

Minutes of the Administrative Committee

December 16, 2013

The Administrative Committee of the Board of Trustees of the Tennessee Consolidated Retirement System met on Monday, December 16, 2013 at 8:30 a.m. The meeting was held in Room 29 of the Legislative Plaza with Director Jill Bachus presiding.

The following members were present: Ms. Jill Bachus, Director of TCRS, Mr. Kevin Fielden, Ms. Angie Judish, Mr. Gill Kendrick, Mr. Alfred Laney, and Ms. Patsy Moore.

Concord Update

Ms. Bachus introduced Mr. Fred Marshall, TCRS Assistant Director for Concord, to provide an update on the Concord project. Mr. Marshall informed the committee that staff is currently testing the 1099R process in Phase 5 – Retired Payroll. The process combines payments made in the old payroll system during January 2013 through March 2013 with the payments made from Concord for the rest of calendar year 2013. In addition to the 1099R testing, staff is reviewing new accounting code and is working with Deloitte to address all issues related to that code. Mr. Marshall noted that system design flaws and enhancements for Phase 5 are being resolved through monthly system code updates to Concord. Mr. Marshall also discussed the large mailing to retirees in December and January related to insurance premium changes and tax table changes.

Mr. Marshall indicated that staff is focused on user acceptance testing (UAT) for Phase 6 – Active Members and Employer Reporting. Staff is attending training sessions to understand how each process is performed in Phase 6. Testers will be following test scripts and recording the test results to ensure all processes are thoroughly tested. He informed the committee that this phase includes a new user interface that will also be applied to Phase 5 and as a result, staff is also testing Phase 5 processes to ensure they function in the correct manner. Any issues noted during testing are entered as problem incident reports (PIR) with system code updates to address the PIRs occurring every Tuesday and Thursday.

Actuarial Valuation Update

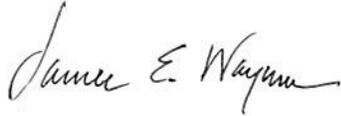
Ms. Bachus provided a general overview of the actuarial valuation noting the purpose of an actuarial valuation is to determine the employer contribution rate for state employees, higher education employees and K-12 public school teachers. In addition, the actuarial valuation examines the financial health of the plan. After approval of the valuation, the actuary will determine the employer contribution rates for the political subdivisions participating in TCRS. Ms. Bachus informed the committee the employer contribution rates will be effective July 1, 2014.

Ms. Bachus mentioned that due to the new hybrid plan and GASB Statement Numbers 67 and 68, TCRS will begin performing actuarial valuations annually. Currently, these valuations are performed every two years. Ms. Bachus informed the committee that the TCRS actuary would present the results of the actuarial valuation at the Board meeting.

Adjournment

With no other business, the Administrative Committee of the Board of Trustees adjourned at 8:55 a.m. on December 16, 2013.

Respectfully Submitted,

A handwritten signature in blue ink that reads "James E. Wayman". The signature is written in a cursive style with a long horizontal stroke at the end.

**James E. Wayman
Assistant Director, TCRS**

Approved:

A handwritten signature in blue ink that reads "Jill Bachus". The signature is written in a cursive style with a long horizontal stroke at the end.

**Jill Bachus
Administrative Committee Chair**