

Commonwealth of Pennsylvania
Public School Employees' Retirement System
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To: Bylaws/Policy Committee

From: Joseph E. Wasiak Jr., Assistant Executive Director

RE: Bylaws Update

Date: July 24, 2018

1. At the May 24, 2018 meeting of the Budget/Finance Committee, the committee approved the draft version of their duties and responsibilities for inclusion in the Board's Statement of Organization, Bylaws, and Other Procedures (Bylaws) Section 4.2.(c). The next step in this process is the final approval by this committee and the Board of those proposed duties and responsibilities. Below is the proposed wording of Section 4.2.(c).

"Budget/Finance Committee. The Budget/Finance Committee

-shall review and approve the annual fiscal year budget request prepared by the Office of Financial Management for the
pension administrative,
defined contribution administrative,
directed commissions,
healthcare-PSEERS administrative,
and investment-related budgets for the next fiscal year prior to their submission to the GBO;

-shall review and evaluate periodic updates on the status of the current year budget with Office of Financial Management staff;

-shall review and approve for publication the System's annual fiscal year financial statements prepared by the Office of Financial Management each fall and no later than December 31st;

-shall ratify all payments reflected in the annual fiscal year financial statements;

-shall review the annual valuation results for the fiscal year as presented by PSERS' external actuary each fall, but no later than December 31st;

-shall adopt the actuarial factors, assumptions and methodologies included in the valuation to calculate the employer contribution rate;

-shall certify, each December, the total employer contribution rate for use by employers in the next fiscal year as recommended by PSERS' external actuary;

-shall certify the member shared risk contribution rate for the next three fiscal years as recommended by PSERS' external actuary for class T-E, TF, T-G and T-H members;

-shall review the results of the actuarial experience study by PSERS' external actuary every five years;

-shall adopt the actuarial factors, demographic and economic assumptions, and methodologies recommended by PSERS' external actuary and Agency staff;

-shall approve new option factors, as needed, and the date to implement the factors in PSERS' benefits administration system as recommended by Agency staff and PSERS' external actuary;

-shall meet periodically with Office of Financial Management staff to discuss other financial management activities and policies on an as needed basis as determined by the Chair, Chief Financial Officer and/or Executive Director.”

2. At the 9 August, 2018 meeting, the Bylaws/Policy Committee will vote on whether to approve these changes. Questions should be directed to Joseph Wasiak.