

AGENDA
BI-MONTHLY MEETING OF BOARD OF TRUSTEES
EMPLOYEES' RETIREMENT SYSTEM
June 20, 2019
10:30 A.M.

1. Call to order by Chair.
2. Approve Minutes of annual meeting of April 18, 2019. [Agenda Package "A"]
3. Ratify action of Investment Committee at monthly meetings of April 18, 2019 and May 16, 2019. [Agenda Package "B"]
4. Review the Secretary's Report. [Agenda Package "C"]
5. Election of Officers [Chair and Vice-Chair] for Fiscal Year 2020.
6. Other Business.
7. Adjournment.

Secretary's Report

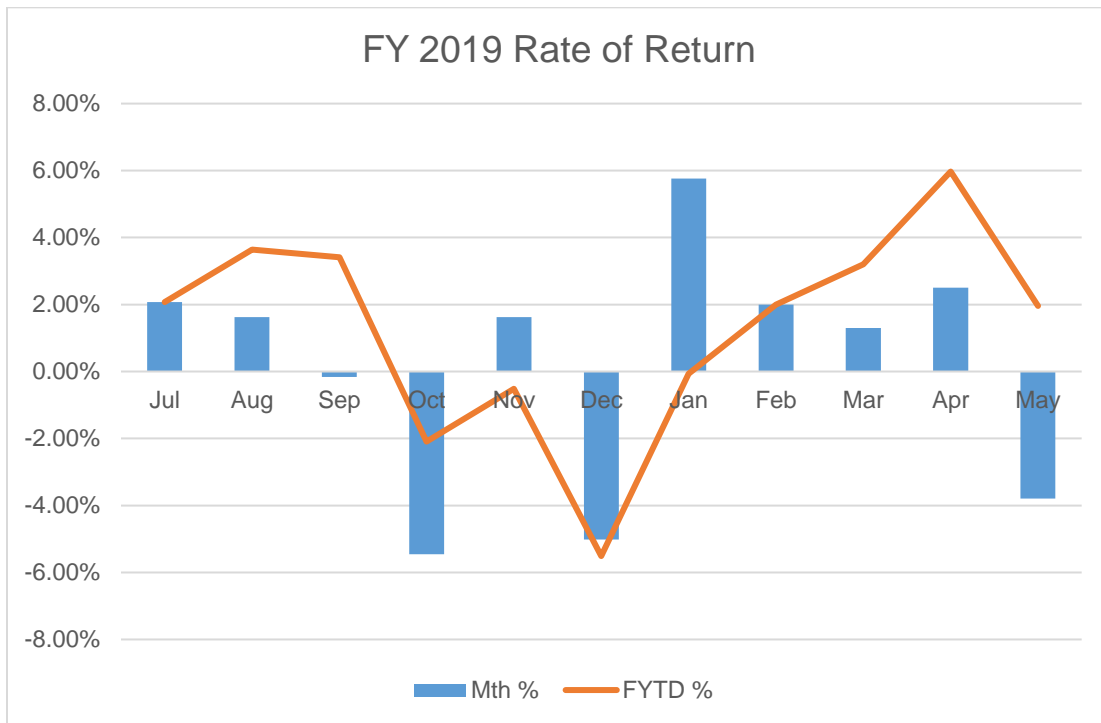
June 20, 2019



Fund Market Values

	6/30/2018	3/31/2019	4/30/2019	5/31/2019
Plan	Market Value	Market Value	Market Value	Market Value
ERS	\$ 13,468,339,948	\$ 13,297,253,938	\$ 13,581,433,927	\$ 12,999,389,308
JRS	466,307,072	468,232,288	478,398,070	458,702,804
LRS	34,216,002	33,892,489	34,674,291	33,255,149
PSERS	914,956,987	919,161,725	940,067,948	902,181,254
GMPF	23,715,119	25,314,500	26,077,637	25,178,887
SEAD-Active	289,087,277	296,147,230	303,874,859	291,703,898
SEAD-OPEB	1,189,172,639	1,201,214,113	1,229,582,761	1,179,495,891
SBF	148,450,339	153,296,210	157,296,303	151,294,913
Total	\$ 16,534,245,383	\$ 16,394,512,493	\$ 16,751,405,796	\$ 16,041,202,103
PSR 401(k)	\$ 992,350,191	\$ 1,091,354,176	\$ 1,125,598,722	\$ 1,085,392,872
PSR 457	622,678,725	626,944,274	638,697,072	613,230,646
GDCP	\$ 113,614,969	\$ 120,875,401	\$ 121,488,492	\$ 124,090,915

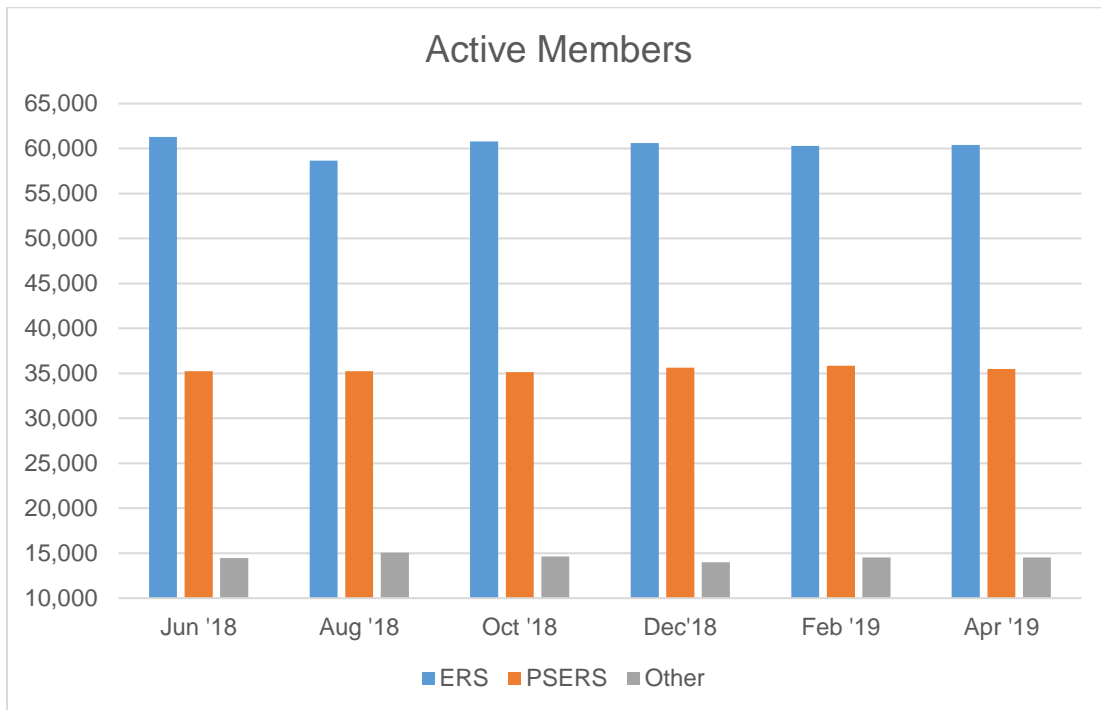
Investment Rates of Return



Contributions Received through 4/30/2019

<u>Plan</u>	<u>EE Contributions</u>	<u>ER Contributions</u>	<u>Total</u>
ERS	\$ 30,656,716	\$ 517,309,014	\$ 547,965,730
JRS	4,163,587	3,955,595	8,119,182
LRS	273,798	-	273,798
PSERS	1,981,326	25,219,170	27,200,496
GDCP	12,098,567	-	12,098,567
GMPF	-	2,114,390	2,114,390
Total	\$ 49,173,994	\$ 548,598,169	\$ 597,772,163

Active Contributing Members

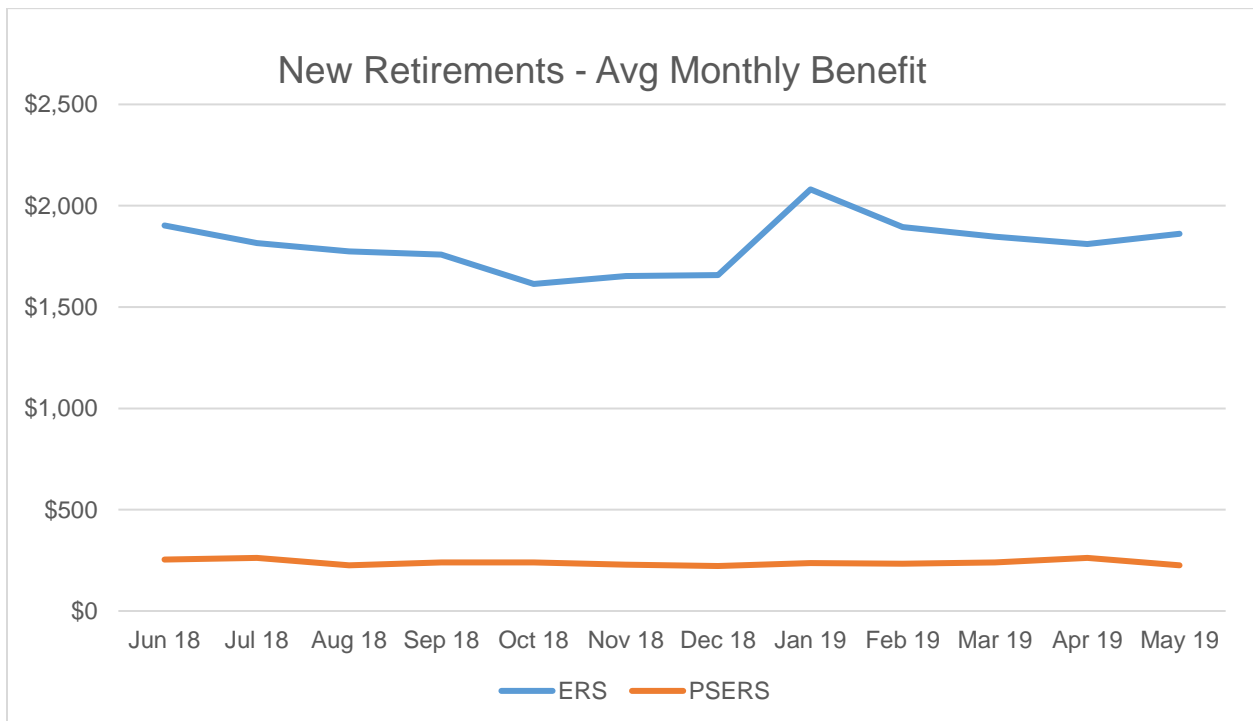
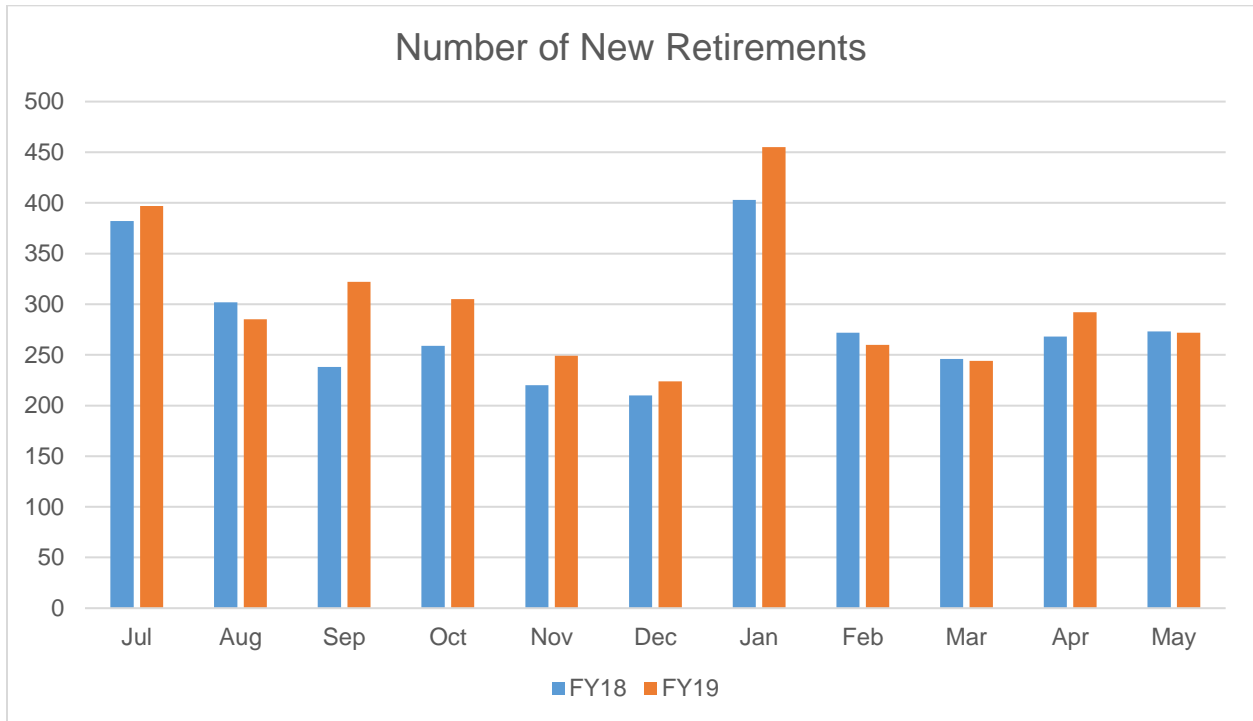


