

Minutes of the Administrative Committee

March 28, 2014

The Administrative Committee of the Board of Trustees of the Tennessee Consolidated Retirement System met on Friday, March 28, 2014 at 9:00 a.m. The meeting was held in Tennessee Tower Conference Room G with Director Jill Bachus presiding.

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

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 1099's for benefit recipients were successfully produced and distributed from Phase 5 – Retired Payroll. The 1099R's are available to members through Retiree Self-Service on the TCRS website. Staff is reviewing new accounting code and is working with Deloitte to address all issues related to that code. Mr. Marshall noted that regression testing of phase 5 functionality has started in the phase 6 environment.

Mr. Marshall indicated that staff is focused on user acceptance testing (UAT) for Phase 6 – Active Members and Employer Reporting. The majority of test scripts have been run and testing is now focused on ad hoc testing where staff is processing work from their daily duties in the test environment. Treasury staff is reviewing and testing fixes to Problem Incident Reports (PIRs) that have been returned by Deloitte. Staff is also reviewing PIRs to determine if the functionality requested is needed before go-live or can be postponed to after go-live.

Mr. Marshall provided information on data conversion efforts for Phase 6. The conversion for Phase 6 involves a larger volume of data than was converted for Phase 5. The data conversion team is refining the processes used to extract the data from the legacy system and convert the data into Concord. Mr. Marshall discussed the efforts for employer training in Concord. The employers are being trained in groups and the sessions are at various locations around the state. Mr. Marshall indicated that TCRS is targeting a go-live date at the end of May.

Legislative Update

Ms. Bachus provided an update of the legislative session. Ms. Bachus indicated that there was very little legislation presented that affected TCRS. She mentioned that our annual technical corrections bill was passed and there was legislation regarding the proper funding of defined benefit plans provided by local governments not participating in TCRS. Ms. Bachus mentioned she would provide a more in depth discussion of the legislative session at the next administrative committee meeting.

Contribution Rates for State and Teacher Hybrid Pension Plan

Ms. Bachus mentioned the TCRS actuary was going to present to the Board of Trustees the recommended employer contribution rates from the State and Teacher Hybrid Pension Plan. As a reminder, she indicated the total employer rate for the plan was 9% of payroll, 4% to TCRS and 5% to the defined contribution component of the Hybrid Plan.

State and Teacher Hybrid Pension Plan Design

Ms. Bachus introduced Mr. Jamie Wayman to provide an overview of the new State and Teacher Hybrid Pension Plan that goes into effect July 1, 2014. Mr. Wayman discussed that the new plan had both defined benefit and defined contribution components. In addition, he mentioned the plan had higher eligibility to retire requirement and a lower formula for the defined benefit portion of the plan.

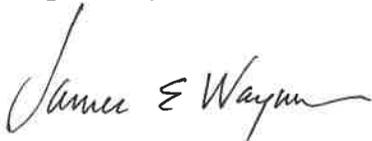
Other Business

Ms. Bachus provided the committee with an update regarding the data breach that occurred in December. Ms. Bachus indicated that the employees affected by the data breach were contacted using a vendor, All Clear. The communication sent to the employees affected described the information breached as well as offered free credit monitoring.

Adjournment

With no other business, the Administrative Committee of the Board of Trustees adjourned at 9:55 a.m. on March 28, 2014.

Respectfully Submitted,



James E. Wayman
Assistant Director, TCRS

Approved:



Jill Bachus
Administrative Committee Chair