



TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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MINUTES Defined Contribution Plan Committee June 18, 2020

A virtual meeting of the Defined Contribution Plan Committee of the Board of Trustees of the Illinois Teachers' Retirement System was held on June 18, 2020 in accordance with Public Act 101-640 which was signed by Governor Pritzker on June 12, 2020. Director Ingram read into the record that Illinois currently is in Phase 3 of the Governor's Restore Illinois Plan. During Phase 3, gatherings of 10 or fewer people are allowed but this meeting exceeds those limitations. It is not practical or prudent to have an in-person meeting due to the coronavirus pandemic.

Requirements under the new law include:

- All votes must be roll call votes so that each member's vote on each issue can be identified and recorded.
- Prepare and maintain a verbatim record of both the open and closed sessions of the remote meeting.
- Everyone must be able to hear one another.

Note: Director Ingram and Marcy Dutton, Chief Legal Counsel, were present at the regular meeting location in Springfield, 2815 W. Washington Street.

Matt Hunt, Chair, called the first DC Plan committee meeting to order at 9:11 a.m. A quorum was present. Roll Call attendance was taken with the following committee members present: Marsha Byas, Maureen Mena, David Miller, Doug Strand, and Matt Hunt.

Other TRS trustees present: Carmen Ayala, Mark Bailey, Norma Bellcoff, Devon Bruce, Andy Hirshman, Laura Pearl, Fred Peronto, Larry Pfeiffer, and Beth Anderson, TRS trustee effective 7/15/20.

Others present: Dick Ingram, Executive Director; Stan Rupnik, Chief Investment Officer; Bob Jiroutek, Risk Officer; Marcy Dutton, Chief Legal Counsel; Cynthia Fain, Senior Legal Counsel; Jana Bergschneider, Chief Financial Officer; Gina Larkin, Chief Human Resources Officer; Jana Bergschneider, Chief Financial Officer; Carlton Lenoir, Chief Benefits Officer; Stacy Smith, Director of Internal Audit and Risk; Christina Baker, Sr. Internal Auditor; Deron Bertolo, Director of Finance; Jeff Bennett, Director of Operations;

Tammy Green, Executive Assistant; Abby Griffith, Investment Accounting Manager; Chad Fry, Sr. Network Engineer; Chris Wiedel, Director of Information Technology; Tiffany Reeves and Jessica Culotti, Reinhart (Fiduciary Counsel).

Note: Unable to determine the public participants that joined the meeting as audio attendees.

No public comments were heard.

2018 state law requires TRS to establish, as soon as practical, a voluntary defined contribution plan that will supplement the existing defined benefit pension plan. In 2019, the Board hired Cammack Retirement Group and Voya Financial. Cammack serves as the System's consultant to assist in the creation of a first-ever defined contribution retirement plan. Voya Financial will administer the new TRS Supplemental Savings Plan for all actively employed TRS members.

Defined Contribution Plan Update

Carlton Lenoir, Chief Benefits Officer, provided introductory remarks regarding the DC Plan project which began in July 2019 working with Cammack Retirement Group. The TRS staff DC operating committee consists of Director Ingram, Stan Rupnik, Jana Bergschneider, Carlton Lenoir, and Marcy Dutton. The annual payroll reporting is on track and the target 'go live' date of the Plan is January 11, 2021.

Emily Wrightson and Michael Sanders of Cammack Retirement provided an overview of key decisions for the Plan, project milestones, the investment policy statement, investment array, IRA providers, decumulation options, and an investment analysis. Their presentation booklet is on file.

Investment Policy Statement

The purpose of the Defined Contribution Supplemental Savings Plan Investment Policy Statement (IPS) is to outline objectives that will guide the Board in its selection and monitoring of the investment providers and investment options for the TRS Supplemental Savings Plan (SSP). Documentation is on file. A motion was made by Trustee Byas, seconded by Trustee Miller, that the committee recommend to the Board to approve the Investment Policy Statement, as presented. Roll call resulted in affirmative voice votes from Trustees Miller, Byas, Mena, and Hunt. Trustee Strand was present but could not vote due to technical difficulties. Motion Carried.

IRA Providers

The TRS Supplemental Savings Plan (SSP) document requires that account balances of at least \$1,000 be made in a direct rollover to an individual retirement account designated by TRS, unless the participant elects to have the distribution paid to an eligible retirement plan designated by the participant. A motion was made by Trustee Hunt, seconded by Trustee Miller, that the committee recommend to the Board to select Millennium Trust Company as the IRA Provider for the small balance automatic rollover process. Roll call resulted in affirmative voice votes from Trustees Miller, Byas, Mena, and Hunt. Trustee Strand was present but could not vote due to technical difficulties. Motion Carried.

Decumulation Options

Cammack Retirement proposed three decumulation options to help participants convert their accumulated assets into a draw down strategy at retirement. The committee decided to defer the decision until a later date (Option 3).

- Option 1 – Contract with a Third-Party Annuity Provider
- Option 2 – Annuity Shopping Service
- Option 3 – Defer decision until a later date

Defined Contribution Plan Investment Array

Trustee Hirshman expressed concern whether TRS has the IT capacity and technological resources to have all systems in place by January 2021. Mr. Lenoir noted that moving TRS employer reporting from an annual to pay period basis was on track as of the date of the meeting. A motion was made by Trustee Mena, seconded by Trustee Strand, that the committee recommend to the Board to approve the Defined Contribution Plan Investment Array as presented by Cammack Retirement. Roll call resulted in affirmative voice votes from Trustees Miller, Byas, Mena, Strand, and Hunt. Motion Carried.

Adjournment

On a motion by Trustee Strand, seconded by Trustee Mena, the meeting adjourned at 10:07 a.m. Roll call resulted in affirmative voice votes from Trustees Miller, Byas, Mena, Strand, and Hunt. Motion Carried.



Stan Rupnik, Interim Executive Director

Approved: 8/28/20