



**BOARD OF TRUSTEES STUDY SESSION
OCTOBER 20, 2015
2:30 P.M.**

**MCCORMICK ROOM
30 7TH STREET EAST
SAINT PAUL, MN**

Please note: Committee/Board meeting times are tentative. Committee/Board meetings may begin up to 45 minutes earlier than the times listed below if the previous committee meeting concludes its business before the end of its allotted time slot.

1. Study Session, Board of Trustees, Michael Vekich, Chair
Retirement program Overview/Fiduciary Training (pp. 1-13)

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Board of Trustees Study Session

Date: October 20, 2015

Title: Retirement Program Overview/ Fiduciary Training

Purpose (check one):

Proposed
New Policy or
Amendment to
Existing Policy

Approvals
Required by
Policy

Other
Approvals

Monitoring /
Compliance

Information

Brief Description:

The Board will be provided a review of the fiduciary training as required by policy and an update on the retirement program.

Scheduled Presenter(s):

Laura M. King Vice Chancellor - CFO

Mark Carlson, Vice Chancellor – Human Resources

Derek Hughes, System Director, Compensation and Retirement

Retirement Program Overview/ Fiduciary Training



Fiscal Year 2016

Annual Report
MnSCU Board of Trustees

Derek Hughes – System Director for Compensation & Retirement

Minnesota State Colleges and Universities

The Minnesota State Colleges and Universities System is an Equal Opportunity Employer and Educator.



