

SC PUBLIC EMPLOYEE BENEFIT AUTHORITY- BOARD OF DIRECTORS

Retirement Policy Committee- MINUTES [approved 3/5/14]

202 Arbor Lake Drive, Columbia SC, Main Conference Room 2nd Floor

February 5, 2014, 9:30 A.M.

Ad Hoc Committee Members Present:

Mr. John Sowards, Chairman (in person)
Mr. David Tigges (in person)
Mr. Frank Fusco (in person)
Mr. Art Bjontegard (in person)

Others present for all or a portion of the meeting:

Travis Turner, Lil Hayes, Stephen Van Camp, Justin Werner, Matt Davis & Virginia Wetzel from the South Carolina Public Employee Benefit Authority (PEBA); Donald Tudor with the SC State Retirees Association; Lisa Tilley and Nancy Ornduff with Great-West Retirement Services; Tim Bryan and Joe Mack with Prudential; and Rose Guillette and Bob Liberto with Segal Rogerscasey.

AGENDA

1. CALL TO ORDER; ADOPTION OF PROPOSED AGENDA

Mr. Sowards called the meeting to order at 9:30 a.m. Ms. Hayes confirmed meeting notice compliance with the Freedom of Information Act. Mr. Fusco moved to adopt the proposed agenda. Mr. Sowards noted the motion was adopted by acclamation.

2. Approval of Meeting Minutes- December 4, 2013

Mr. Sowards asked for amendments to the December 4, 2013 committee minutes. There being none, Mr. Sowards asked for a motion to approve the minutes. Mr. Tigges moved to approve the minutes. Mr. Sowards noted the motion was adopted by acclamation.

3. SC Deferred Compensation Program

a. Quarterly Performance Report: 4th Quarter, 2013 [In notebook materials]

Matt Davis introduced Rose Guillette and Bob Liberto with Segal Rogerscasey who presented a summary of the SC Deferred Compensation 2013, 4th quarter performance report. There was discussion regarding distribution options available to participating members and associated usage trends. The Committee requested Mr. Davis to summarize distribution statistics to be reviewed in the next meeting. There was discussion regarding the initial failing grade of PIMCO and how information of this nature is relayed to the participating member.

Mr. Sowards advised that the Committee received this report as information and will review subsequent quarterly reports in June, September, and December of the remainder of 2014.

b. Best Practices: Part 1

[In notebook materials: Basics of Improving and Managing your 457 Plan. Best Practice.]

Rose Guillette and Bob Liberto with Segal Rogerscasey presented a report of best practice recommendations for the SC Deferred Compensation Program. They summarized the current plan's structure and discussed the following recommendations:

- 1) Limit participation of self directed brokerage accounts.

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- 2) Shift focus from mutual funds to separate accounts (white label).
 - 3) Transition Retiree participants from certificates to stable value funds.
 - 4) Offer consolidated benefit statements.

The Committee requested more information on surveys in place to monitor participant satisfaction.

Mr. Sowards advised that the Committee received this report as information and requested Segal Rogerscasey and PEBA staff to continue best practice discussions during the next committee meeting.

4. Old Business

Justin Werner with PEBA advised that the Cycle C Filings for the SC Defined Benefit Plans, Optional Retirement Plan, and Deferred Compensation Plans have successfully been filled to the Internal Revenue Service. The Committee received this as information.

5. New Business

There was discussion regarding the upcoming timeline associated with the Request for Proposal to be issued for the record keeper for the SC Deferred Compensation Program. The Committee received this as information.

PEBA Interim Director, Travis Turner, reported that PEBA presented the FY 13/14 Agency Budget request and 2015 State Health Plan budget request to the House Ways and Means Budget Subcommittee earlier in the week. He advised that legislative updates will be provided to the Board going forward.

6. Executive Session to Discuss Pursuant to S.C. Code of Laws 30-4-70 (a) (2)

The Committee did not enter into Executive Session.

7. Adjournment

There being nothing further to discuss, Mr. Sowards requested a motion to adjourn. Mr. Fusco moved to adjourn and Mr. Sowards noted the motion was adopted by acclamation. The committee adjourned at 11:20 a.m.