

MINUTES
BOARD OF TRUSTEES OF THE
INDIANA PUBLIC RETIREMENT SYSTEM
1 N. Capitol, Indianapolis, IN 46204
1st Floor Conference Room and Virtual Zoom

October 25, 2024

Board Members Present

Brian Abbott
Cris Johnston
Michael Pinkham
Vivienne Ross

David Frick
Barry Gardner
Elise Nieshalla
Daniel Elliott-absent (*Mike Frick stand-in*)

Guest Speakers

Jeff MacLean, Verus Investments
Brent Banister, CavMac

Ed Koebel, CavMac

Staff Presenters

Steve Russo, Executive Director
Andy Blough, Chief Actuary
Robert Corne, Chief Financial Officer

Scott Davis, Chief Investment Officer
Jeff Gill, Chief Legal & Compliance Officer
Joy Smith, Chief Hum. Resources Officer

Meeting called to order at 10:00 a.m. by Brian Abbott

In accordance with normal practice, Board members were provided electronically written materials in advance of the meeting.

I. Approval of Minutes from the September 6, 2024, Board of Trustees Meeting

MOTION duly made and carried to approve the Board of Trustees Meeting minutes from the September 6, 2024, Board meeting.

Proposed by: Cris Johnston
Seconded by: Elise Nieshalla
Votes: 8 in favor, 0 opposed, 0 abstention

II. Unfinished Business

None

III. Required Business

A. Defined Contribution Fee Review & CY25 Fee

Robert Corne discussed the DC Retirement Plans Policies and Procedures, the Annual Administrative Fees and the DC Fee Benchmark survey.

Motion duly made and carried for the Board to approve the Proposed Policies and Procedures as presented and set the DC annual administrative fee to \$41 per member for the period of January 1, 2025 – December 31, 2025

Proposed by: Michael Pinkham
Seconded by: Elise Nieshalla
Votes: 8 in favor, 0 opposed, 0 abstention

B. Funding Policy Updates

Andy Blough provided an overview of the funding policy regarding the supplemental reserve accounts (SRAs) and surcharge, setting lottery methodologies for the SRAs, & technical correction to LE DB’s cost method.

Motion duly made and carried for the Board to approve the following changes:

- Determine the surcharge rate for SRAs in a similar manner to the base benefits
- Set a lottery revenue allocation methodology for the SRAs
- Technical correction to LE DB’s cost method

Proposed by: Barry Gardner
Seconded by: Mike Frick
Votes: 8 in favor, 0 opposed, 0 abstention

C. Actuarial Valuation & Contribution Rates

Ed Koebel and Brent Banister of CavMac provided an overview of the INPRS 2024 Valuation Results along with detailed results by fund. Andy Blough summarized the recommendations for contribution rates, lottery revenue allocations to the supplemental reserve accounts, and reviewed the appropriations to be requested from the General Assembly during the next biennium (FY 2026 and FY 2027).

| INPRS Staff Recommended Total Employer DB Contribution Rates for Fiscal Year 2026 | |
|--|-------|
| PERF (State) | 11.2% |

The LE DC contribution rate is the same as the total PERF DB contribution rate, including its 3% DC component. Its rate remains at 14.2% for FY 2026.

| INPRS Staff Recommended Total DB Contribution Rates for Calendar Year 2026 | |
|---|-------|
| PERF (PSD Composite Rate) | 11.2% |

| | |
|----------------------------------|-------|
| TRF 1996 Defined Benefit Account | 7.1% |
| '77 Fund | 23.3% |
| EG&C Plan | 17.9% |
| | |

| INPRS Staff Recommended Supplemental Reserve Account (SRA) Surcharge Rates for Calendar Year 2026 | |
|--|-------|
| PERF | 0.86% |
| TRF Pre-'96 | N/A |
| TRF '96 | 0.41% |
| EG&C | 1.20% |
| LE DB | N/A |

| INPRS Staff Recommended Supplemental Reserve Account (SRA) Lottery Revenue Allocation for Fiscal Year 2025 | |
|---|------------|
| TRF Pre-'96 | 30,000,000 |
| | |

| INPRS Staff Recommended General Assembly Appropriation Requests for Fiscal Years 2026 and 2027 (in thousands) | | |
|--|-----------|-----------|
| | FY 2026 | FY 2027 |
| TRF Pre-'96 | 1,098,300 | 1,131,200 |
| JRS (includes court and docket fees) | 28,880 | 29,645 |
| PARF | 5,128 | 5,264 |
| LE DB | 6 | 6 |
| Pension Relief Fund | 140,000 | 130,000 |

| INPRS Staff Recommended My Choice DC Contribution Rates for Fiscal Year 2026 | |
|---|-------|
| PERF State My Choice Member Crediting Rate | 4.4% |
| PERF State UAAL Contribution Rate for My Choice Members | 6.8% |
| PERF State My Choice Total Contribution Rate | 11.2% |
| INPRS Staff Recommended My Choice DC Contribution Rates for Calendar Year 2026 | |
| PERF Political Subdivision My Choice Member Maximum Crediting Rate | 4.4% |
| PERF Political Subdivision UAAL Contribution Rate for My Choice Members | 6.8% |
| PERF Political Subdivisions My Choice Total Contribution Rate | 11.2% |
| TRF '96 My Choice Member Contribution Rate | 6.3% |

| | |
|--|------|
| TRF '96 UAAL Contribution Rate for My Choice Members | 0.8% |
| TRF '96 My Choice Total Contribution Rate | 7.1% |

Motion duly made and carried for the Board to approve the appropriation amounts from the General Assembly as well as the contribution and surcharge rates as presented.

Proposed by: Barry Gardner
Seconded by: Michael Pinkham
Votes: 8 in favor, 0 opposed, 0 abstention

D. Board Governance Manual Updates

Joy Smith discussed the INPRS FY2023 Compensation Step-Five Plan and the proposed compensation policy. Ms. Smith also presented the Proposed Board Retained & Delegated Duties as it relates to compensation strategies and policy frameworks.

Jeff Gill discussed the Appendix A Board Retained and Delegated Duties and the modernization of the procurement policy. Mr. Gill believes that an update to the procurement policy in the Board Governance Manual will provide greater clarity, flexibility, and efficiency to the INPRS procurement process.

Motion duly made and carried for the Board to approve the proposed amendments to the Board Governance Manual as presented.

Proposed by: Elise Nieshalla
Seconded by: Barry Gardner
Votes: 8 in favor, 0 opposed, 0 abstention

IV. New Business

A. Indiana Administrative Code (IAC) Revisions

Jeff Gill discussed the Administrative Rule Process and wants to add language regarding the application of forfeited funds from the DC My Choice plans. Mr. Gill also discussed the removal of the RMBA administrative review rule.

B. Financial Update

Robert Corne presented the INPRS financial results for September 2024

C. Investments Update

Scott Davis and Jeff MacLean, Verus, provided investment updates as of 9/30/2024. Mr. Davis also presented a new investment strategy for the Retirement Medical Benefits Account (RMBA).

D. Executive Director Report

Steve Russo presented the LODDs (Line of Duty Deaths).

Mr. Russo also discussed the Working Balance Scorecard.

V. Other business as requested by the Board

None

VI. Preliminary Agenda for December 13, 2024, Board Meeting

A copy of the preliminary agenda for the December 13, 2024, meeting was included in materials provided electronically to Board members.

VII. Preliminary 2025 Board Meeting Schedule

A copy of the proposed 2025 Board Meeting Schedule was presented.

VIII. Adjournment

MOTION duly made and carried to adjourn the October 25, 2024, Board meeting and adjourned at approximately 12:28 p.m.