

MONTANA PUBLIC EMPLOYEES' RETIREMENT BOARD

TITLE: Training

POLICY: BOARD Proc 02

EFFECTIVE DATE: 01/14/2010

I. POLICY AND OBJECTIVES

The Public Employees' Retirement Board (the Board) is a citizen's board representing the best interests of the members of the retirement systems. By design, individual Board members come to the MPERA Board with diverse backgrounds and experiences. Board members are not expected to be experts in the administration of retirement systems. This Training Policy is not intended to serve as a one-size-fits-all model for Board members, but is instead designed to serve as a catalyst for each Board member's individual development and advancement to best serve the members and beneficiaries of the System. Therefore, it is the policy of the Board that all Board members be provided a framework to assist Board members as they develop their individual knowledge and expertise in the matters set forth in Appendix A.

II. ELIGIBILITY

- A. All Board members may submit training requests to be approved or disapproved by the Board on the basis of criteria outlined in this policy.
- B. At a minimum, each fiscal year all Board members as defined in Section 2-15-1009, MCA, should participate in two "training experiences" one of which covers governance and fiduciary training topics listed in Appendix A. A "training experience" for purposes of this policy means any substantive educational activity relating to topics that directly enhance a Board member's ability to carry out their duties. Substantive educational activities include conferences, seminars, accredited courses, workshops, on-line training, self-study programs, and educational sessions provided by or incorporating the work of MPERA staff.

III. RESPONSIBILITIES FOR IMPLEMENTATION

- A. The **Board** is responsible for approving all out-of-state travel requests.

- B. The **Board** is responsible for:
1. ensuring that information on training opportunities is disseminated to all Board members and appropriate Montana Public Employee Retirement Administration (MPERA) employees;
 2. assessing a cost/benefit analysis and the necessity of the requested training when evaluating training requests; and
 3. approving requests for training.
- C. The **Board President or designee** is responsible for ensuring that the Board member report, orally or in writing, pertinent information acquired while attending the training and provide copies of relevant written materials (if any) that were received at the training, to the Board and the MPERA staff.
- D. **Individual Board members** are responsible for:
1. providing input into assessing training needs by identifying knowledge, skills and abilities necessary for individual board members to perform in the best interest of the members; and
 2. completing and submitting training requests for consideration.
- E. The **MPERA staff** is responsible for providing assistance, as requested by the Board, for locating specific training opportunities or organizing a training course to meet a specific Board need.

IV. ESTABLISHING BOARD TRAINING PRIORITIES

When assessing training needs and requests from Board members, the general topic areas training resources should be allocated to include, but are not limited to:

1. Governance and fiduciary duty;
2. Investment policy and asset allocation;
3. Benefits administration;
4. Actuarial policies and funding;
5. Technology;
6. Regulatory and legal issues;
7. Financial and accounting standards and practices;
8. Strategic planning and work planning;

9. State ethics laws; and
10. Privacy and the right to know.

V. ESTABLISHING TRAINING RESOURCE PRIORITIES

- A. All training resources should be carefully reviewed to insure that they will adequately meet identified training needs.
- B. Resources should be evaluated on the basis of the following considerations.
 1. MPERA training resources should first be reviewed to determine availability and appropriateness.
 2. When adequate MPERA resources are not available, formal training resources should be located which will meet the identified needs. Priority will be given to formal training provided by state government agencies and personnel.
 3. When adequate training is not available within state government or when it is more costly than other resources, training provided locally by the private sector or other governmental jurisdictions may be utilized.
 4. The last priority will be given to seminars related to specific topics.

VI. PROCESSING TRAINING REQUESTS, TRAVEL FOR TRAINING REQUESTS AND TRAINING ASSESSMENT FORMS

- A. The appropriate request/registration forms must be completed by the requesting Board member and submitted to the Board President to be put on the agenda for Board consideration.
- B. The appropriate forms are:
 1. For training sponsored by the Professional Development Center (PDC) or the Information Technology Services Division (ITSD), the enrollment forms furnished by the PDC or ITSD.
 2. For training sponsored by organizations other than PDC or ITSD, the MPERA Request for Training Form as well as the appropriate request/registration forms must be completed.

VII. EXPENSES WHILE ATTENDING TRAINING

- A. MPERA may pay for training/education tuition, fees, per diem, any combination of these expenses or any proportion of these expenses that would be appropriate, given anticipated benefits to the agency.
- B. Board members shall be reimbursed for commercial transportation costs, personal car mileage, meals and lodging in the manner allowed by current state law and rules (Sections 2-18-501 through 503, MCA).

VIII. HISTORY

GB3-94 - Board Member Per Diem and Travel

Originally approved March 1994

Amended March 25, 2004

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Reviewed and amended January 14, 2010

Reviewed and amended August 2016

Appendix A

SPECIFIC PENSION-RELATED TRAINING TOPICS

The following is a list of pension-related education topics that relate to each of the general topic areas listed in Section IV of the Training Policy.

The list is intended to provide guidance to Board members in identifying appropriate topics for the development of their knowledge and understanding of pension matters. The list is intended as a guideline only, and is not exhaustive:

Regulatory and Legal Issues

- System Governing Legislation
- State Ethics Laws and Conflicts of Interest
- State Open Meetings Law
- Tax law and plan qualification features
- Non-tax legal requirements
- Privacy and the Right to Know

Investment Policy and Asset Allocation

- Asset classes and their characteristics
- Investment processes
- Historical risk and returns
- Investment risk management
- Diversification and asset allocation
- Active versus passive management
- Performance measurement
- Economic principles

Governance and Fiduciary Duty

- Fiduciary responsibilities and duties
- Roles of the sponsor, administrator, management and service providers
- Basics of trust law
- Best practices for and current trends regarding pension and trust fund governance
- The role of MPERA as a state agency and a trust fund, MPERA's mission and purpose as well as applicable principles of public administration and public policymaking
- Risk management and oversight
- The MPERA Board Governance Policy

Strategic Planning and Work Planning

- MPERA strategic planning process, the MPERA Strategic Plan, and corresponding performance measures

Benefits Design and Administration

- Defined benefit plan features and Administration
- Risks inherent in Benefits Administration
- Basic administrative operations and processes

Disability issues

Defined contribution plans, ERISA, Social Security and the private retirement marketplace

Actuarial Policies and Funding

The role of the actuary, actuarial valuations, assumptions and methodologies, funding policy and asset/liability management processes

Technology

Management Information Systems

Technology risk

Financial and Accounting Standards and Practice

Financial statements, balance sheets, budgets, and audit reports