

AGENDA
BI-MONTHLY MEETING OF BOARD OF TRUSTEES
EMPLOYEES' RETIREMENT SYSTEM
December 13, 2018
10:30 A.M.

1. Call to order by Chair.
2. Approve Minutes of bi-monthly meeting of October 18, 2018.
[Agenda Package "A"]
3. Ratify action of Investment Committee at monthly meetings of October 18, 2018 and November 15, 2018. [Agenda Package "B"]
4. Review the Secretary's Report. [Agenda Package "C"]
5. Approve Proposed Board Meeting Dates for Calendar Year 2019.
[Agenda Package "D"]
6. Approve the Peach State Reserves 401(k) Hardship Plan Amendment.
[Agenda Package "E"]
7. Approval of 3% Salary Increase for Executive Director.
8. Other Business.
9. Adjournment.

Secretary's Report

December 13, 2018

Fund Market Values

<u>Plan</u>	<u>10/31/2018 Market Value</u>	<u>11/30/2018 Market Value</u>
ERS	\$ 12,927,570,632	\$ 13,076,599,825
JRS	451,103,984	457,110,902
LRS	33,008,230	33,442,832
PSERS	885,014,010	896,646,884
GMPF	23,593,686	24,078,561
SEAD-Active	282,067,338	286,039,696
SEAD-OPEB	1,153,006,690	1,169,196,270
SBF	145,285,896	147,646,015
Total	\$ 15,900,650,466	\$ 16,090,760,985
PSR 401(k)	990,608,479	**1,025,861,320
PSR 457	608,880,898	**617,308,300
*GDCP Total	\$ 114,914,213	\$ 116,070,299

* No longer in the Pooled Fund

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

Contributions Accrued through 10/31/2018

<u>Plan</u>	<u>EE Contributions</u>	<u>ER Contributions</u>	<u>Total</u>
ERS	\$ 12,255,542	\$ 206,671,244	\$ 218,926,786
JRS	1,664,080	1,573,585	3,237,665
LRS	111,033	0	111,033
PSERS*	489,912	10,087,668	10,577,580
GDCP	4,894,955	0	4,894,955
GMPF	0	845,756	845,756
Total	\$ 19,415,522	\$ 219,178,253	\$ 238,593,775

* PSERS Members Contribute September – May

Retiree Benefits Payments

ERS distributes monthly benefits to **72,019** retirees and beneficiaries. Below represents the monthly retiree payroll for all plans as of **November 30, 2018**. (Includes PLOPs, month of death checks, and retro payments.)

<u>Plan</u>	<u>FY2018</u>	<u>FY2019</u>	<u>Retirees</u> <u>Oct 2018</u>	<u>Retirees</u> <u>Nov 2018</u>	<u>Total Retirees</u> <u>Nov 30, 2018</u>
ERS	\$ 1,385,573,168	\$ 582,706,229	213	239	51,574
LRS	1,723,323	573,749	0	1	263
PSERS	62,010,746	26,712,466	100	73	18,687
JRS	24,953,708	10,812,829	2	3	372
GMPF	1,138,190	501,560	0	5	1,109
SCJRF	896,629	312,515	0	0	11
DARF	46,167	16,829	0	0	3
Total	\$ 1,476,341,931	\$ 621,636,176	315	321	72,019

Below is the percentage of retirees by plan with direct deposit as of **November 30, 2018**.

	<u>Number of Direct Deposits</u>	<u>Percentage</u>
ERS	50,741	98.4%
LRS	251	95.4%
PSERS	17,542	93.9%
JRS	362	97.3%
GMPF	1,098	99.0%
SCJRF	11	100.0%
DARF	2	66.7%
Total	70,007	97.2%

Group Term Life Insurance (SEAD) Payments

In **FY2018**, ERS paid GTLI benefits for **1,491** deceased eligible members for a total payout of **\$39,303,128**.

In **FY2019**, as of **11/30/18**, ERS has paid GTLI benefits for **581** deceased eligible members for a total payout of **\$17,435,319**.

GSEPS Update (as of 11/30/2018)

There are **35,298** GSEPS-covered employees as of **11/30/18**. Of this population, **31,213** 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.

	Nov 2018	Sept 2018	Nov 2018
0%	11.1%	12.1%	11.6%
1%	13.1%	11.0%	10.3%
2% - 4%	9.1%	8.1%	8.7%
5%	53.8%	55.2%	53.8%
6% - 8%	7.4%	7.4%	8.7%
>8%	5.6%	6.1%	6.8%
*Includes 1,487 hardship suspension			
Monthly Opt-Out Rate	4.6%	4.9%	5.4%

In **FY2018**, ERS received Employer Match Contributions in the amount of **\$31,135,795**.

In **FY2019**, as of **10/31/2018**, ERS had received GSEPS Employer Match Contributions in the amount of **\$10,100,366**.

