



PSERB Resolution 2025-01 Finance and Actuarial Committee 2025 Work Plan January 10, 2025

RESOLVED, that the Public School Employees' Retirement Board accepts the recommendation of the Finance and Actuarial Committee and approves the attached Finance and Actuarial Committee Work Plan for 2025 to guide the Committee Chair in the development of agendas and authorizes the Committee Chair to revise the Work Plan, as needed.



**Public School Employees' Retirement Board
F&A Work Plan Items
2025**

Status for 2025	Training	Board or Committee Training	Finance and Actuarial Committee	Start date	End date	Date Flexibility (can be earlier, but not later)	Frequency	Committee Action Item	Board Action Item	January 10	February	March 20-21	April	May	June 12-13	July	August 21-22	September	October 23-24	November	December 18-19	Special Comments	Committee Motion Date	Board Resolution Date
			The Board Chair is to appoint Committee members.	Last appointed 1/2024	TBD 1/2026		Biennially																	
			The Committee Chair is to set the dates and times of the committee meetings.		1/10/25	No	Annually	No	No	x												Meet at least 4 times a year.		
			Elect Chair		TBD 1/2026	No	Biennially	Yes	No															
			Elect Vice-Chair		TBD 1/2026	No	Biennially	Yes	No															
			Conduct a self-evaluation of the Committee's performance as part of the Board's self-evaluation process.		TBD	Yes	Annually	No	No													Contingent on the development of the Board's self-evaluation process.		
			Review the Committee Charter at least every three years.	last reviewed 3/2022	3/20/25	No	Every 3 years	Yes	Yes			x										Any proposed changes are to be referred to the Governance and Administration Committee. If no proposed changes, then the Committee's report to the Board will document that the charter was reviewed and no changes were referred.		
A. Activities conducted on behalf of the Board:																								
			1. Conduct the search for the independent external actuary, with the assistance of staff, and make recommendations to the Board. The Committee should ensure that an RFP is issued for the independent external actuary contract at least every five (5) years unless the Board directs otherwise.																			The search and selection is the responsibility of the Committee. The external actuary chosen by the Committee is approved by the Board.		
			1.a. Review Statement of Work/evaluation criteria		3/20/25	Yes	Every 5 years	Yes	No			x										Executive session		
			1.b. Make recommendations of voting members of the evaluation committee to board chair		5/15/25	Yes	Every 5 years	Yes	No													Committee Chair to make recommendation to Board Chair.		
			1.c. Make selection		6/30/26	No	Every 5 years	Yes	Yes													Current contract expires 6/30/26 for fixed services and 9/30/26 for hourly services.		
			2. At least annually, meet individually with the CFO and the independent external actuary without other staff present to ensure there has been no undue influence on their activities or reporting to the Committee or the Board.																					
			2.a. Meet with CFO		12/18/25	Yes	Annually	No	No													x	Executive session	
			2.b. Meet with External Actuary		12/18/25	Yes	Annually	No	No													x	Executive session	
			3. Evaluate the performance of the independent external actuary annually and provide feedback regarding performance and future expectations.																			Common Committee responsibility.		
			3.a. Develop the standards of evaluating performance, i.e. SLAs, metrics, benchmarking, etc.		6/12/25	Yes	As Needed, specify date	No	No						x									
			3.b. Evaluate independent external actuary		12/18/25	Yes	Annually	No	No													x		
B. Recommend direction and policy to the full Board:																								
			1. Annually identify anticipated financial, investment valuation, actuarial, contribution and related collections, banking including benefit and administrative expense disbursements and shared risk contribution policy priorities and establish a calendar of anticipated policy decisions and discuss with the Board.																					
			1.a. Overpayment Policy		6/12/25	Yes	Annually	Yes	Yes						x									
			1.b. Withdrawal Liability - Discussion Items	3/20/25	12/18/25	Yes	Annually	Yes	Yes			x		x		x					x	Agenda to be set based on individual W/L topics which need addressed (i.e. partial withdrawals, etc.)		



