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# MAINEPERS

## BOARD OF TRUSTEES MEMORANDUM

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**TO:** BOARD MEMBERS  
**FROM:** DR. REBECCA M. WYKE, CEO  
**SUBJECT:** 5-YEAR STRATEGIC PLAN UPDATE  
**DATE:** OCTOBER 4, 2023

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### POLICY REFERENCE

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communications and Support to the Board](#)

Following the Board’s adoption of the 5-Year Strategic Plan in August 2022, much work has been done to implement and operationalize the Plan.

This work advanced each of the six goals under the plan:

- I. Preservation of the Trust Fund
- II. Stability of the Contribution Rates
- III. Security and Integrity of our Information System
- IV. Cultivation of a Member-centric Organization
- V. Development of Stakeholder Relations
- VI. Foster an Engaged Workforce that Advances the Organization’s Mission

Additionally, the four legislatively directed objectives in the Strategic Plan have been substantially completed, including: a study on potential public plan options that include social security (Resolves 2021, c. 66 & 72), responding to the divestment legislation (PL 2021, c. 231 & 234), expanding the availability of defined contribution plans to teachers (PL 2021, c. 548), and exploring mandatory long-term disability insurance coverage (PL 2021, c. 277).

In relation to **Goal I. Preservation of the Trust Fund**, a Board Work Plan for 2023 was adopted by the Board in October 2022. The Plan maps the Board’s responsibilities as outlined in Maine Law and Board Policy to the monthly meeting agenda and includes a frequency schedule to guide the annual update of the Plan. Additionally a Trustee Charter was adopted by the Board in March 2023. The Charter sets forth the Board’s principles, duties, and oversight responsibilities for the Governance of MainePERS and its programs. The Board also transitioned to an electronic board management system, Govenda, in February 2023 to better manage current and archived Board information.

The Board conducted its annual self-evaluation in September 2022. As part of this process an assessment of good governance practices was conducted, as well as annual education on those practices. Following receipt of the Board's input on educational needs, an Education Plan was developed for the Board. The Plan includes educational presentations during Board Meetings, conferences conducted by national associations, and materials for self-study. As part of this plan, fiduciary education was offered to the Board in November 2022 outlining the legal grounding of the Trustee's fiduciary duties. In April 2023, the governance consultant joined the Board to provide additional fiduciary education focusing on two case studies. Quarterly investment and annual actuarial practices education continued, education on diversity, equity and inclusion was held for the first time, and "mission moments" -- introducing the Board to various programs under MainePERS -- were instituted. Additionally, onboarding for the Trustee-elect from MEA was undertaken. The orientation was delivered by senior management over several meetings, and the topics covered include the governance framework, fiduciary duties, actuarial valuation, rate-setting, cost-of-living increases, finances, investments, member services and employer services. The Trustee-elect participated in the annual education on best practices in Board governance and is regularly attending Board meetings to observe.

To address key risk areas identified in the Strategic Plan, a Succession Plan for key staff was developed and presented to the Board in April 2023 and an Enterprise Risk Management (ERM) Plan was developed and presented to the Board in July 2023. Next steps call for amending Board Policy to require an annual review of the ERM by the Finance and Audit Committee.

After a year in development, the first annual Divestment Report to the Legislature was reviewed with Trustees in advance of filing as were key components of the report, notably the NEPC analysis of the impact of divestment and the legal advice provided by the Attorney General's Office. Staff proposed and the Board adopted an amendment to the Investment Policy Statement (Policy 2.1) to acknowledge the divestment laws, provide for disclosure of certain investments, and require annual reporting on the progress of divestment.

With assistance from the Board's general investment consultant, Cambridge Associates, staff reviewed the strategic asset allocation and the Board adopted minor adjustments to prepare for the post-2028 full funding of the 1996 unfunded actuarial liability (UAL). Additionally, available MaineSTART options were reviewed and modified. MainePERS also worked closely with the State Treasurer and State Controller on funding the Retiree Health Insurance Post-Employment Benefits Investment Trust for teachers, an agreement was signed in September 2022 and the trust received initial funding in June 2023.

