

Minutes of the Administrative Committee

February 26, 2016

The Administrative Committee of the Board of Trustees of the Tennessee Consolidated Retirement System met on Friday, February 26, 2016 at 9:00 a.m. The meeting was held in Conference Room H in the Tennessee Tower with Director Jill Bachus presiding.

The following members were present: Ms. Shannon Jones, Ms. Angie Judish, Mr. Alfred Laney, Mr. Harold Morrison, and Ms. Deborah Tate.

Approval of the December 11, 2015 Minutes of the TCRS Administrative Committee

On a motion by Mr. Morrison and seconded by Mr. Laney, the minutes of the December 11, 2015 TCRS Administrative Committee meeting were unanimously approved.

Concord Update

Ms. Bachus introduced Mr. Fred Marshall, TCRS Assistant Director for Concord, to provide an update on the Concord project. Mr. Marshall discussed that work continues with designing Concord to manage the third-party administration of retirement plans for local governments, referred to as external pension plans within TCRS. The current focus is to offer these services to the City of Alcoa beginning April 2016. The Concord team is also reviewing the Rules for recognizing Qualified Domestic Relations Orders (QDRO) and how Concord will process the QDROs.

Next, Mr. Marshall discussed the replacement of ILOG in Concord. ILOG is Concord's rules engine that contains the rules of eligibility for retirement as well as the calculation of benefits. The ILOG software is being replaced by InRule. Treasury is currently testing the conversion of the rules from ILOG to InRule.

Mr. Marshall discussed other projects that the Concord team are working on which includes a review of the collection of actuarially determined contributions through payroll for the State and Teacher Hybrid plan and collecting the contributions for the stabilization reserve outside of the payroll process; internet browser issues in Concord; testing of member self-service (MSS); and processing of felony conviction notifications.

Qualified Domestic Relations Orders (QDROs)

Ms. Bachus next discussed that TCRS would begin recognizing qualified domestic relations orders beginning July 1, 2016. Ms. Bachus mentioned that TCRS has proposed Rules related to QDROs and has created a standard form to be used.

Actuarial Valuation Update

Next, Ms. Bachus informed the committee that Mr. Justin Thacker with the actuarial firm Bryan, Pendleton, Swats and McAllister would present the results of the July 1, 2015 Actuarial Valuation at the Board of Trustees meeting. Ms. Bachus indicated that the state and teacher employer contribution rates would be 15.14% and 9.04%, respectively and that the rates would be effective for the period July 1, 2016 to June 30, 2017.

Operations Update

Next, Ms. Bachus introduced Mr. Jamie Wayman to provide an update on TCRS operations. He reported that TCRS currently has approximately 350 retirement applications to be processed. Mr. Wayman also mentioned that the average processing time for retirement applications is less than 30 days from the date of receipt. Mr. Wayman also indicated that TCRS is expecting an increase in the volume of applications received over the next couple of months due to teachers deciding to retire at the end of the school year.

Adjournment

With no other business, the Administrative Committee of the Board of Trustees adjourned at 9:50 a.m. on February 26, 2015.

Respectfully Submitted,



James E. Wayman
Assistant Director, TCRS

Approved:



Jill Bachus
Administrative Committee Chair