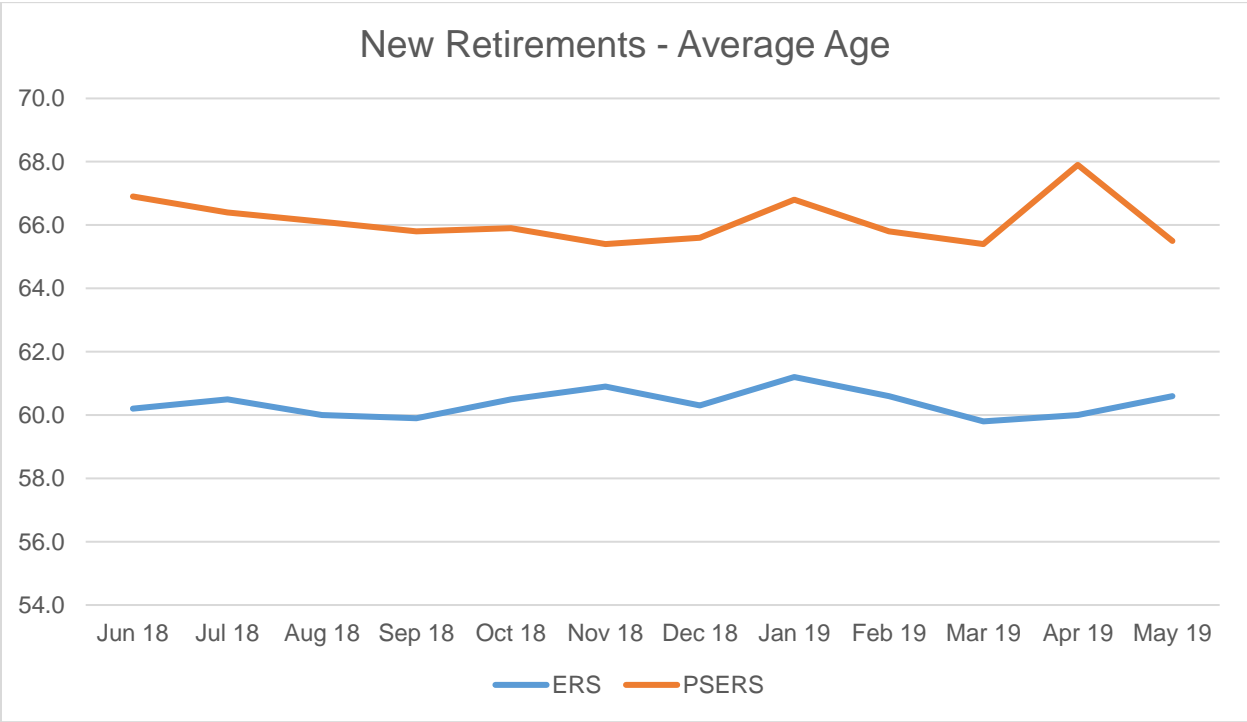
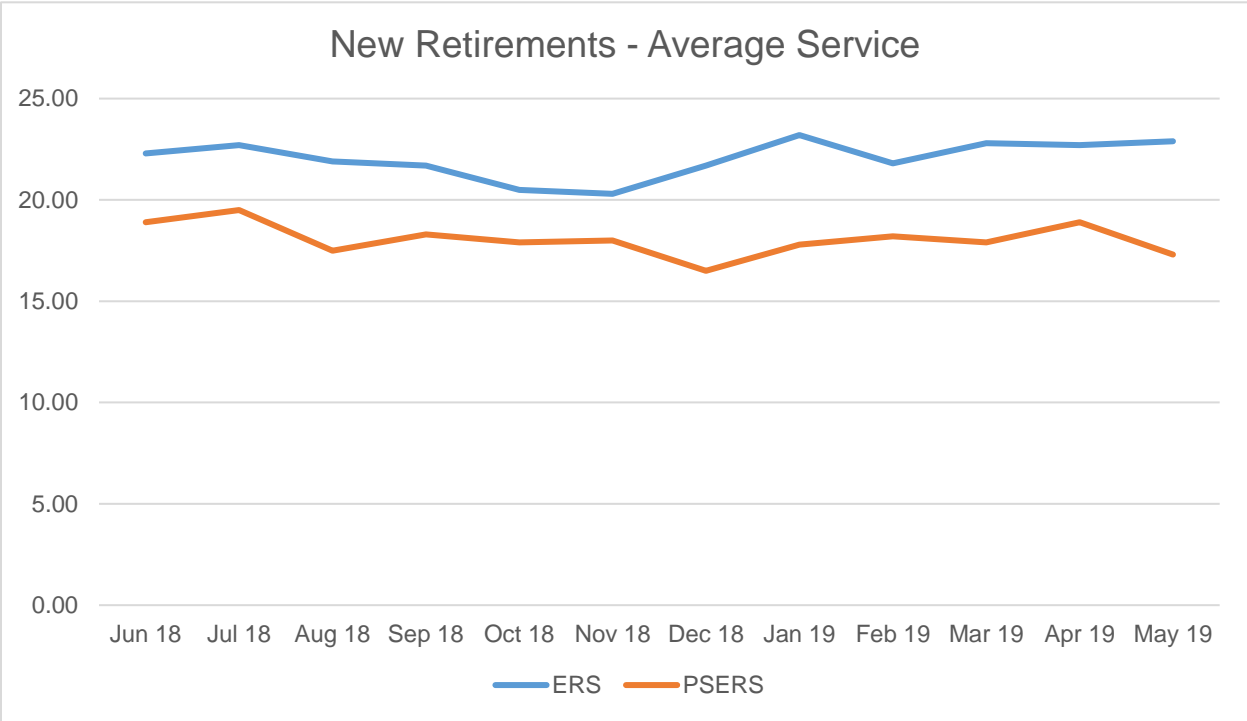
Retiree Benefit Payments through 5/31/2019

ERS distributes monthly benefits to **72,803** retirees and beneficiaries. Below represents the monthly retiree payroll for all plans as of **May 31, 2019**. (Includes PLOPs, month of death checks, and retro payments.)

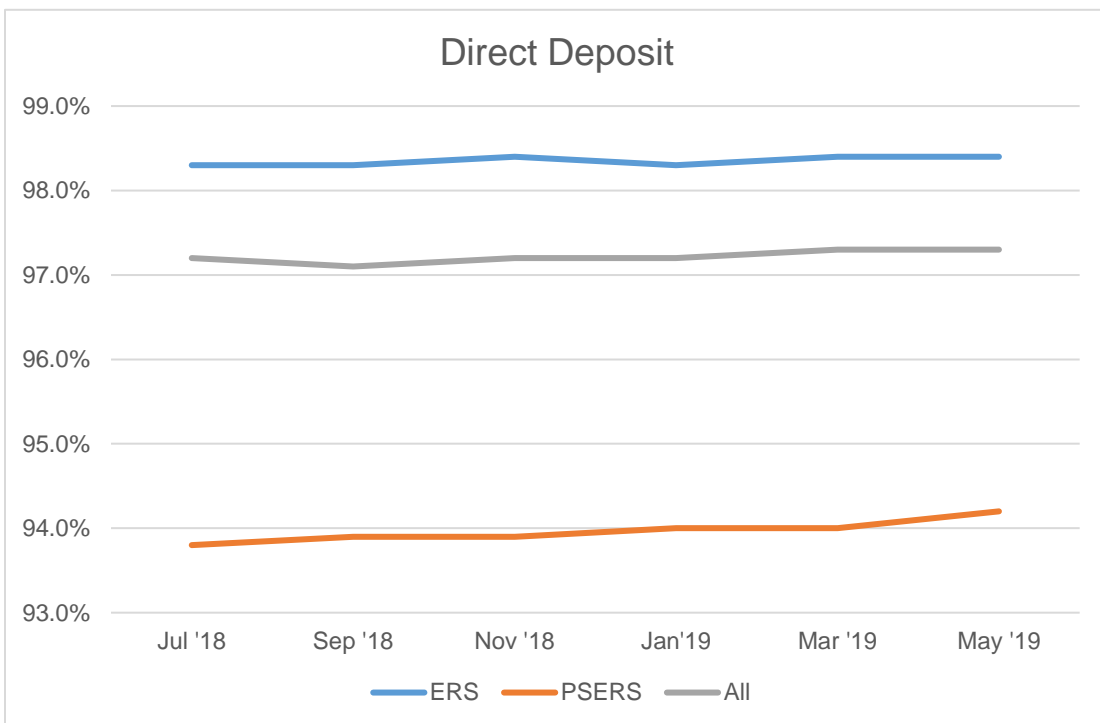
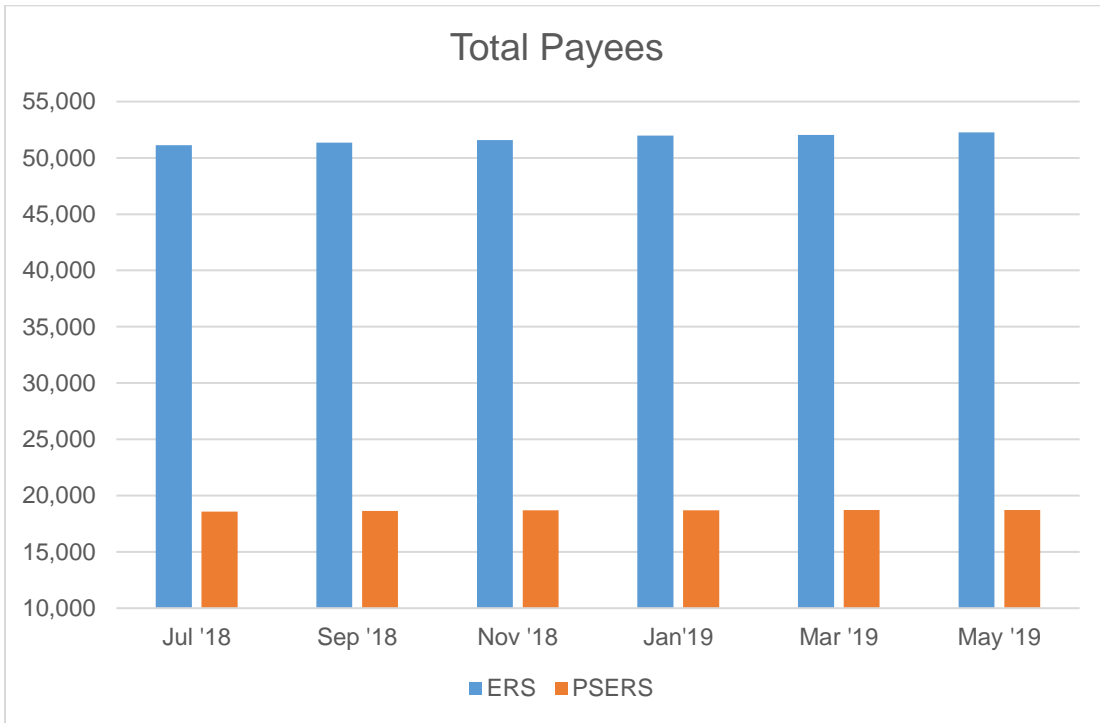
Plan	FY2018	FY2019	Retirees	Retirees2	Total Retirees
			Apr 2019	May 2019	May 31,2019
ERS	\$1,385,573,168	\$1,287,698,371	314	276	52,265
LRS	1,723,323	1,647,745	0	0	270
PSERS	62,010,746	58,714,767	64	72	18,721
JRS	24,953,708	24,724,997	2	3	399
GMPF	1,138,190	1,117,815	11	6	1,138
SCJRF	896,629	594,273	0	0	7
DARF	46,167	33,979	0	0	3
Total	\$1,476,341,931	\$1,374,531,947	391	357	72,803

