

## **Minutes of the Administrative Committee**

**March 29, 2019**

The Administrative Committee of the Board of Trustees of the Tennessee Consolidated Retirement System met on Friday, March 29, 2019 at 9:00 a.m. The meeting was held in Conference Room C, Fifth Floor Cordell Hull Building, with Director Jamie Wayman presiding.

The following members were present: Mr. Paul Varble, Mr. Alfred Laney, Ms. Patsy Moore, and Ms. Deborah Taylor Tate.

### **Approval of the November 30, 2018 Minutes of the TCRS Administrative Committee**

On a motion by Ms. Tate and seconded by Mr. Varble, the minutes of the November 30, 2018, TCRS Administrative Committee meeting were unanimously approved.

### **New Board Members**

Mr. Wayman shared with the Committee that there would be new Board members introduced in the full Board meeting. He also discussed with the Committee that eight positions on the Board would be up for reappointment or reelection this year, with those positions' current terms expiring June 30, 2019. Ms. Courtney Hess, Senior Manager of Retirement Policy and Compliance, updated the Committee on the election process for the state employee representatives on the Board, noting that the online voting for these elections will occur in May. Mr. Wayman and the Committee discussed the appointment process for positions on the Board.

### **Legislative Update**

Mr. Wayman updated the Committee on five proposed bills potentially impacting TCRS that are being heard in the General Assembly. The five bills have all been heard by the Council on Pensions and Insurance and are in standing committees. Bills that received positive recommendations from the Council on Pensions and Insurance include the TCRS Housekeeping bill; a bill that would provide death benefits to the spouse, if designated as beneficiary, of a member who dies in service and is vested; and a bill that would give police officers and firefighters the option to retire after twenty-five years of service, regardless of age. Bills that received negative recommendations from the Council on Pensions and Insurance include a bill that would transfer the fire and arson investigators from the Department of Commerce and Insurance to the Tennessee Bureau of Investigation, designating them as state police officers subject to mandatory retirement and the bridge benefit; and a bill that would make park rangers subject to mandatory retirement and the bridge benefit.

### **Operations Update**

Ms. Mary Beth Franklyn, Director of Employer Reporting and Customer Service, discussed the number of phone calls and meetings with participants and employers during the calendar year 2018. Over 174,000 member phone calls were answered and 1,200 group meetings for members were held during the time period, and there were 865 group presentations with local government employers. Additionally, she shared that her team has had successful efforts working with state Human Resources departments and has held 632 meetings with local education agency employers. Ms. Franklyn shared that over 15,000 benefit estimates were provided to members in 2018, with an average time of completion of 5.5 days.

Ms. Franklyn also discussed with the Committee the new process for evaluation of disability retirement applications. Following a Request for Proposals, TCRS contracted with the University of Massachusetts Medical School for physician review of applications for disability retirement, with recommendations provided to TCRS. Ms. Franklyn shared that the new process began in early March and the intent for it to be more efficient for members. She also discussed the statistical report on disability applications and the upcoming plans to provide reports with more aggregate data for the Committee in the future.

Next Ms. Erica Nale, Assistant Director of TCRS, shared an update on TCRS operations. Ms. Nale discussed the publication of the 2018 Comprehensive Annual Financial Report to the new Treasury Department website. Ms. Nale also shared with the Committee that member contribution refund applications have increased, which is anticipated due to more members being contributory under the Hybrid Plan. She shared that TCRS will see, as is typical annually, a higher volume of retirement applications in the coming months. Ms. Nale discussed that during the January-March time period, approximately 50% of retirement applications have been submitted online. She shared that TCRS will be working this year on additional services that may be provided online to members in the future. Ms. Nale also discussed the work TCRS is doing to enhance its ability to prevent overpayments due to death of members through additional tools.

Mr. Wayman added that goals of online retirement are reducing data entry time and error risk, as well as being able to provide a status of where an application is in progress. Mr. Wayman also mentioned that the TCRS Housekeeping bill contains a provision authorizing TCRS to require online submission of applications at a time designated by the State Treasurer.

#### **Other Business**

Mr. Wayman shared with the Committee that the employer contribution rates for the Legacy Plan for state employees and teachers were approved by the Board at the November 30 meeting, and that the employer rates for the Hybrid Plan for state employees and teachers would be presented at this Board meeting.

#### **Adjournment**

With no other business, the Administrative Committee of the Board of Trustees adjourned at 9:56 a.m. on March 29, 2019.

**Respectfully Submitted,**

/s/ Erica Nale

Erica Nale

Assistant Director, TCRS

**Approved:**

/s/ Jamie E. Wayman 6.28.2019

James E. Wayman

Administrative Committee Chair