

Retirement Subcommittee Recommendations

1. How do we set a crediting interest rate for that year policy and when should it be voted on?

Based on the discussions of our subcommittee, a consensus of the committee believes a 20-year rolling rate of return should be used net of fees. The 20-year average will be taken from our pension consultant as soon as it's available for the previous 20 years return net of fees. We will use that number to determine the rate at our late January pension board meeting. The rate will be set as follows: if under 4%, it will be set at 4%; if over 5.5%, it will be set at 5.5%; if it falls between 4% and 5.5%, it will be set to the closest tenth of percent.

2. When should a Cost of Living Increase be given and when should it be voted on?

A consensus of the committee believes a vote should be taken annually so there is no need to track the three year period for COLAs under the Pension Law. The vote should take place at the November meeting after the actuarial report comes in providing the previous year's amount of funding. When the fund hits 104%, this triggers a discussion and the Retirement Board may consider giving a cost of living increase. Before approving any adjustment, the Retirement Board must have an actuarial note prepared regarding the proposed adjustment. The amount of the increase will be determined by the change in the cost of living index as required by the County Pension Law. An approved increase would take effect January 1 of the year following the year of approval of the adjustment.

3. Election Process who should run it and how should it be run?

Based on our discussions of the subcommittee, a consensus of the committee believes that The Department of Human Resources has been doing a good job. The HR election procedures currently in place now are already written down but, we do believe some time limits on notifications should be added. Here is what we believe those should be. First a notification of an election should be sent out to members of the retirement system with an Election Date set for 45 days with that notification and a 10 business day window opens to respond to human resources if they wish to be a candidate and how to do it. This notification cannot be sent out later than day 44. Also on this notification, withdraw as a candidate process which starts at day 30 allowing someone to withdraw from the election. This first notification must include date and times of polling places open and close. This first notification to active members can be posted to bulletin boards and also giving by email. But retired members must receive a letter to be sent out no later than day 44 in U.S. mail. On day 25 a list of candidates is sent out to the voting membership reminding them of the election in 25 days and a notice is given if anyone is interested in an absentee ballot to contact HR by phone, email or letter. Again current employees' notification can be bulletin boards and email. But, retired members must receive a letter and should be sent out no later than day 24. Absentee ballots are available on day 20 and must be returned to Human resources by day 5. Absentee ballots can be emailed, faxed, or hand delivered. Also date and times and locations should be provided on this 2nd notice. All expenses occurred from Human Services or Voter Registration in conducting Retirement Board Elections shall be paid out of the Pension Fund.

4. When should Oath of Offices be given and how often to be in compliance with Act 96?

Based on the discussion of the subcommittee, a consensus of the committee believes we should take an oath every year at the late January meeting or if a midyear replacement that individual must take the oath at first meeting.

5. How does the Board operate who is the Chair and Secretary?

Based on our discussions of the subcommittee, a consensus of the committee believes to be in compliance with the IRS dissemination letter, we should make the late January meeting a reorganizational meeting and vote to elect a Chairperson and a Secretary. These positions shall be elected by the seven member Retirement Board. The role of the Chairperson is to run the board meetings. The Secretary is to work with members of the Retirement Board to build agendas and keep minutes of meetings as well as conduct board meetings in absences of the Chair.

6. What should county contribution to the Retirement Fund be?

Based on our discussions of the subcommittee, a consensus of the committee believes we should always make the Annual Required Contribution. When no ARC is required, we believe 1/3 of the money that the membership put into the fund in the previous year's contribution should be put into the fund from county funds.

7. How often should we do Request for Proposal for Investment Consultant?

Based on our discussions of the subcommittee, a consensus of the committee moving forward believes that every 4 years we should consider doing an RFP.