New Retirements

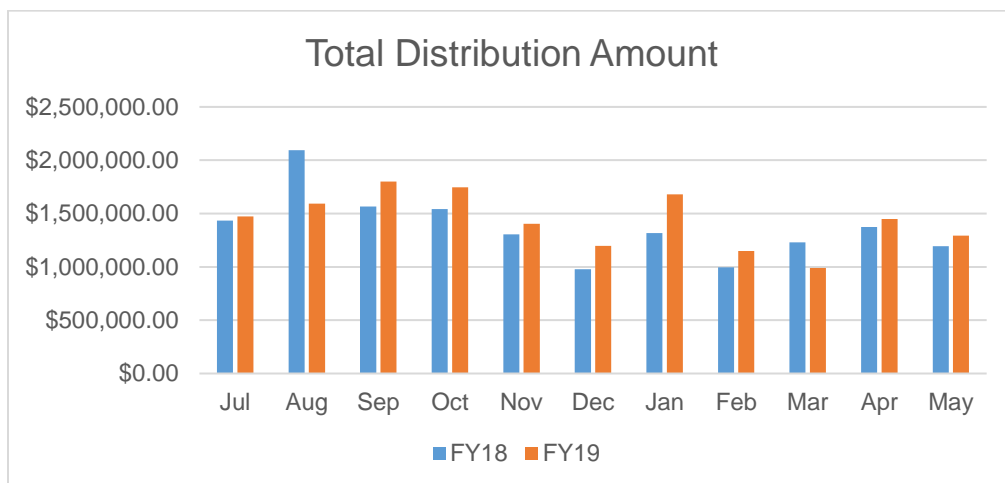
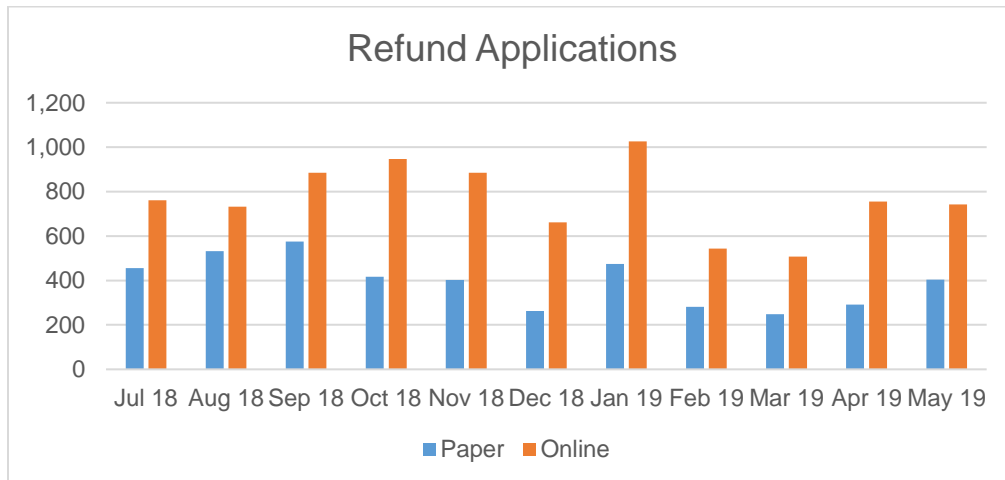
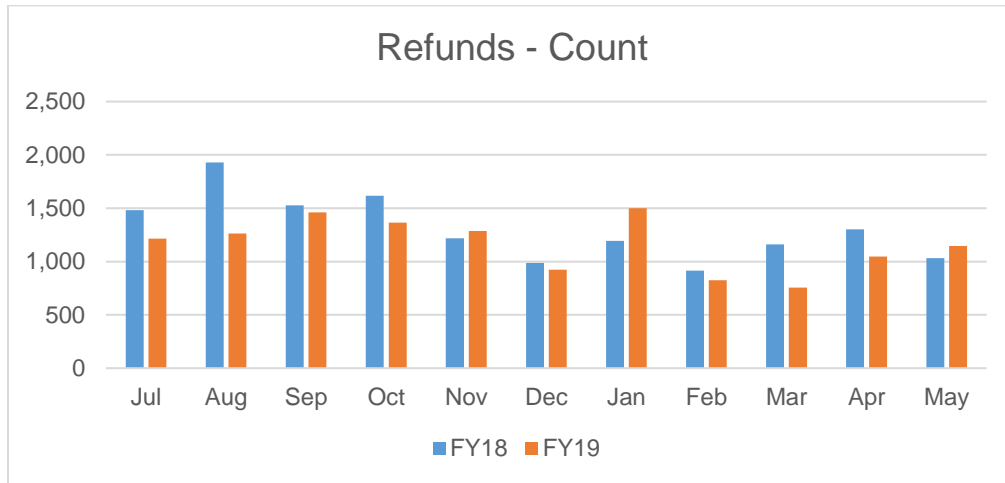




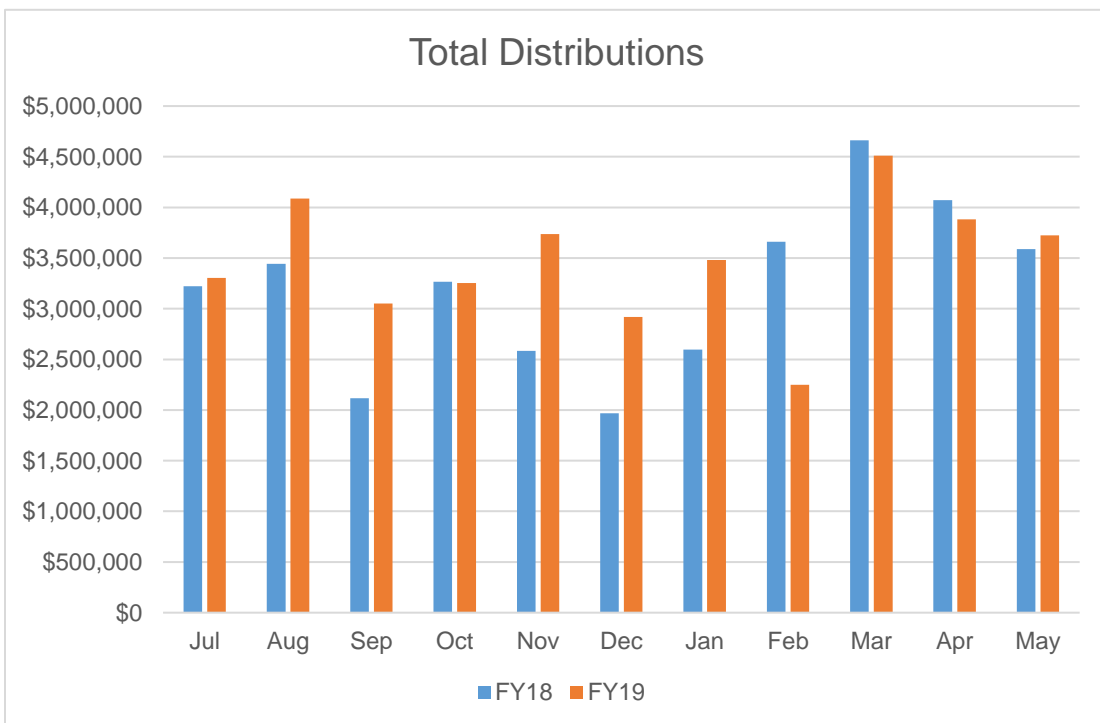
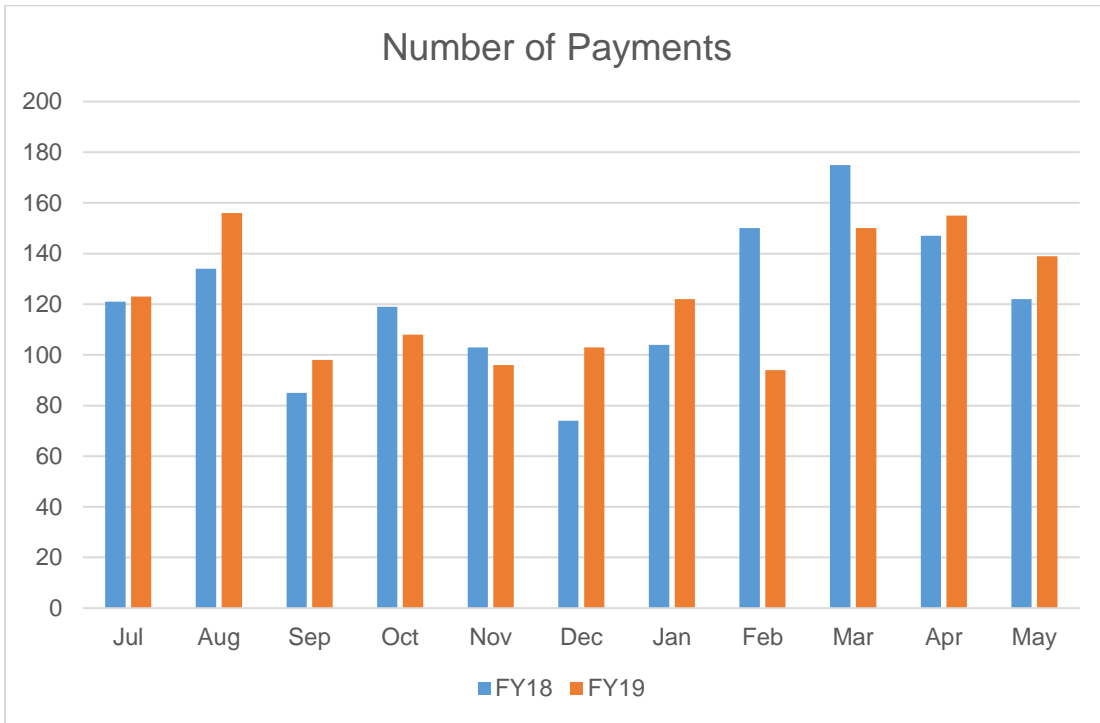
Payees



