional learning opportunities and exposure for ERSGA employees. Our pilot year for the program will be FY2019.
- Interest Rate Factor Updates – Following the decision at the April Board Meeting to adopt a new interest rate for valuation purposes, factors for optional forms and service purchases have been updated to the new interest rate effective July 1, 2017.
- PSERS Rate Change – Preparations have been made for the change in the PSERS benefit rate from \$15.00 to \$15.25 effective July 1, 2018.

### ***Peach State Reserves***

- Admin fee and forfeiture analysis – Completed admin fee and forfeiture forecasts and analysis.
- Agency onboarding – Completed work on an automated approach to on-board newly eligible PSR agencies in less time; vested GSEPS members electing to remain GSEPS when becoming employed in TRS positions made this an important project to complete.
- Your Total Rewards (YTR) – Working with the Flex team and Alight on new YTR screens that are more integrated with the GaBreeze platform; live date is later this month.
- Target Maturity Bond Fund (TMBF) – The 2018 TMBF will sunset at the end of June; assets will move to the 2022 Fund.

### ***Quality Assurance Division***

- JRS Member Statements were prepared and delivered in June 2018. The Statements are well received, generate positive feedback from Members and there is heightened awareness and appreciation of the benefit. The effort to prepare and deliver the Statements is shared by MS, LA, and IT along with QA.