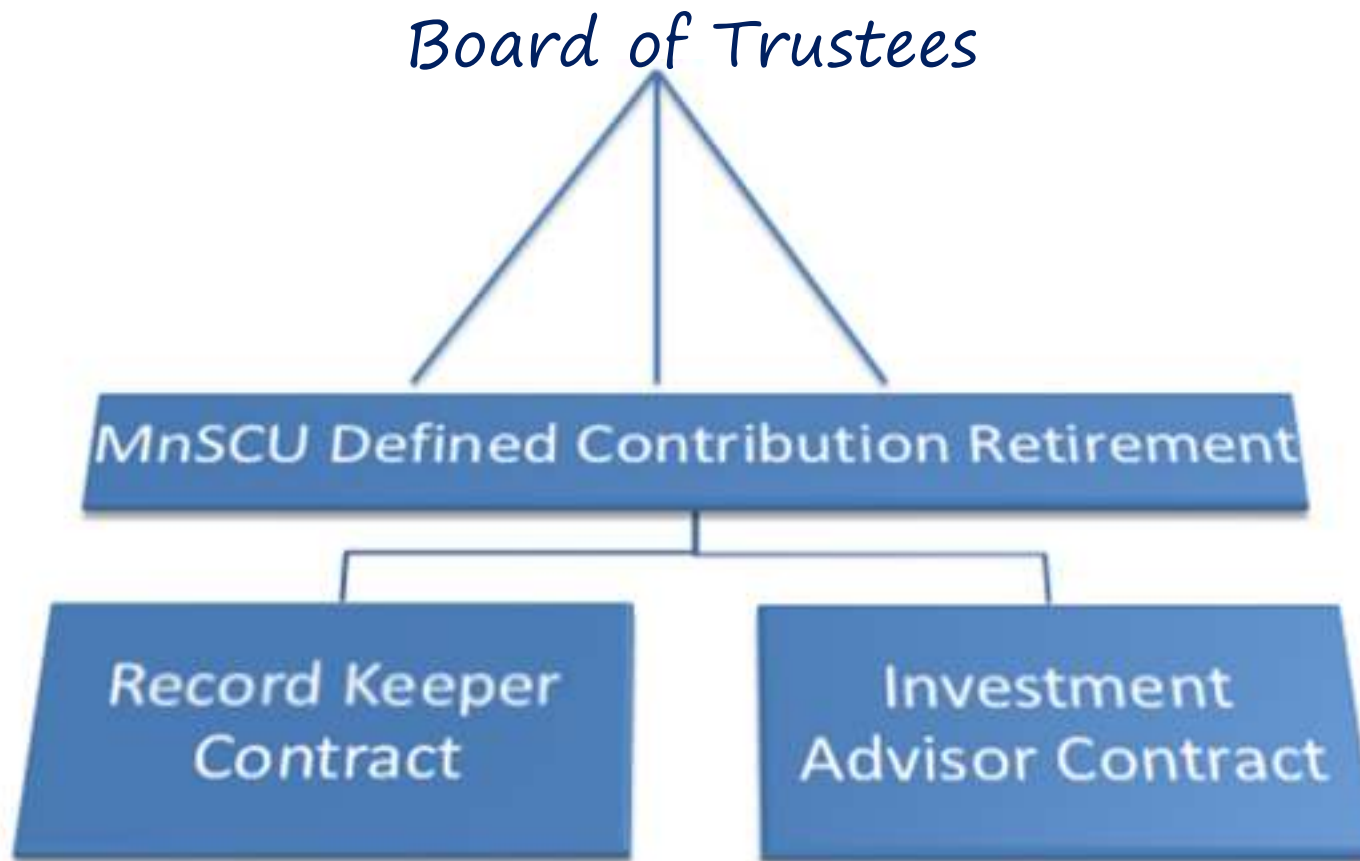
Outline of Presentation

- *Board policy 1C.4* – Fiduciary Duties-System Pension Plans
 - Roles
 - Education
 - 1. ✓ Fiduciary responsibilities

- Performance

- Current Events

Board Role



MnSCU Roles

Chancellor

Investment Committee

Advisory Committee (DCR)

Defined Contribution Retirement Plan Overview

	IRAP	SRP	TSA
Participation	Mandatory	Mandatory	Voluntary
Eligible Units	Unclassified Employees*	Unclassified Employees*	All Employees
Employee Contribution	- 4.5%	- 5% of salary after first \$6,000 of salary - Max contribution is contractual (\$1,700-\$2,700)	- \$18,000 max contribution - Age 50+ allows \$6,000 catch-up annually
Employer Contribution	- 6.0%	- 100% Match	- None