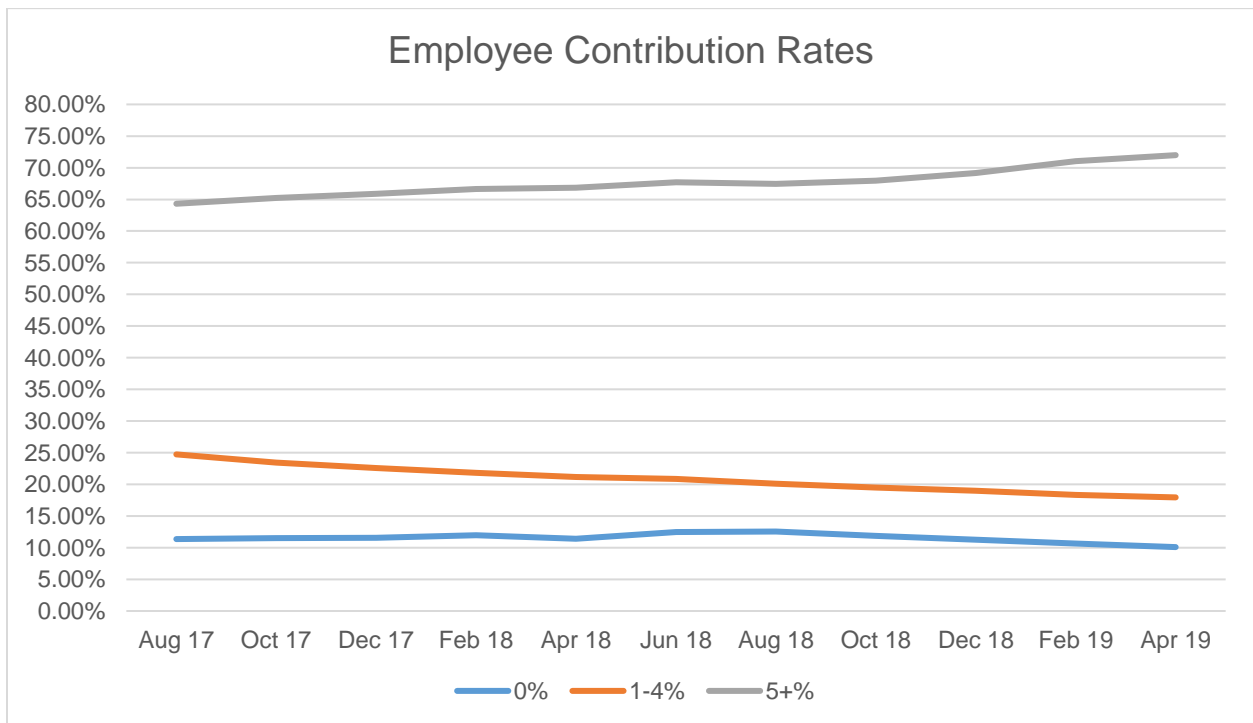
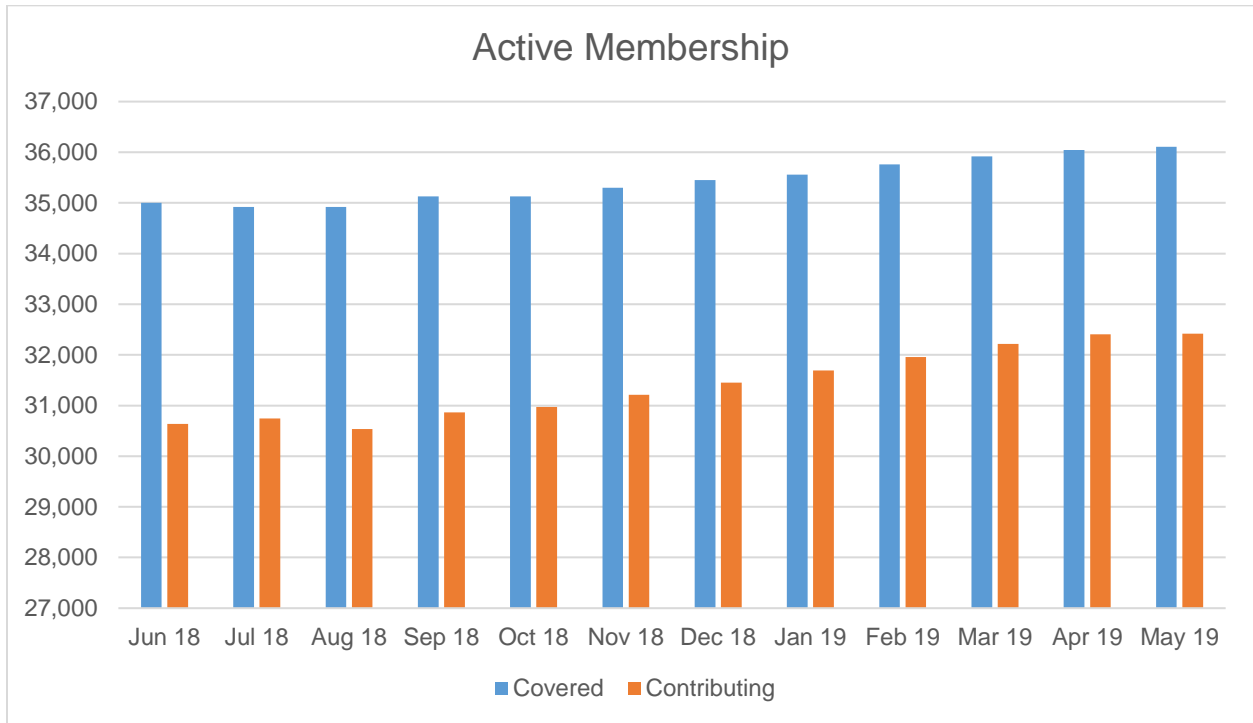
Terminated Members Receiving Refunds

