

Minutes of the TCRS Board of Trustees meeting on February 26, 2016

The Board of Trustees of the Tennessee Consolidated Retirement System met on Friday, February 26, 2016 at 10:08 a.m. The meeting was held in the Nashville Room of the William R. Snodgrass Building with Chairman David Lillard presiding.

Chairman Lillard asked Ms. Bachus to conduct an attendance roll call. The following members were present: Chairman David Lillard, State Treasurer; Mr. Justin Wilson, Comptroller of the Treasury; Commissioner Rebecca Hunter, Department of Human Resources; Ms. Jill Bachus, Director of TCRS; Ms. Deborah Tate, Administrative Director of the Courts; Mr. Michael Barker, Mr. Bill Kemp, Mr. Harold Morrison, Ms. Angie Judish, Mr. Alfred Laney, Ms. Shannon Jones, and Mr. Bob Wormsley.

Approval of the December 11, 2015 Minutes of the Board of Trustees

On a motion by Mr. Barker and seconded by Mr. Wilson, the minutes of the December 11, 2015 TCRS Board of Trustees meeting were unanimously approved.

Board of Trustees Committee Reports

Chairman Lillard recognized Ms. Bachus to review the administrative committee report. Ms. Bachus mentioned that Mr. Fred Marshall provided the committee an update on Concord. The administrative committee was provided a summary of qualified domestic relations orders and the actuarial valuation presentation. Mr. Jamie Wayman provided the administrative committee an update on retirement operations.

Qualified Domestic Relations Orders (QDRO)

Chairman Lillard introduced Ms. Courtney Hess, Assistant General Counsel, to review the qualified domestic relations orders. Ms. Hess provided the members an overview of QDROs stating a QDRO is a court order used as part of a division of property in a divorce proceeding that relates to TCRS benefits. She continued by reviewing the Rules of QDROs. Material was provided to the members for review. The Rules will go into effect July 1, 2016.

On a motion by Chairman Lillard and seconded by Mr. Laney, the Board unanimously approved to adopt the Rules related to qualified domestic relations orders.

Actuarial Valuation

Chairman Lillard introduced Mr. Justin Thacker from Bryan, Pendleton, Swats, and McAllister to review the actuarial valuation presentation. Mr. Thacker noted the purpose of the actuarial valuation is to determine employer contribution rates and examine the financial health of plan. He noted that there is a separate process and report for GASB 67/68.

As determined by the July 1, 2015 actuarial valuation, the employer contribution rates for employees in the legacy plan will be as follows: the rate for teachers will be 9.04%, the overall rate for state employees will be 15.14%. While the overall employer contribution rate for the consolidated state group is 15.14%, the general employee rate is 15.02%, the public safety officer rate is 18.53%, and the rate for state judges and attorney generals will be 23.65%. The contribution rates will go into effect July 1, 2016.

On a motion by Ms. Hunter and seconded by Mr. Wilson, the Board unanimously approved the new contribution rates.

Other Business

Chairman Lillard introduced Mr. Earle Pierce as the new Internal Audit Director for the Treasury department. Chairman Lillard mentioned the future meeting dates and that training sessions will resume at the March meeting.

Adjournment

Chairman Lillard announced the completion of the business at hand and asked if there was any other business to come before the Board.

On a motion by Mr. Kemp and seconded by Mr. Laney, the Board unanimously approved the TCRS Board of Trustees meeting be adjourned.

With no other business, the Board of Trustees adjourned at 11:08 a.m. on February 26, 2016.

Respectfully Submitted,



Jill Bachus
Director, TCRS

Approved:



David H. Lillard, Jr.
Chairman of the Board