*IFO, MSCF, MSUAASF, Administrators, MAPE, MMA Academic Professionals

IRAP – Individual Retirement Account Plan

SRP – Supplemental Retirement Plan

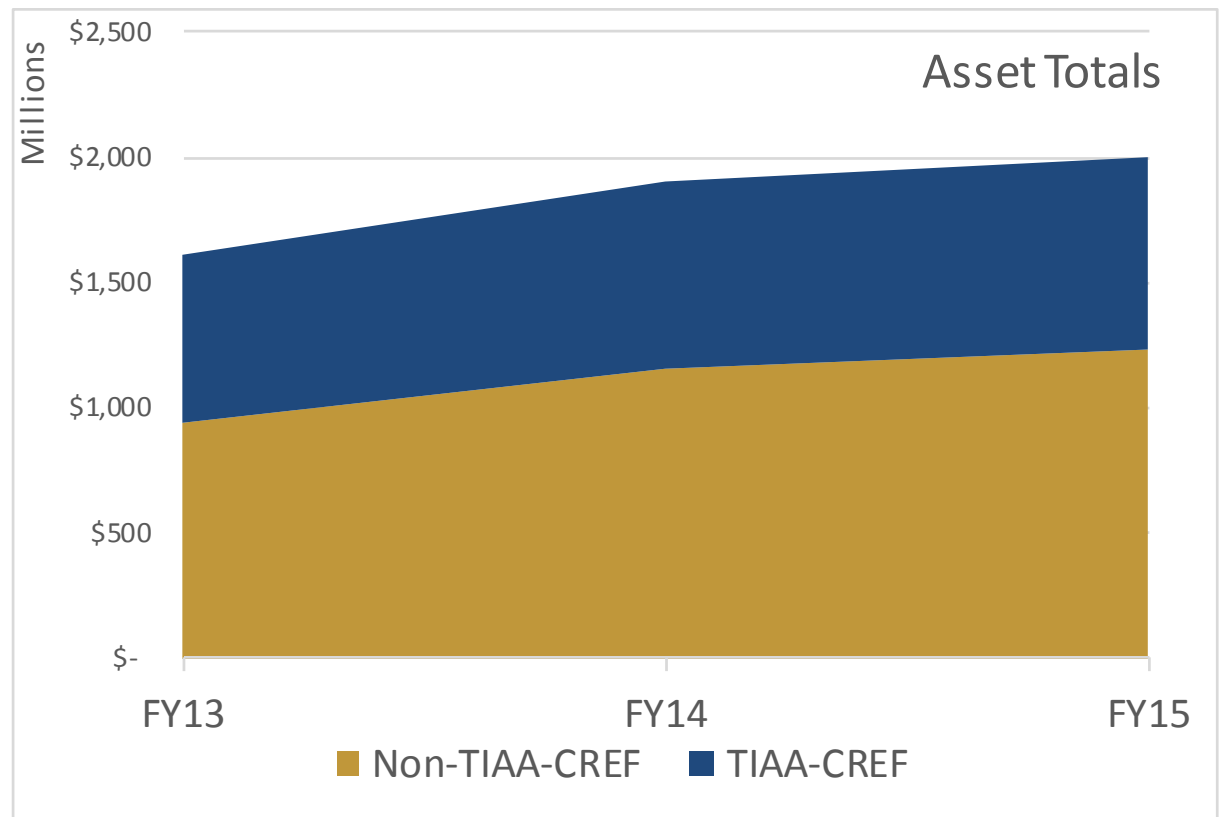
TSA – Tax Sheltered Annuity



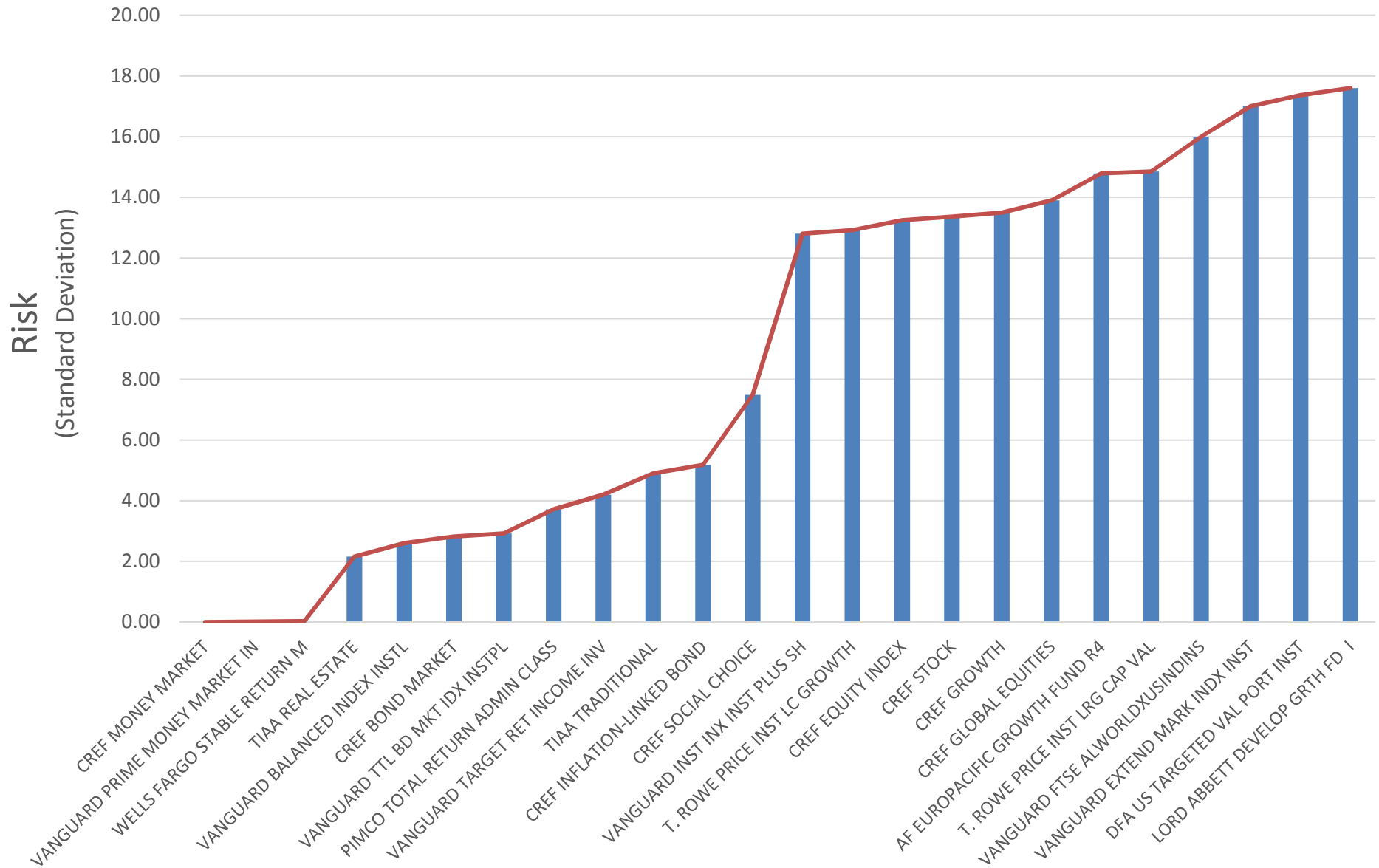
Program Asset Growth

<u>Funds</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
Non-TIAA-CREF	\$ 940,586,967	\$ 1,150,490,440	\$ 1,233,983,931
TIAA-CREF	\$ 664,662,709	\$ 751,452,955	\$ 764,099,604
<i>Totals</i>	<i>\$ 1,605,249,676</i>	<i>\$ 1,901,943,395</i>	<i>\$ 1,998,083,535</i>

Growth from Contributions	<u>\$108,771,229</u>	<u>\$110,955,454</u>
Growth as Investment Return	<u>\$265,330,403</u>	<u>\$85,560,107</u>