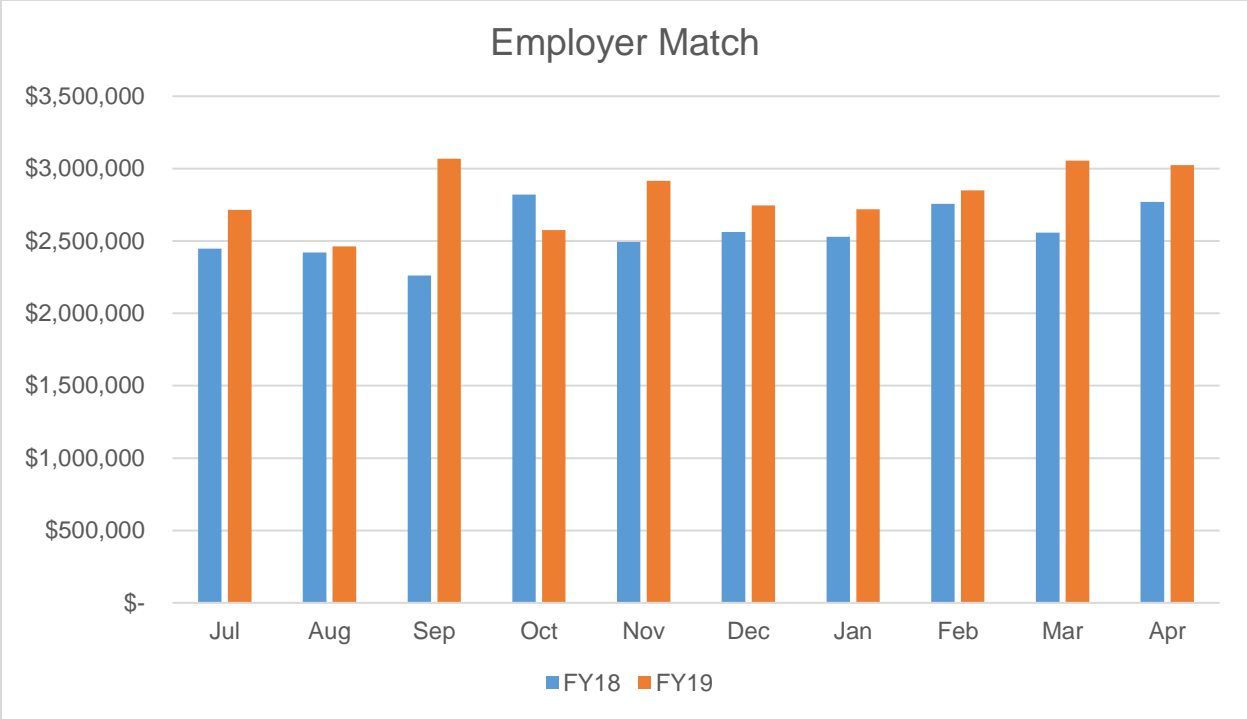


GTLI Payments

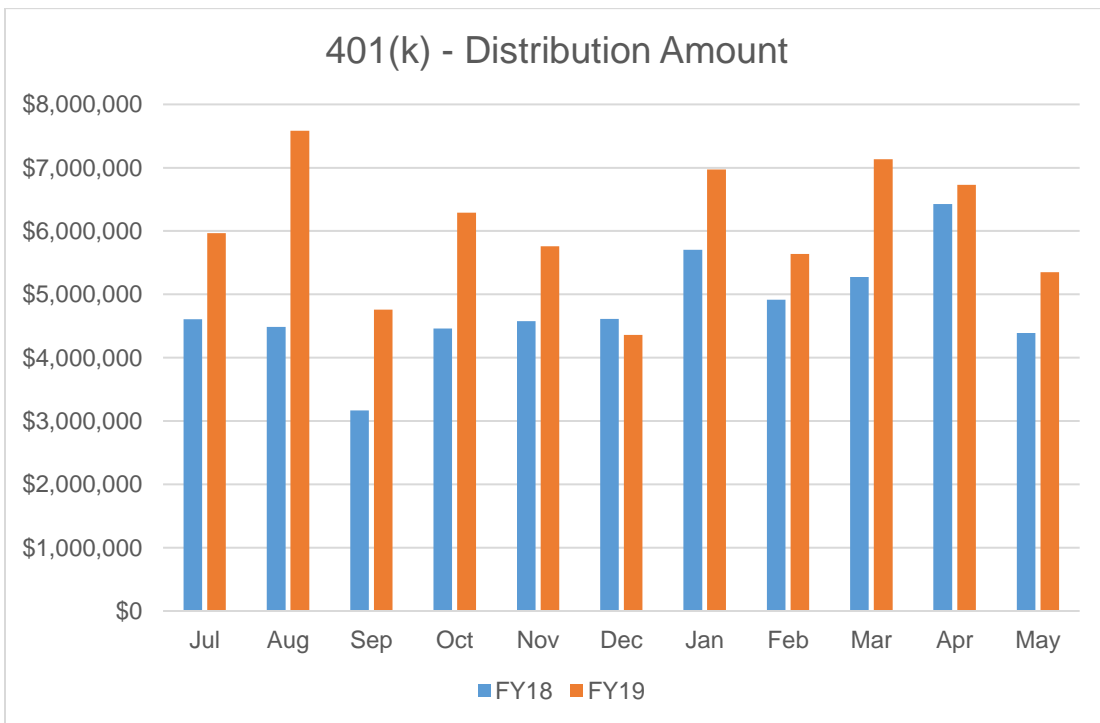
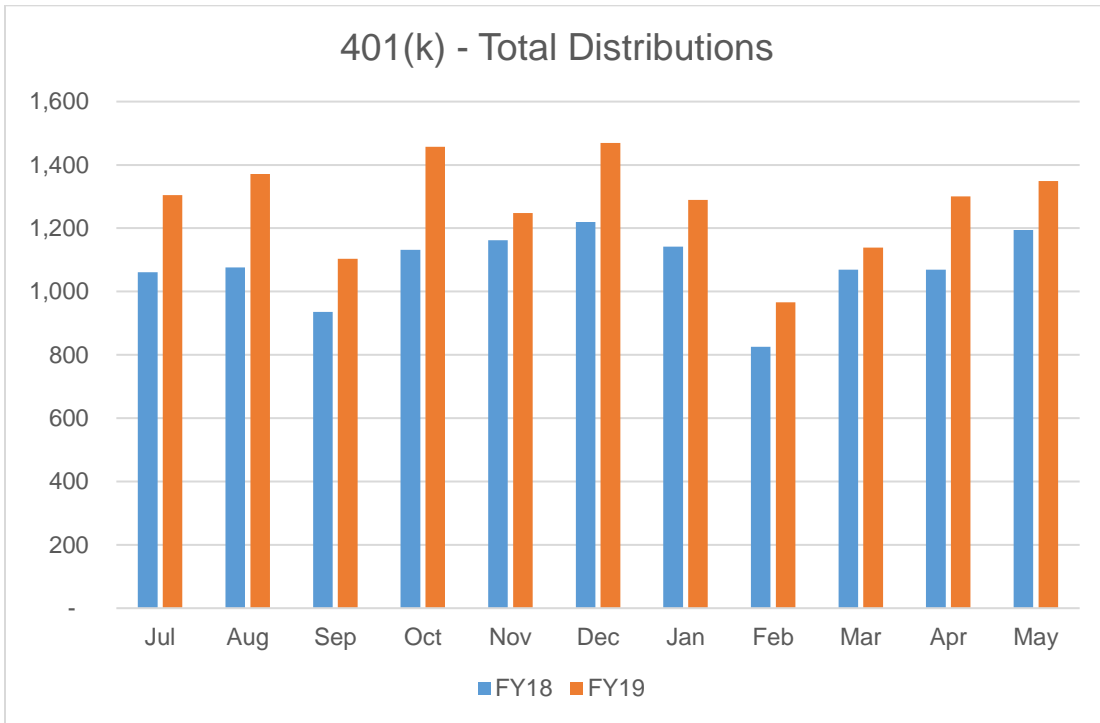


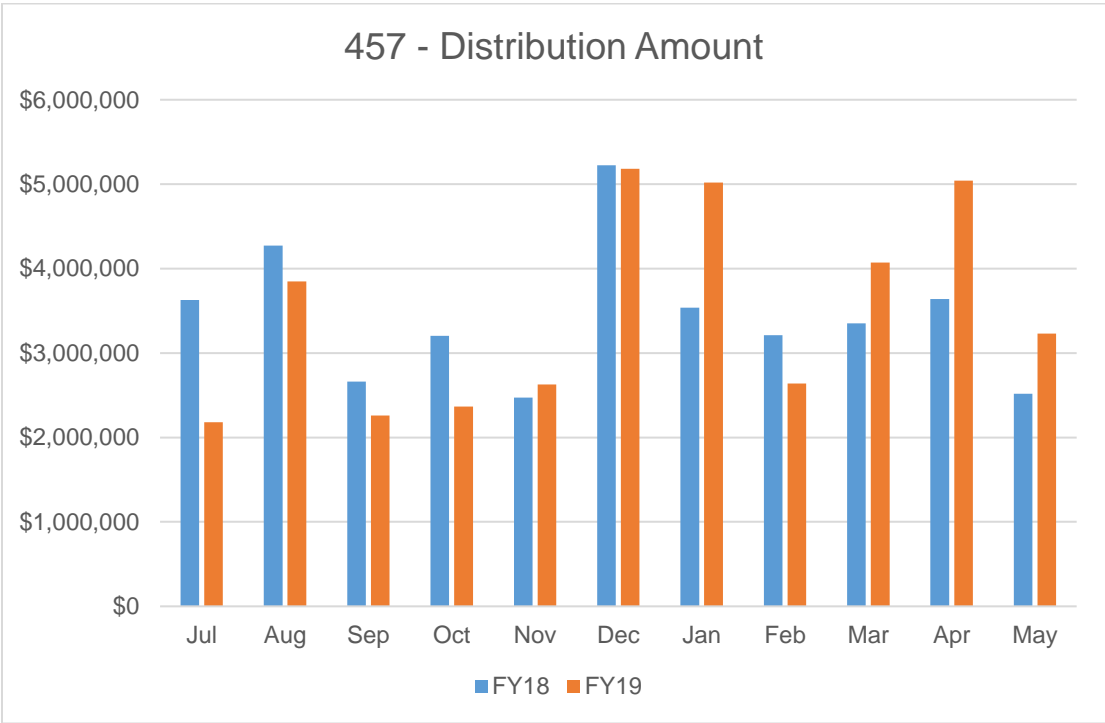
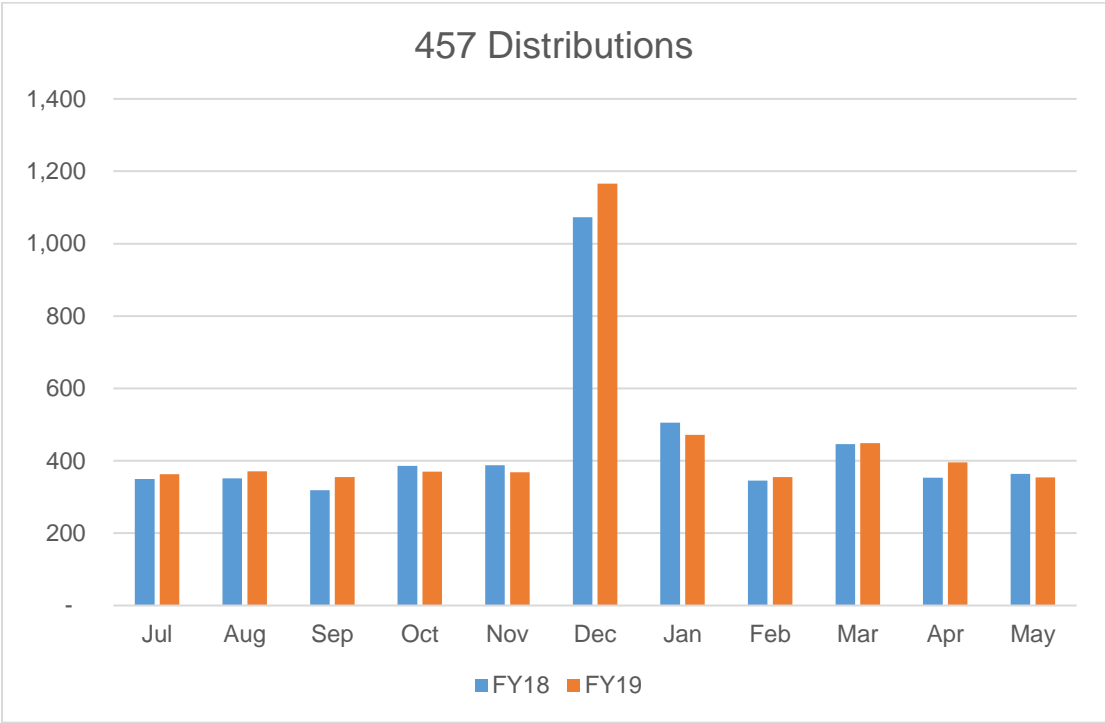
GSEPS



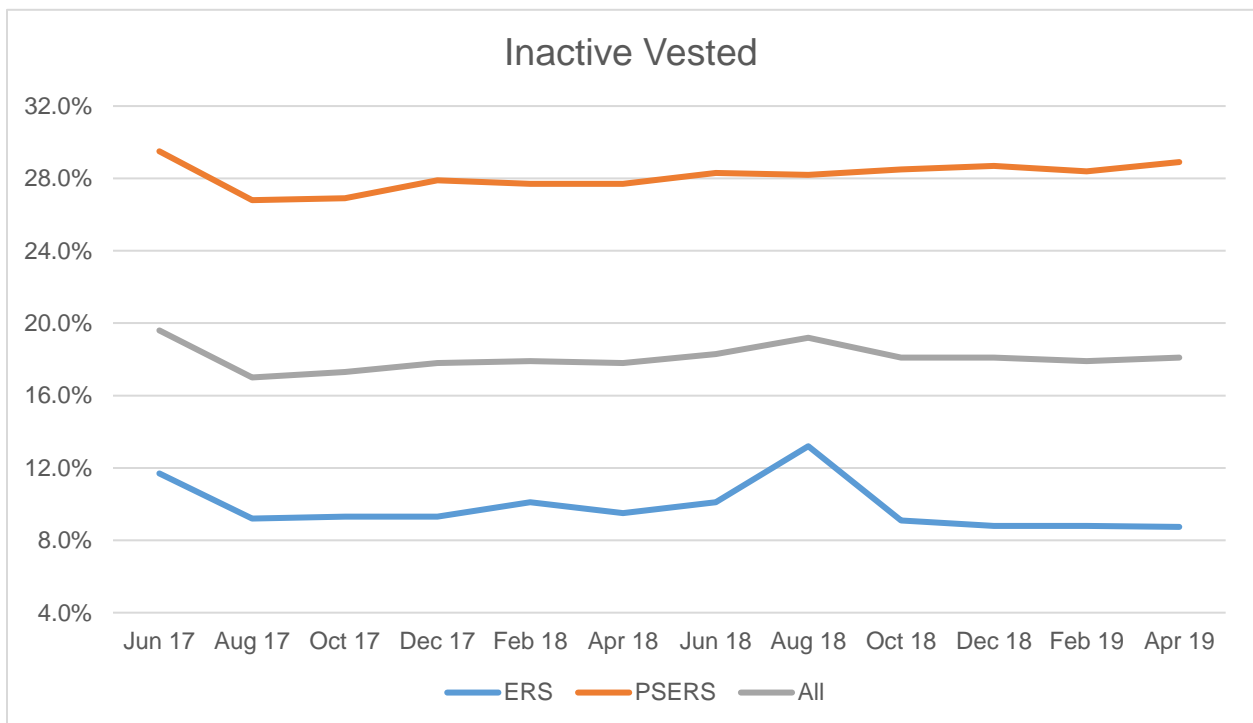
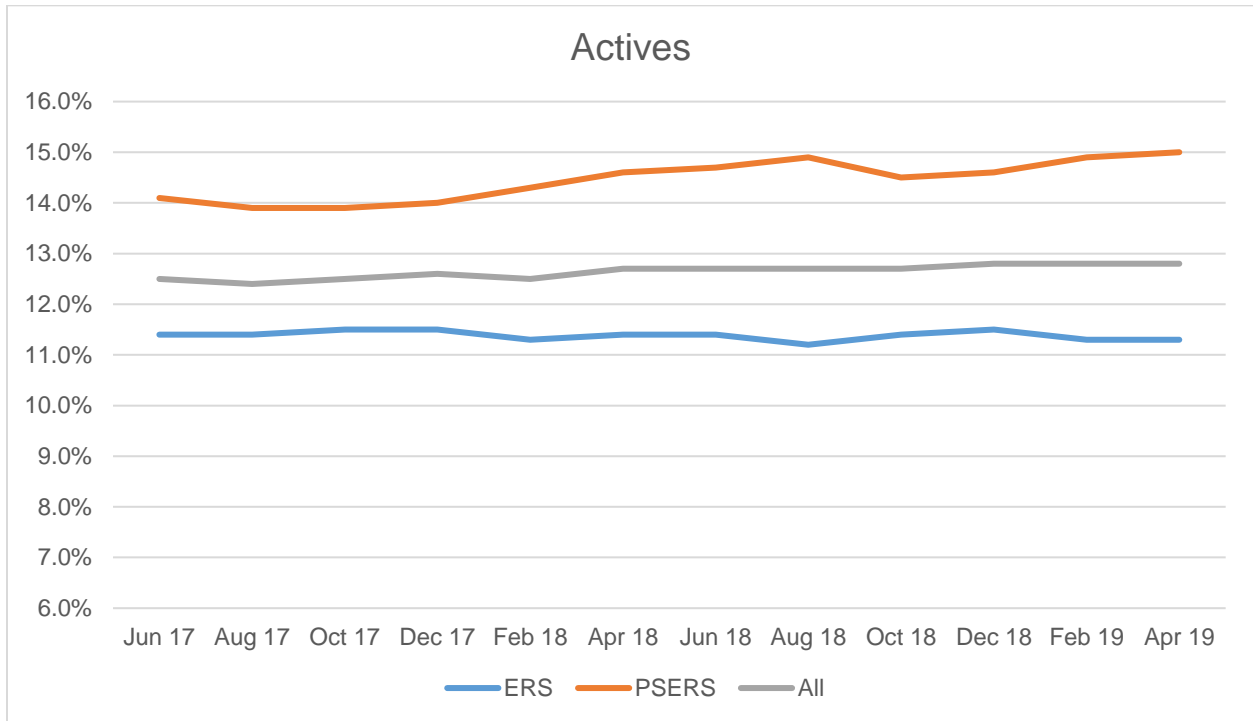


