

## **Minutes of the Administrative Committee**

**March 31, 2017**

The Administrative Committee of the Board of Trustees of the Tennessee Consolidated Retirement System met on Friday, March 31, 2017 at 9:00 a.m. The meeting was held in Conference Room H of the Tennessee Tower with Director Jamie Wayman presiding.

The following members were present: Mr. Harold Morrison, Ms. Patsy Moore, Mr. Kevin Fielden, Ms. Deborah Taylor Tate, Mr. Paul Varble.

### **Approval of the November 18, 2016 Minutes of the TCRS Administrative Committee**

On a motion by Mr. Morrison and seconded by Ms. Moore, the minutes of the November 18, 2016 TCRS Administrative Committee meeting were unanimously approved.

### **Political Subdivision Update**

Mr. Wayman introduced Ms. Joy Harris, Assistant Treasurer for Financial Empowerment, to discuss four employers seeking participation in TCRS. The following political subdivisions are seeking entry into TCRS: the Town of Bruceton, Johnson City Energy Authority, and Lenoir City Housing Authority are seeking participation in the Local Government Legacy Plan effective April 1, 2017 and Dickson County Emergency Communications District is seeking participation in the Alternate Defined Benefit Plan effective April 1, 2017.

On a motion by Mr. Morrison and seconded by Ms. Tate, the Administrative Committee unanimously recommended to the Board of Trustees that the Town of Bruceton, Dickson County Emergency Communications District, Johnson City Energy Authority, and Lenoir City Housing Authority be approved for participation in TCRS.

### **Qualified Employee Benefit Arrangement Trust (QEBA) Document**

Mr. Wayman introduced Ms. Alison Cleaves, Legal Services Director for the Treasury Department. Ms. Cleaves provided an explanation of the Qualified Excess Benefits Arrangement Trust. The trust is being created to pay benefits to retirees whose annual retirement benefit exceeds the IRC Section 415 Limits. Mr. Wayman provided additional comments, explaining the trust will not accumulate assets as the trust will collect the funds to pay the excess benefits and pay the benefit out immediately. Ms. Tate also commented this will only apply to long-term employees with high salaries and requested to be notified if judges would be impacted.

On a motion by Ms. Tate and seconded by Ms. Moore, the Administrative Committee unanimously voted to recommend to the Board that the QEBA Trust be approved.

### **TCRS Audit Report**

Mr. Wayman spoke on the audit finding included in the 2016 TCRS Audit Report. The audit finding was due to the notifications of address changes only being sent to the current address. The process was

changed to send notifications on a daily basis, as well as all email and address changes are now sent to both the old and new addresses. Additionally, the Manager of Financial Services is reviewing a sample of all changes made by staff to ensure changes are authorized. The Self-Service system was also modified to allow the member to view a history of all changes made to their contact information.

### **Operations Update**

Mr. Wayman introduced Ms. Erica Nale, the Assistant Director of TCRS. Ms. Nale discussed the processing time for retirement applications has been under 30 days for the past 20 months and is currently at 15 days. TCRS anticipates receiving on average 600 retirement applications per month. TCRS has focused on areas of improvement with Hybrid calculations and Member Annual Statements for Hybrid Members as well as enhancements to the system for the administration of External Pension Plans.

Ms. Joy Harris then spoke about employer outreach and education in the field. Ms. Harris indicated the Hybrid plan has been well received by employers and committee members are encouraged to reach out to Financial Empowerment if they have any questions.

### **Other Business**

Mr. Wayman then provided a legislative update for the current session. He mentioned there were a limited number of bills impacting TCRS. Mr. Wayman indicated there were two bills filed that would increase compensation for assistant district attorneys general and district attorneys general that would impact members of the closed Superseded Attorneys General Retirement System. There is also a bill to create a Stabilization Reserve account outside of the pension fund for the state hybrid and legacy plans, teacher legacy and hybrid plan, and each individual local government adopting the State and Teacher Hybrid Plan.

### **Adjournment**

With no other business, the Administrative Committee of the Board of Trustees adjourned at 9:45 a.m. on March 31, 2017

**Respectfully Submitted,**



**Erica Nale**  
**Assistant Director, TCRS**

**Approved:**



**James E. Wayman**  
**Administrative Committee Chair**