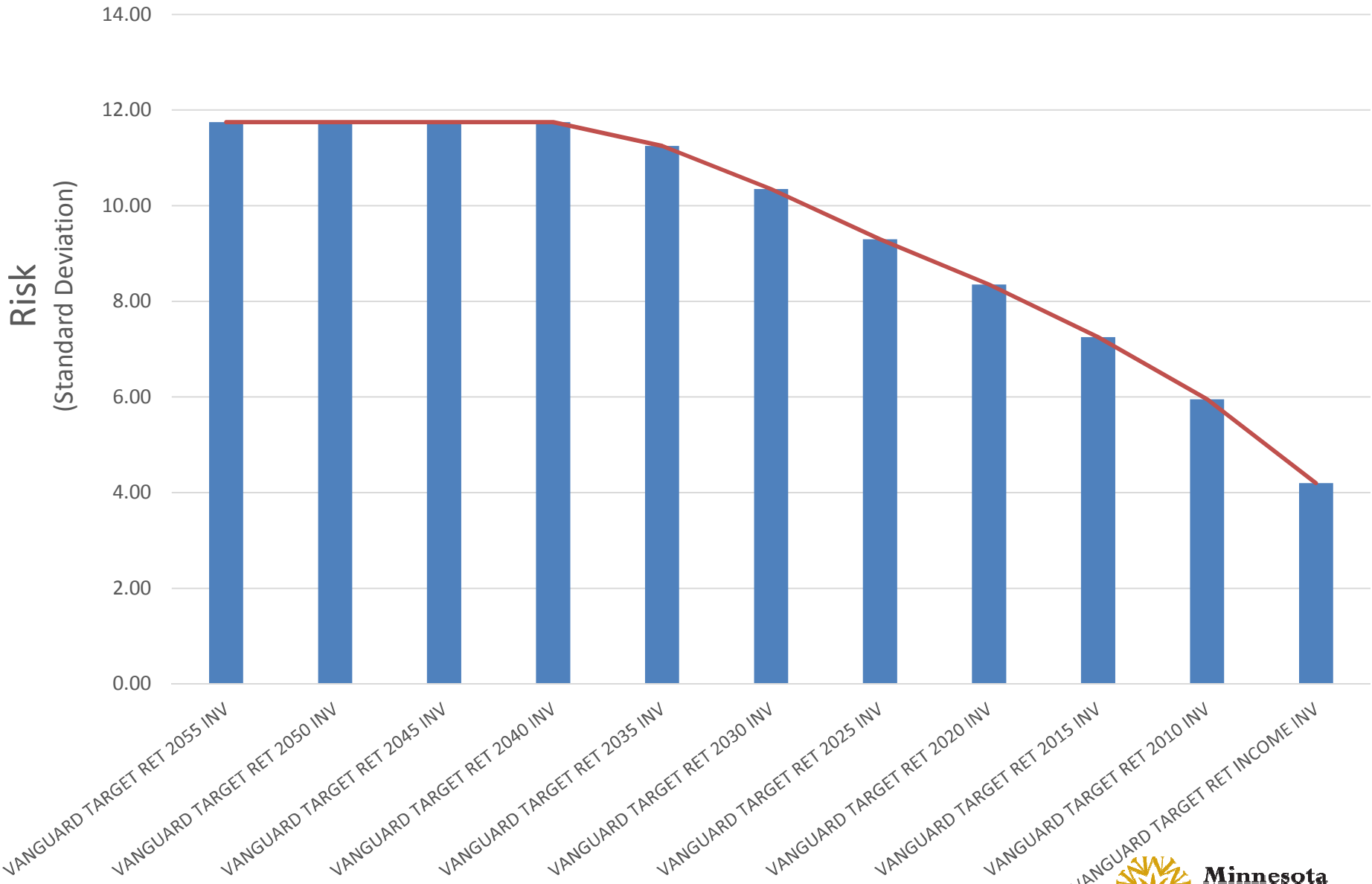
Portfolio Risk (Except Target-Date Funds)



Program Fund Array



Portfolio Risk (Target Date Funds)



Program Fund Array



Participation Trends

<u>Plan</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	
<i>IRAP</i>	14,902	14,989	13,920	
<i>SRP</i>	11,147	11,360	10,731	
<i>TSA</i>	4,391	4,556	4,065	
	30,440	30,905	28,716	Duplicated Participant Count
	19,670	19,834	19,717	Unduplicated Participants

Current Events

- Recordkeeper RFP

Month	August				September				October				November				December				January			
	Week	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3
Kickoff & Prepare RFP	█																							
Post RFP					█																			
Review Submissions									█															
Finalist Presentations													█											
Deliberation and Decision																	█							
Board Approval																					█			

- Recordkeeping, participant experience and education, compliance, investment products, fee flexibility, market focus and plan sponsor services
- Recordkeeper costing: asset based vs. per participant
- Review participant fees

- Investment Advisor RFP - *Beginning January 2016*



Summary

- *Board Office*
 - Plan handbook highlights
 - Plan performance reports (Quarterly)

- *Board of Trustees Website*
 - Fiduciary Training

- *January 2016 Board Meeting*
 - Expected recommendation from the recordkeeper

Discussion

- *Annual Training Module*
 - Provided: Online for a year. Was it helpful?
 - Feedback on format - online vs. committee preference?

- *Program Information*
 - Provided: Annual report, quarterly reports, in Board office.
 - Additional information sought?

- *Upcoming RFP*
 - Providing: Criteria, pricing, transition plan.
 - Anything else?