Peach State Reserves Distributions



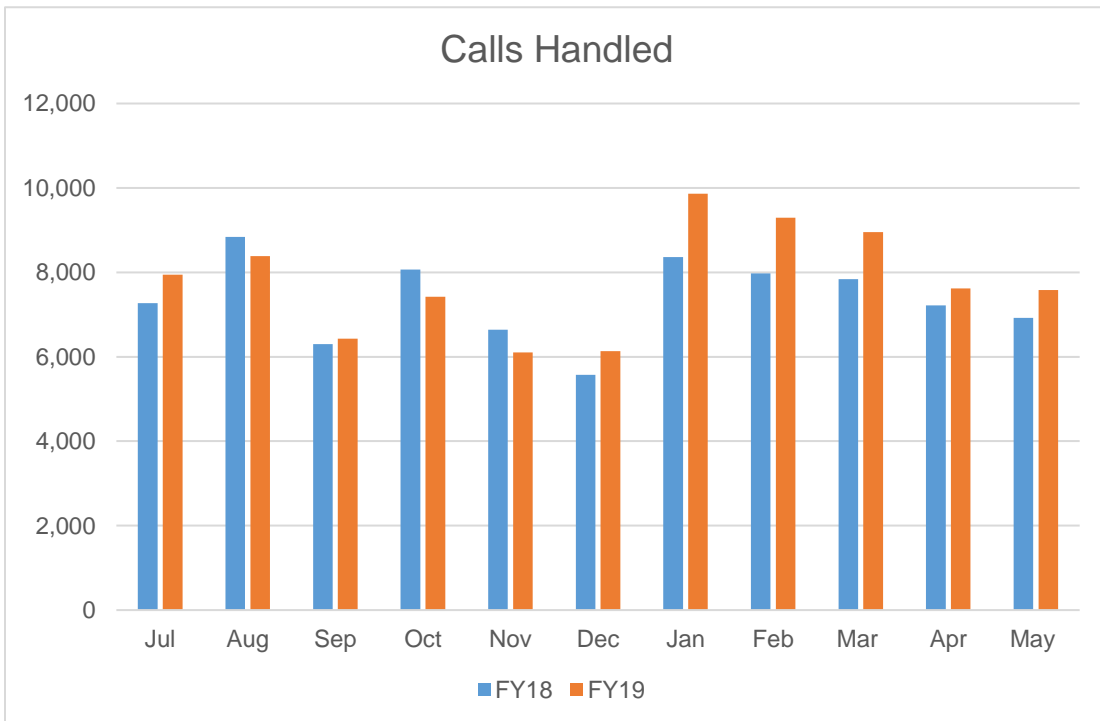
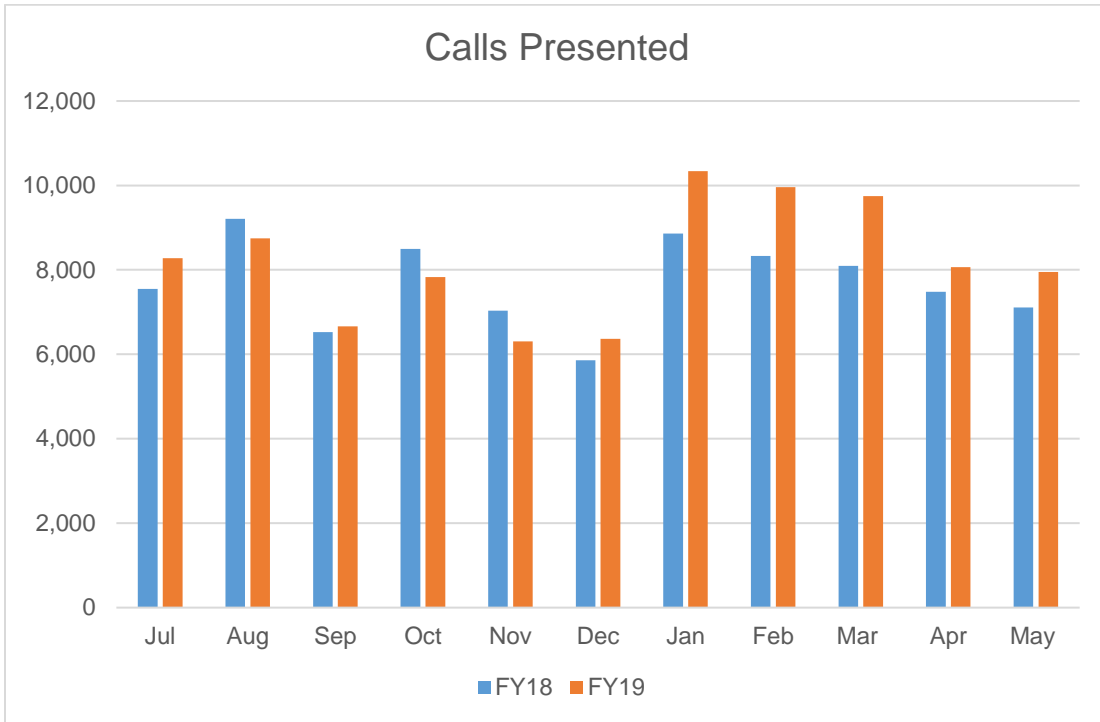


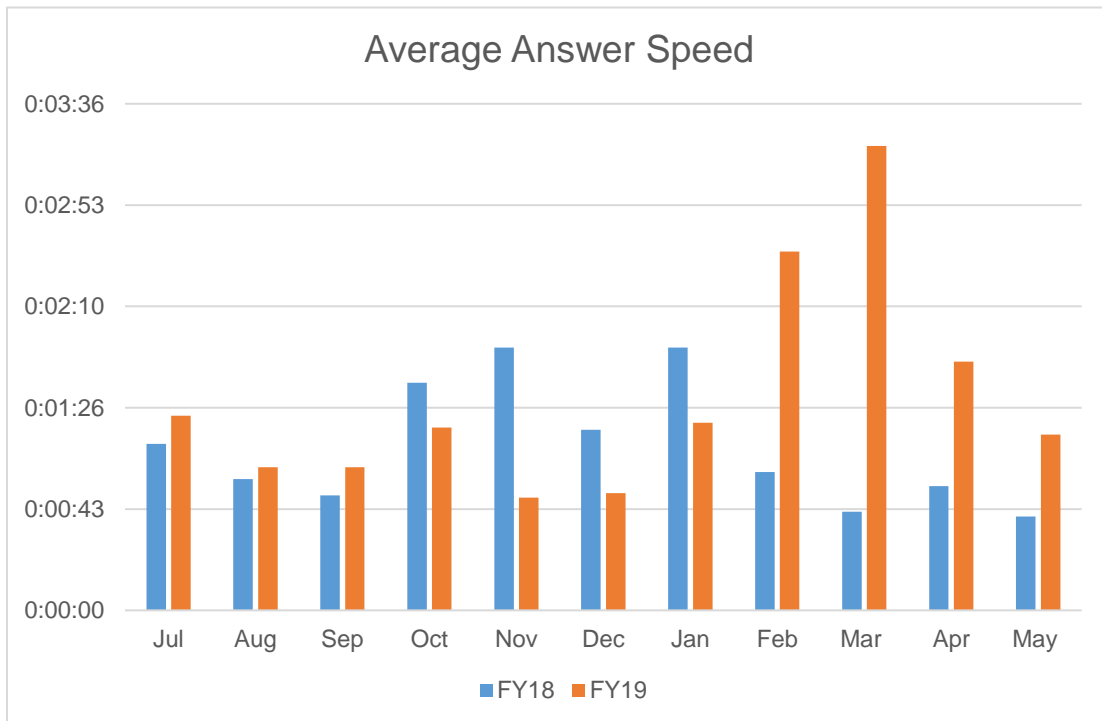
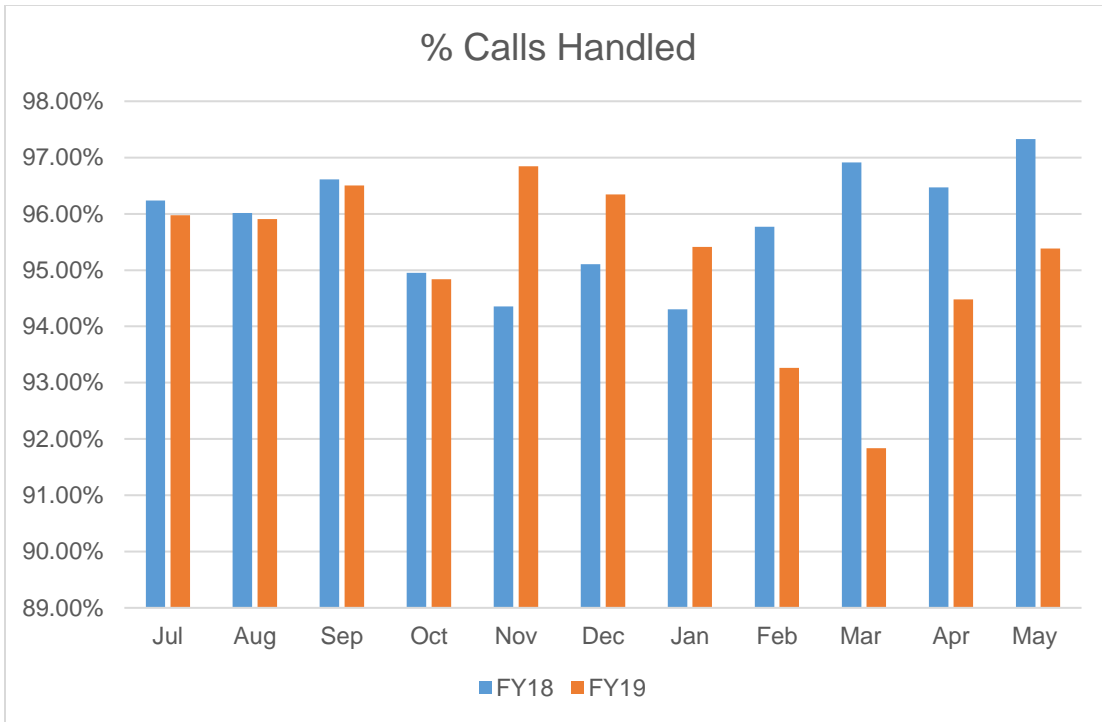
Retirement Eligible