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			2. Review and make recommendations to the Board on all policies and any amendments governing financial, investment valuation, actuarial, contribution and related collections, banking including benefit and administrative expense disbursements, and shared risk contribution issues.		TBD	Yes	Annually	Yes	Yes															
			3. Review and make recommendations to the Board regarding funding risk through an asset liability management framework to guide investment strategy and actuarial policies.		TBD	Yes	Ad Hoc	Yes	Yes													Asset-Liability Study performed through the Investment Committee. Will revisit charter language for next update.		
			4. Review and make recommendations to the Board on significant financial principles, asset liability management and funding risk methodologies, and actuarial methods.		TBD	Yes	Ad Hoc	Yes	Yes			x										Done in conjunction with actuarial valuation, stress test report, and five year experience study.		
			4.a. Stress Test Report Presentation		3/20/25	No	Annually	Yes	Yes			x										Stress Test Report presented by external actuary.		
			5. Review and make recommendations to the Board on vital signs and metrics relative to financial management of the System and identify tolerances for acceptable vs unacceptable variability in performance.		TBD	Yes	As Needed, specify date	Yes	Yes													Initial Vital Signs adopted in October 2024. Common Committee responsibility.		
			C. Recommend approval of key decisions:																					
			1. 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-PSERS administrative and investment-related expenses budgets for the next fiscal year prior to their submission to the Governor's Budget Office.		10/23/25	No	Annually	Yes	Yes													Timeline set by Governor's Budget Office.		
			2. Review and recommend adoption of the actuarial factors, assumptions and methodologies included in the annual actuarial valuation to calculate the employer contribution rate.		12/18/25	No	Annually	Yes	Yes													The date can be modified to occur between 12/15 or the first Friday that occurs thereafter.		
			3. Review and recommend certification, each December, of the total employer contribution rate for use by employers in the next fiscal year as recommended by PSERS' external actuary.		12/18/25	No	Annually	Yes	Yes													The date can be modified to occur between 12/15 or the first Friday that occurs thereafter.		
			4. Every three (3) years, review and recommend certification of the member shared risk contribution rate for the next three fiscal years as recommended by PSERS' external actuary for class T-E, T-F, T-G and T-H members.		12/15/26	No	Every 3 years	Yes	Yes													The date can be modified to occur between 12/15 or the first Friday that occurs thereafter.		
			4.a. Shared Risk Monitoring Procedures		3/20/25	Yes	Ad Hoc	No	No			x										Committee consensus on procedural framework for monitoring of shared risk performance calculations.		
			5. Every five (5) years, review and recommend adoption of the actuarial factors, demographic and economic assumptions, and methodologies recommended by PSERS' external actuary and Agency staff.		8/15/26	Yes	Every 5 years	Yes	Yes													Can occur after August 15th but no later than September 15th. Next review occurs in 2026.		
			6. Every five (5) years, review and recommend approval of new actuarial administrative 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.		8/15/26	Yes	Every 5 years	Yes	Yes													Can occur after August 15th but no later than September 15th. Next review occurs in 2026.		
			7. Recommend approval of staff complement for the Office of Financial Mgt to the Board.		6/12/25	Yes	Annually	Yes	No						x							This item is not part of the F&A Charter but is considered an important work item for the F&A committee.		



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			D. Oversee Board-approved direction (see committee charter for scope)																					
			1. Oversee the financial soundness of the overall PSERS System, including annual review of unfunded liability, overall pension soundness and sustainability, and the healthcare programs, defined contribution plan and any other programs offered.		TBD	Yes	Annually	Yes	Yes													Accomplished through actuarial review and the financial statements. See training below.		
			2. Review and evaluate periodic updates on the status of the current year budget with Office of Financial Management staff.		6/12/25	Yes	Quarterly	No	No			x			x							Quarterly Budget Updates will be provided for December and March. End of Fiscal year covered with approval of budget.		
			3. 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.		10/23/25	No	Annually	Yes	Yes										x			Accomplished through financial statements.		
			4. Oversee financial reporting and controls over financial reporting and processes, including the preparation of the Annual Financial Statements.		10/23/25	Yes	Quarterly	Yes	Yes			x			x				x		x	Board approval is only needed in October meeting when June 30 Financial statements are presented. Quarterly financials statements as of December 31, March 31, and September 30 will be presented.		
			5. Ratify all payments reflected in the annual fiscal year financial statements.		10/23/25	No	Annually	Yes	Yes										x			Accomplished through financial statements.		
	Yes	Committee	6. Review the annual valuation results for the fiscal year as presented by PSERS' external actuary each fall, but no later than December 31 st .		12/18/25	No	Annually	Yes	Yes							x					x	Accomplished through actuarial review. Training set to occur in August.		
			7. Oversee organizational operations and cost effectiveness.		TBD	Yes	Quarterly	No	No													Accomplished through quarterly budget review.		
			8. Review the results of the actuarial experience study by PSERS' external actuary every five years.		8/15/26	Yes	Every 5 years	Yes	Yes													Accomplished through 5 year Actuarial Experience Study.		
			9. 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.		TBD	Yes	Ad Hoc	No	No															
			10. Oversee performance related to the vital signs and metrics.		TBD	Yes	Ad Hoc	No	No													Not in charter. Staff recommendation to include.		
			11. Oversee management of risks related to the responsibilities of this committee.		TBD	Yes	Ad Hoc	No	No													Not in charter. Staff recommendation to include.		
			12. Oversee strategic initiatives most directly related to the responsibilities of this committee.		TBD	Yes	Ad Hoc	No	No													Not in charter. Staff recommendation to include.		
			E. Obtain independent verification.																					
			1. Periodically obtain appropriate independent verification of the performance and exception reports issued by consultants, advisors, and/or management and to present the results to the Board.		TBD	Yes	Ad Hoc	No	No													Financial and actuarial audit addresses part of this item. Also part of CEM benchmarking on cost.		