Retirement Eligible as of 10/31/2018

	Active				% Retire Eligible
	Elig - ER	Elig - NR	Not Elig	Total	
ERS	2,398	4,434	53,081	59,913	11.4%
GSEPS Plan	2	59	34,349	34,410	0.2%
New Plan	2,302	4,252	17,507	24,061	27.2%
Old Plan	3	40	0	43	100.0%
Law Enforcement	91	81	1,204	1,376	12.5%
Appellate/Supreme	0	2	21	23	8.7%
PRS	2,679	2,394	29,924	34,997	14.5%
JRS	42	107	369	518	28.8%
LRS	8	50	162	220	26.4%
Grand Total	5,127	6,985	83,536	95,648	12.7%

	Inactive – Vested				% Retire Eligible
	Elig - ER	Elig - NR	Not Elig	Total	
ERS	125	458	5,798	6,381	9.1%
PRS	1,057	478	3,847	5,382	28.5%
JRS	4	3	23	30	23.3%
LRS	12	10	50	72	30.6%
Grand Total	1,198	949	9,718	11,865	18.1%

Project Updates

Communications

- National Retirement Security Week (10/21-10/27):
 - Three separate and tailored email communications were distributed to the following stakeholders:
 - General (Old/New Plan)
 - GSEPS >5%
 - GSEPS <5%
 - Webinar-A-thon: This new initiative provided a full day of educational presentations available to state employees throughout the state.
 - 10 Webinars Presented: Various topics included new webinars (New Plan and GSEPS presented separately, Peach State Reserves, Micro-webinar on Forfeited Leave)
 - Time frame: 9:00am to 8:30pm
 - 601 registrants
 - 342 attendees (57% attendance rate)
- Communication Employee Cross Training Project (3 Parts):
 - Summary: As part of the overall Employee Cross Training Project, the Communications Department developed a guided process for creating and presenting an external webinar. The benefit to the Communication Employee Cross Training intern included interactive learning from concept to completion. The benefit to ERSGA was the specialized knowledge provided by the participant to produce the content, as well as the ability to present the presentation again.
 - Project Overview: Create and present a short informative PowerPoint webinar to an external audience.
 - Part 1: Field trip on 9/5/18
 - Learning by observation: Field trip to attend an ERSGA educational presentation and discuss the project goals.
 - Attended Disability Adjudication Services (DDS) Presentation
 - Part 2: Create a Micro-Webinar
 - Assign topic and the target audience
 - Create an outline and build presentation
 - Part 3: Present micro-webinar during Retirement Savings Week
 - Participant: Amy Ley completed the project and was presented with a Communication completion certificate!
 - Presentation is now in the ERSGA tool kit for future needs.
- Employer Retirement Minute Distributed
 - New format for newsletters to entice engagement with quick, easy to read topics.
 - Link back for more in-depth information on the website.

- Educational presentations were provided for:
 - Prosecuting Attorneys' Council of Georgia: Managers
 - Division of Child Support Services
 - Department of Transportation
 - Criminal Justice Coordinating Council
 - Georgia Bureau of Investigations (GBI)
 - Georgia Piedmont Technical College
 - Georgia Dept. of Driver Services
 - Georgia School Business Official (GASBO) Conference
 - Prosecuting Attorneys' Council (PAC) of Georgia: New DA and SG Orientation
 - 10/25: 10 Webinars & 11/15: 2 webinars: New Plan and GSEPS

Information Technology

Applications Development

- Upgraded Code Repository from Visual Source Safe to Microsoft Team Foundation Server.
- Additional improvements to tracking "Hours Worked" as reported by the Employers.
- Created process to assign Account Audit work items to staff for random accounts close to retirement.
- Created new W2 report for tracking retirees who reached the SRBP (TEFRA) limit.
- Enhanced web refund process to work for members with Employer Pickup Money.
- PRS Member Statements mailed, put on web, and in member PARIS folders.

Operations

- Preparing for the next disaster recovery test on December 13th. The test will include two new components:
 - PARIS client access server
 - PARIS Job Scheduling (batch flow) server
- Implementing new Load Balancers to obtain enhanced security with our Email and Secure Website traffic.

Support Center

- Windows 10 Desktop Upgrade rollout completed
- Windows 10 Laptop upgrades in progress – Devices received, BitLocker configured, deploy in 1 week.

Legislative Affairs

- Responded to 22 Legislative Affairs Inquiries
- Completed 23 legal inquiry research requests
- Created ERS Employers spreadsheet for FY18, which contains all of the current reporting ERS employers and statutory justification behind their eligibility
- LRS Presentation for New Legislator Orientation Day at the Capitol 11/29/2018

Member Services

- PSERS Statements – Pension statements as of 9/30/2018 were mailed to 33,300 Active PSERS members at the end of November. This is the first year we are mailing these statements to home addresses.

Peach State Reserves

- Allocation of excess expense fees and forfeitures – Completed the reallocation of excess fees and forfeitures.
- Annual Enrollment update –
 - 4,314 increases in contribution rates; 1082 decreases
 - 1,841 elections to participate for first time; 536 election to stop
 - 14,462 statewide employees viewed the Your Total Rewards page
- SAO 402(g) limit issue – Working with employers on the manual payroll corrections necessary to return contributions in excess of the 402(g) limit
- Annual Alight Financial Advisors campaign –
 - reached 62,763 plan participants by way of either email or USPS
 - had 766 new online advice sign-ups (an increase of over 600% compared to last year's campaign results)
 - enrolled 587 new professional management members (an increase of 33% over last year)
 - as of 11/30, there were about 6,200 managed account members

Quality Assurance

- We are delighted to announce the launch of Retirement Online on December 6th.
- Retirement Online allows most ERS Members who are applying for a Service Retirement to do so through the ERSGA website. The process is designed to be interactive and intuitive while providing all the necessary information and a good user experience to our Members while they make the important decisions necessary for Retirement.
- This launch is the result of a combined effort of IT, Member Services, Quality Assurance and Administration, and represents our continuing effort to provide new and updated services to our Members.