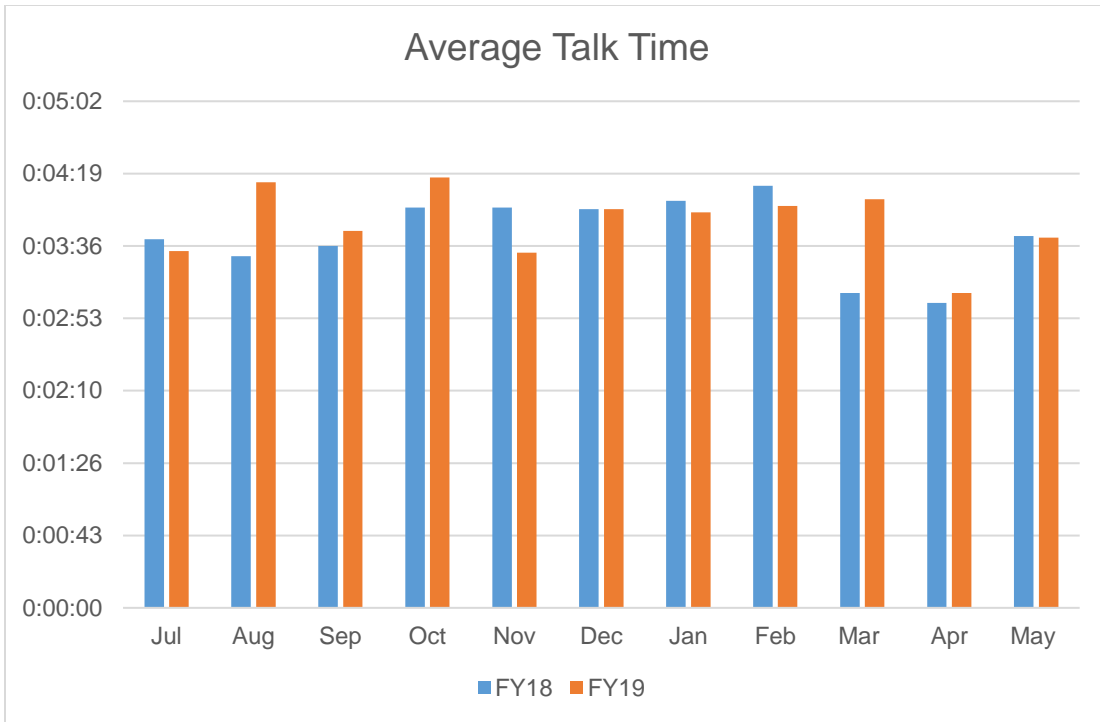


Call Center Statistics

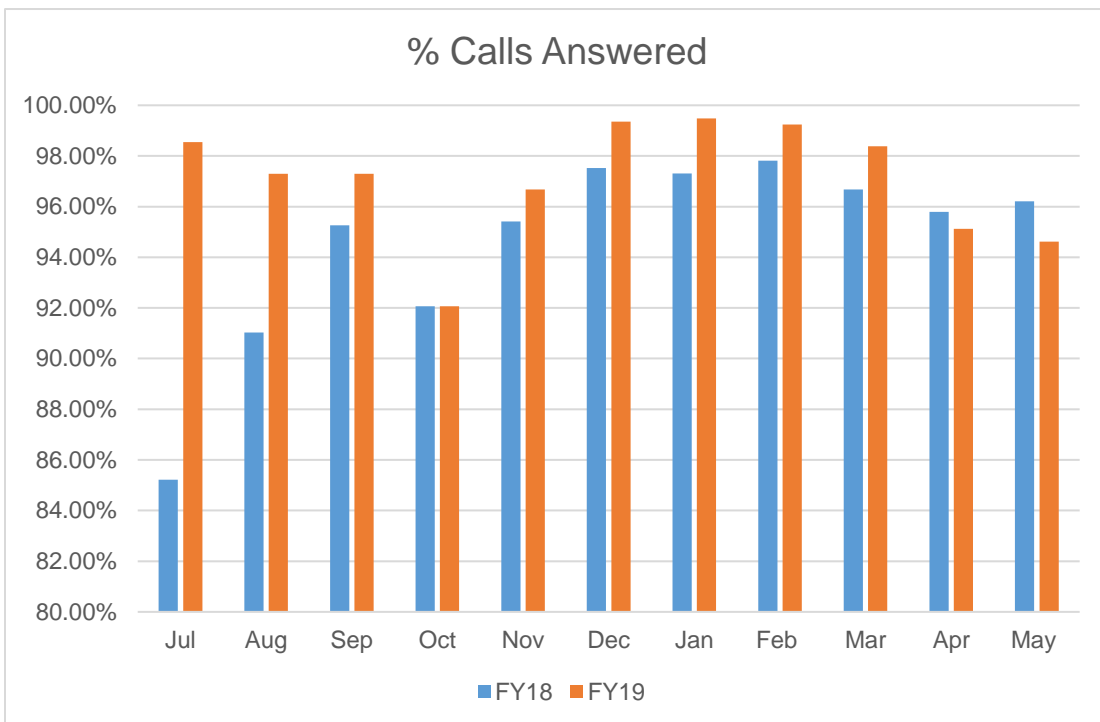
ERSGA

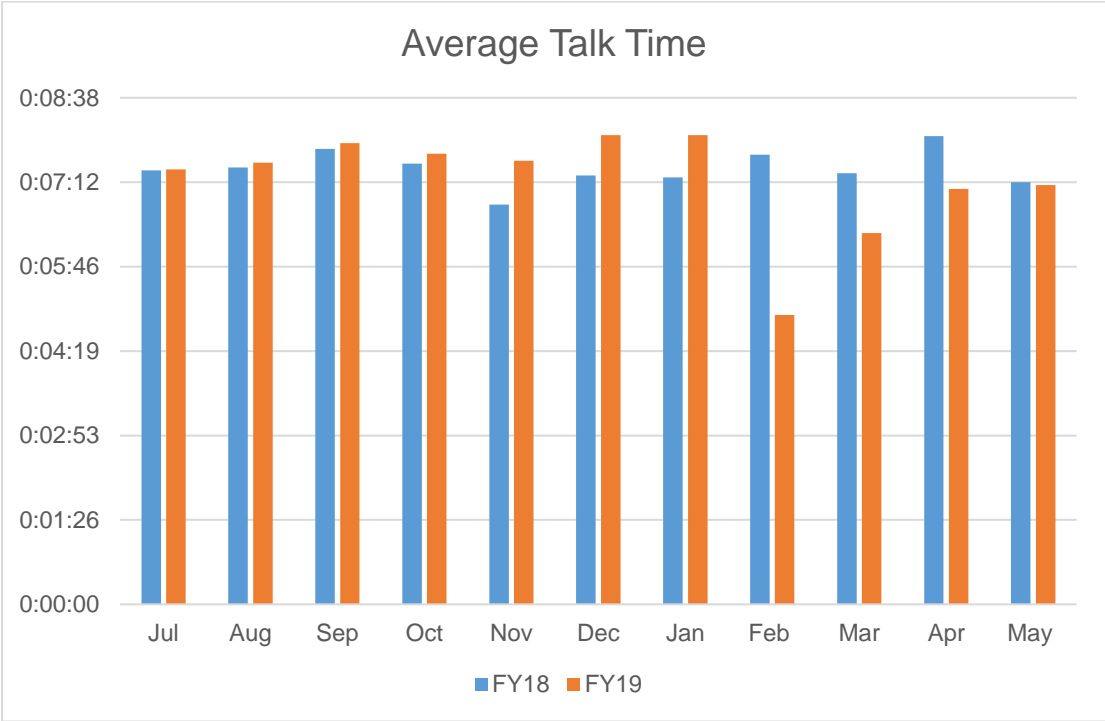
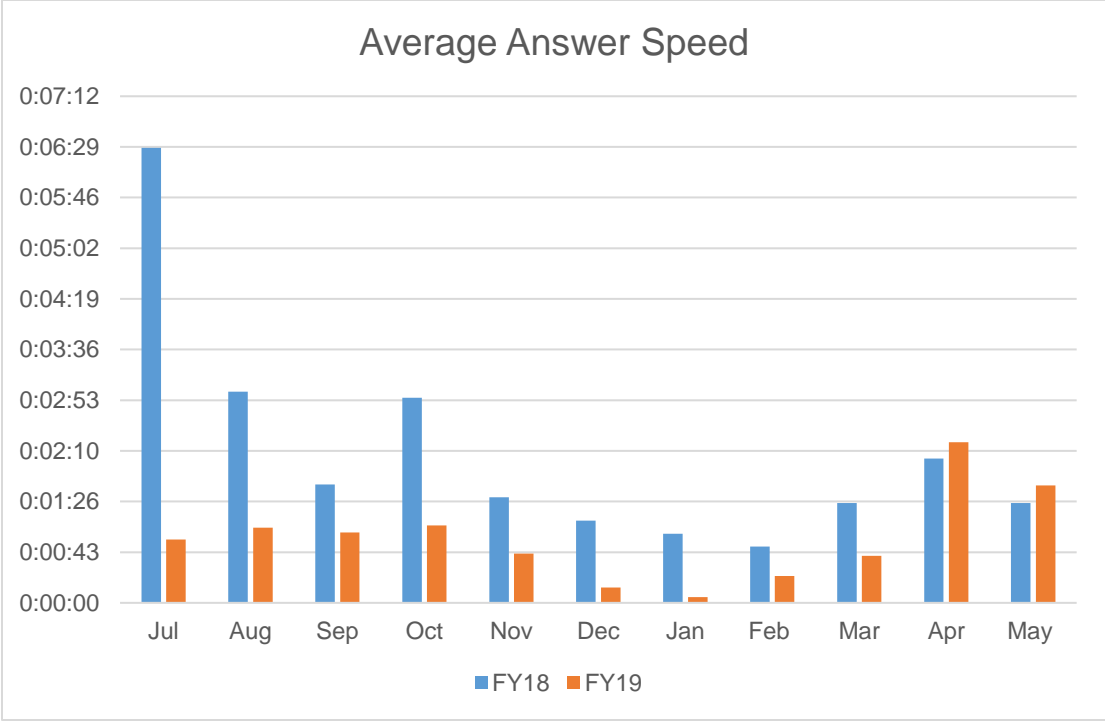




