



MainePERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

MainePERS DRAFT 5-Year Strategic Plan

Introduction

The Maine Public Employees Retirement System (MainePERS) is an incorporated public instrumentality of the state governed by a Board of Trustees pursuant to Maine law. Since 1942, MainePERS has joined with public employers to help their employees prepare for retirement. The System's active contributing members include teachers, state, county, and municipal employees, legislators, judges, and others. Upon retirement, our members receive monthly benefits from their respective retirement plans. The System also administers disability retirement, group life insurance, survivor services and a tax-deferred retirement savings program known as MaineSTART. Administration of these programs includes financial administration, investment administration, recordkeeping of members' work and compensation data, and administration of retirement-related services provided to active and retired members, beneficiaries and employers.

In the fall of 2021, the newly appointed Chief Executive Officer engaged in a series of discussions with a broad spectrum of stakeholders to assess their experience with MainePERS. The knowledge gained through these meetings laid the groundwork for the development of a strategic plan.

Goals and Objectives

In December 2021, the Board of Trustees adopted the following Goals and Objectives to guide the strategic planning process:

Goals

- Preservation of the Trust Fund
- Stability of the contribution rates
- Security and integrity of our information systems
- Cultivation of a member-centric organization
- Development of stakeholder relations

Objectives

- Planning for the post-2028 full funding of the Unfunded Actuarial Liability (UAL), including potential public pension plan options that include social security
- Responding to the recent divestment legislation
- Expanding the availability of defined contribution plans to teachers
- Exploring mandatory long-term disability insurance coverage

Strategic Planning Process

The Goals and Objectives adopted by the Trustees created the framework for the Strategic Plan. The process of developing the plan engaged all employees through multiple all-staff meetings, two employee surveys and two rounds of small group meetings to discuss and refine the mission and vision statements and to develop a set of organizational values that best represent the collective commitment of our staff.

DRAFT Mission and Vision Statements

The Senior Management Team took primary responsibility for the development of the following DRAFT Mission and Vision Statements, consistent with the Trustees' Goals and Objectives and with input from the Trustees as well as staff:

DRAFT Mission

MainePERS partners with public employers to deliver retirement and related services.

DRAFT Vision

MainePERS is a trusted and effective fiduciary focused on meeting the needs of active and retired members, beneficiaries and employers.

DRAFT Organizational Values

The DRAFT Organizational Values were developed and refined through the small group meetings, which engaged all staff. Staff representatives from each of the small groups took on the responsibility of articulating the discussions into a set of values and then engaging with their co-workers to refine the statements into the following set of values:

- **Accountability** - We act with integrity. We educate, equip, and empower all to consistently deliver knowledgeable and respectful service to our constituents and colleagues.
- **Respect** – We respect individuals and are mindful of culture and diversity in all we do, exercising empathy, compassion, kindness and appreciation in valuing others.
- **Collaboration** – We work together, proactively sharing information and knowledge and acting transparently in all interactions.
- **Stewardship** – We secure and safeguard assets (data, funds) entrusted to our care and consistently comply with our obligations to ensure benefits are sustained.
- **Agility** – We strive for personal and organizational excellence through continuous improvement.

DRAFT Strategic Objectives

The DRAFT Strategic Objectives outlined here represent at a high level the actions needed to support the Trustees' Goals and Objectives. Once the Strategic Plan is finalized and adopted individual initiatives will be put in place that contribute to each of these objectives.

Goal I: Preservation of the Trust Fund

Strategic Objectives:

- A. Continuously review governance and risk management practices that drive accountability, consistency and transparency and engage trustees in annual fiduciary education
- B. Continuously review the strategic asset allocation to optimize earnings, manage risk & ensure sufficient liquidity
- C. Plan for post-2028 full funding of the 1996 State Employee and Teacher Plan UAL
- D. Develop policy to address the recent divestment legislation in accordance with sound investment criteria and consistent with fiduciary obligations

Goal II: Stability of the Contribution Rates

Strategic Objectives:

- A. Employ periodic experience studies and annual actuarial valuations to identify the trust fund's future financial needs
- B. Apply sound actuarial methods to promote stability of the contribution rates
- C. Ensure employers and other stakeholders are informed of funding trends

Goal III: Security and Integrity of our Information Systems

Strategic Objectives:

- A. Ensure the cybersecurity management program meets current and future needs
- B. Maintain and upgrade core information systems
- C. Explore a cloud strategy to host information systems

Goal IV: Cultivation of a Member-centric Organization

Strategic Objectives:

- A. Develop a comprehensive customer communications and service model
- B. Improve processes to promote timely and accurate service by ensuring the integrity of the data, streamlining and automating workflow processes, and reducing processing times
- C. Document workflow policies, practices and procedures and develop staff training programs
- D. Institute a quality assurance and control program
- E. Implement a member self-service portal
- F. Expand the availability of defined contribution plans (MaineSTART)
- G. Engage stakeholders on the experience of members under the new disability program
- H. Explore mandatory long-term disability insurance coverage

Goal V: Development of Stakeholder Relations

Strategic Objectives:

- A. Improve member education and outreach to promote planning for retirement security
- B. Develop a comprehensive communications strategy to inform stakeholders and promote transparency
- C. Seek member input and measure member and employer satisfaction
- D. Partner with employers and third-party payroll vendors to improve reporting
- E. Explore potential post-2028 pension plan options that include Social Security and enhance benefit portability

Goal VI: Foster an Engaged Workforce that Advances the Organization's Objectives

Strategic Objectives:

- A. Institutionalize the Organizational Values adopted by the staff
- B. Develop an onboarding, training and development plan
- C. Support and empower staff in the performance of their work
- D. Create a staff working group to advance a positive organizational culture
- E. Implement strategic performance management
- F. Increase awareness and knowledge related to diversity, equity and inclusion (DEI)
- G. Develop and maintain a succession plan

DRAFT Key Performance and Risk Measures

MainePERS is committed to measuring its progress on the Strategic Plan by utilizing the key performance and risk measures developed by the National Conference on Public Employee Retirement Systems in their publication *Best Governance Practices for Public Retirement Systems* (revised May 2019).

- I. The funded ratio as measured by the ratio of fund assets to fund liabilities
- II. Net annualized investment returns relative to the return assumption and benchmarks
- III. Timeliness and accuracy of distributions paid to members and beneficiaries
- IV. Member satisfaction with fund services as measured by surveys and correspondence
- V. Future benefits owed to members as measured by the actuarial accrued liability
- VI. Net assets available for benefits and changes as reported in the annual audit