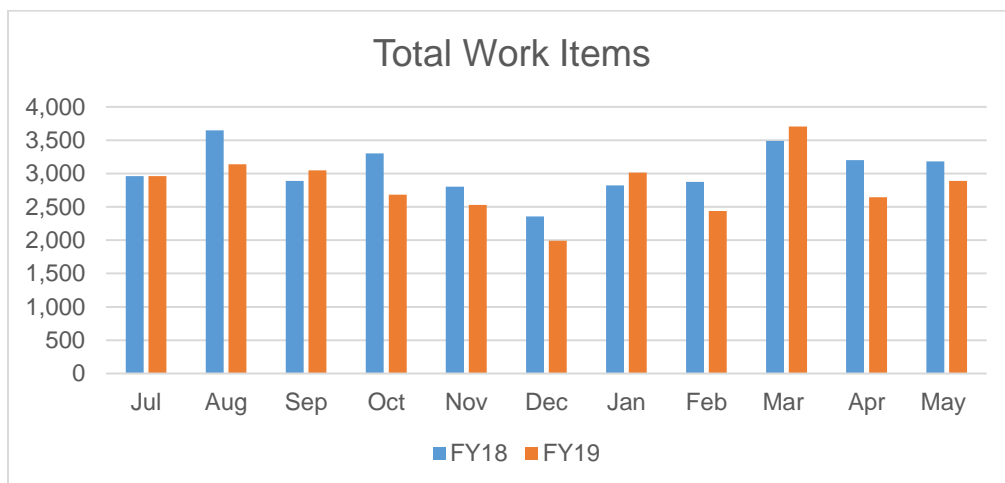
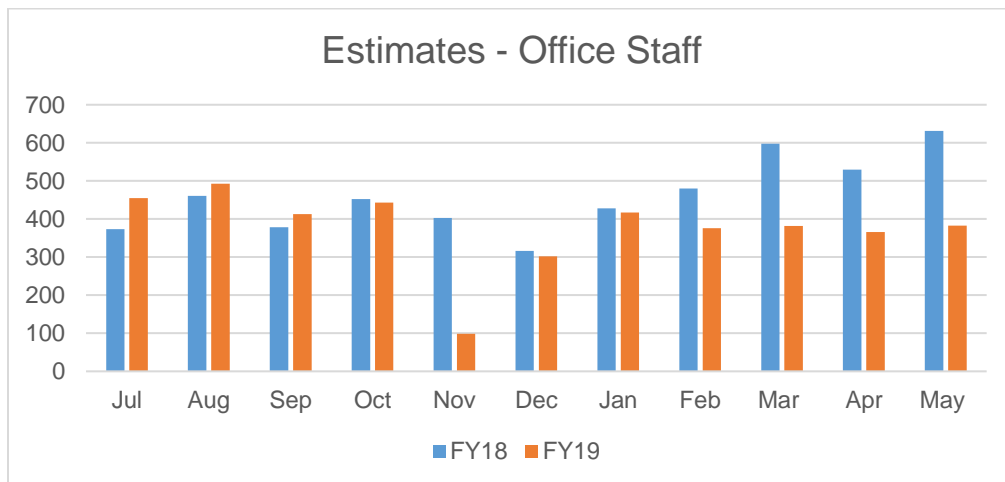
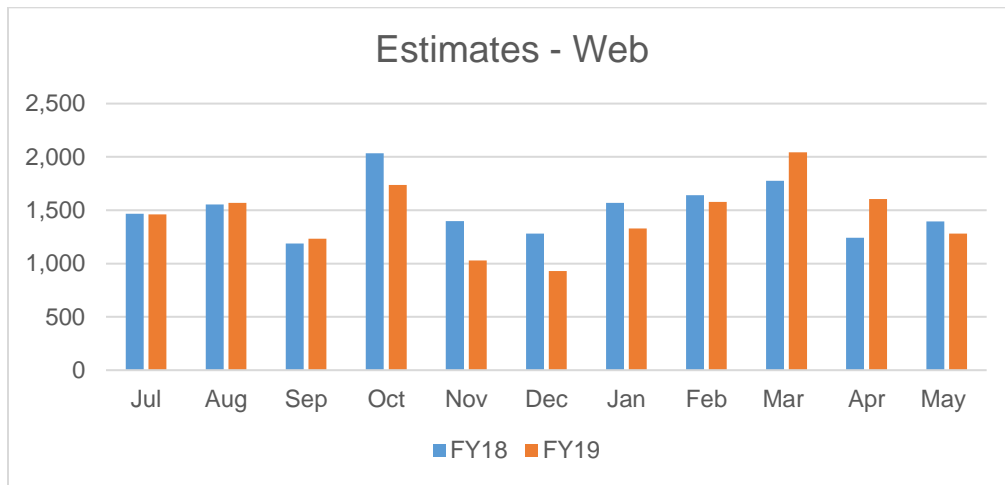


Peach State Reserves





Member Services Statistics



Project Updates

Communications

- ERS Handbook has been updated, approved, and is now interactive on the ERSGA website. The LRS handbook is in the approval stages, and the PSERS handbook is currently being updated.
- Webinar ERS presentation was re-designed to separate out GSEPS and New Plan to target audiences with shorter and directed presentations.
- Created a crisis communication brief for external website down.
- Educational presentations were provided for:
 - Department of Human Services: (2 separate locations)
 - DFCS: Houston County
 - Department of Human Services HR Administration Conference
 - GA Public Defender Council
 - Dekalb County Board of Human Services
 - Dept. Of Child Support
 - Dept. of Community Service: Department of Juvenile Justice

Financial Management

Completed System Updates for Overpayment Recovery

- The final phase of system enhancements to overpayment recovery was completed.
 - The goal was to
 - Accommodate components of the process previously handled manually
 - Streamline the original design
 - Post all collections so the transactions on the financials will flow to the audit files properly

Internal Audit of Employers (GASB 67)

- In an effort to be diligent and demonstrate the source data from Employers matches the data ERS received, FMD performs an annual audit of Employer information.
 - Methodology
 - A random month is chosen
 - Employers are asked to send the source data for that month
 - This year, twenty-three Employers of various sizes were asked to send March 2019 data for audit.
 - The data received is compared to the data posted to PARIS
 - Any discrepancies are returned to the Employer for verification and resolution.
 - If there are no issues, the Employer receives a “clean audit” letter.
- This year, there were eight clean audit letters issued, and fifteen Employers were asked to verify discrepancies such as dates of hire and minor variances in salary for a small number of employees.

Information Technology

Apps / BA

- Enhancements / bug fixes for ROLA
- Enhanced retirement online acknowledgement letter
- Enhancement to collect Birth date for Beneficiary data entered on web.
- Minor bug fixes to Generate Benefit Estimate on web
- Created report for FMD to check for unprocessed records
- Modified process for reporting SHBP 5yr of service flag
- Enhanced PRS rate change process
- Improved FMD edits for data processing
- Added additional automation steps for Salary Spiking Invoicing
- Added additional functionality to the Overpayment recovery process
- Converted 1099 print process to plain paper rather than buying preprinted forms
- Additional automation for processing ERS Law Enforcement retirements
- Updated RMD letter generation process
- Improved Air Time Costing calculations

Operations

- Started FileNet Upgrade and IBM DataCap implementation project. DataCap is a new scanning and indexing solution.
- Veeam Backup and Replication has been upgraded and a new disk storage solutions has been implemented at both ERSGA's primary and colocation sites.
- Azure (cloud) DNS services have been established – a Business Continuity solution that provides access (name resolution) to ERSGA's websites and email.

Support Center

- Windows 10 desktops have been completed except the Doc Center computers. FileNet is testing the scanner with Windows 10.
- Laptops Windows 10 upgrade Laptop Dec. 3 – May 3, 2019.
- Track-It update on track has been placed on hold waiting for the new version to have all the available features for ERS. Projected date the software will be available is May 2020.
- Add Windows 10 computers to Symantec for nightly virus scan on track Jan 6 – May 10, 2019
- Adding Malwarebytes to all Windows 10 computers. The command has changed that is used for our GPO. Working to resolve the issue by creating a new command to push out to all desktops and laptops.

Legislative Affairs

- Responded to 21 Legislative Affairs Inquiries
- Completed 20 legal inquiry research requests
- Prepared 21 Legislative Documentation Updates (includes legislative tracking, prepared publications, and legislative meetings)
- ERS Sponsored Legislation was signed by the Governor. Supplemental Guaranteed Lifetime Income: SB 55 Act 256.
- Attended House and Senate Fiscal Bill meetings. 17 bills impacting our Plans were forwarded for Actuarial Study.
- Completed Board to Statute Project. Updates will now be on-going as meetings occur.
- JRS Creditable Service section for Mapping Project complete.
- Prepared Implementation Action Plans for enacted legislation impacting our Plans.

Member Services

Retirement Online

- Applications have been increasing each month, with 38% of May 2019 ERS retirements submitted using the online application.
 - Up from 32% and 30% in the previous two months

Peach State Reserves

- RFP consultant - Hired Segal Consulting to assist us with the RFP process; we plan to post RFP in late Summer and make decision on DC TPA by the end of December
- Implemented Fraud Protection Team - Added new fraud functionality to the system to easily identify participants who contact the Benefits Center regarding potential identity fraud. Call flows were updated with the new process and the call tree was updated to immediately route flagged accounts to the Fraud Protection Team.
- Hardship withdrawal communications - To help reduce call volume related to hardship withdrawals, email triggering has been added to the Hardship process to keep participants posted on the progress of their hardship request
- PSR eligibility for USG - Effective May 1, USG employees are no longer be eligible to contribute to Peach State Reserves; active employees in the 457 plan are permitted to rollover funds to the new USG employer plan but active employees in the 401(k) must still follow the standard withdrawal rules

Quality Assurance

Legacy IBM Mainframe – Retiring

- The final remaining part of the IBM Mainframe legacy system will be retired by the end of June 2019.
 - History
 - This legacy system was implemented in the early 1970's and was last updated in June 1999.
 - When the data on the legacy system was converted to PeopleSoft and subsequently to PARIS (the current system), there was some information not brought over that is necessary for research and verification of historical transactions and accounts.
 - Retirement Reason
 - The legacy system is not supported currently and generates a monthly storage expense on the server
 - The necessary data can be extracted and stored in a more user friendly and widely available way.
- Quality Assurance worked with IT to extract the data from the legacy system, verify the correct data elements were extracted and stored it on current systems.

Quality Assurance, Financial Management, Accounting, and Information Technology

Unallocated Employee and Employer Cash Receipts

- Unallocated cash receipts occur when ERS receives money, and it is not allocated on the system to an invoice. This situation can happen for various reasons, can be a credit or a debit to the Employer and usually takes some research to resolve. One of our goals is to manage unallocated cash receipts prior to the most recent three months to \$0. Over the past years, the total net number of receipts had reached \$1.9 million for Employee and \$2.2 million for Employer. Over the last six months, unallocated Employee cash receipts were reduced by approximately \$900,000 to approximately \$900,000, and Employer cash receipts were reduced by approximately \$1.9 million to approximately \$300,000. This effort is and will be ongoing.