Through its Finance and Audit Committee the Board reviewed the 2022 Annual Comprehensive Financial Report prior to its acceptance by the Board, with MainePERS receiving a "clean" audit for the year from its external auditor, Berry Dunn. For the eighteenth year in a row MainePERS was awarded a certificate of achievement for excellence in reporting from the Government Finance Officers Association.

The Finance and Audit Committee also reviewed the FY 2024 Annual Administration Operations and Investment Operations Budgets prior to their adoption by the Board. The budgets were developed to support ongoing operational needs as well as the 5-Year Strategic Plan. FY 2023 ended within budgets as approved by the Board. Additionally, the Committee oversaw a new outsourced internal audit program, which included the development of a risk assessment and 5-year internal audit plan. Audits of the disability retirement services program and investment controls were completed over the past year. An audit is currently in process for cash receipts and disbursements and an audit of facilities operations is scheduled to begin this month.

From an investment perspective, FY 2023 ended on a strong note as stock and bond markets reacted positively to the economy's resilience and the increased likelihood of a soft landing. Fund returns reported by the System's custodian for the 1, 5, and 10-year periods ending 6/30/23 were 4.7%, 8.4%, and 8.3%. The preliminary trust fund balance is \$18.7 billion.

Efforts to improve the transparency of Board operations were put in place to post all public meeting materials on the MainePERS website in advance of meetings, in addition to agendas and minutes. These materials are now archived on the website so members of the public may easily review prior meeting materials. MainePERS also now posts materials for the Finance and Audit Committee and the PLD Advisory Committee online, as well as materials for ad hoc meeting groups, such as the Disability Working Group and the stakeholder meetings related to consensus-based rulemaking. Additionally, all Board and Committee meetings are now available live, and also recorded, via an online webinar platform.

Under **Goal II – Stability of the Contribution Rates**, the Board reviewed and approved the FY 2022 actuarial valuations. On an actuarial basis for FY 2022, the State Employee and Teacher Plan had an investment return of 7.7% (market value of assets, -0.62%) and is 83.9% funded. The calculated employer contribution rate was stable at 20.65%. And, for the fifteenth consecutive year the System was awarded the Public Pension Coordinating Council's Recognition Award for Funding. The Board also adopted the FY 2024 and FY 2025 composite employer contribution rates at 19.87% and 19.89%, respectively. To support stabilization of the contribution rates over the biennium, the process of rate-setting included an acceleration of the amortization of the 2014 experience gain by six years, from 2034 to 2028, to coincide with the payoff of the 1996 UAL. The Legislative and Judicial Plans remain fully funded at 143.8% and 108.4%, respectively.

MainePERS also administered the award of three cost-of-living adjustments for the State-sponsored Plans. The Consumer Price Index-Urban (CPI-U) for the twelve months ended June 30, 2022 was 9.1%. Pursuant to Maine law, the Board of Trustees awarded an annual cumulative COLA of 3% in September 2022. The Legislature then authorized the awarding of a 1% one-time COLA, which was processed in April 2023 and a 3% one-time COLA, which will be processed in November 2023.

The Participating Local District (PLD) Advisory Committee reviewed the actuarial valuation approved by the Board for the PLD Consolidated Plan. On an actuarial basis for FY 2022, the Plan is 91.2% funded. The calculated contribution rate was stable at 18.7%. Additionally, the employer/employee rates for the Participating Local District Consolidated Plan were recommended by the PLD Advisory Committee and established pursuant to the authority granted by the Board to the Chief Executive Officer. The aggregate rate for the PLD Consolidated Plan remains stable at 18.6%.

MainePERS also administered the award of two COLA adjustments for the PLD Consolidated Plan. Pursuant to Maine law and rule, the Board of Trustees awarded an annual cumulative COLA of 2.5% in September 2022. The PLD Advisory Committee recommended and the Board of Trustees authorized the awarding of an additional 1% cumulative COLA, which was processed in February 2023.

For **Goal III – Security and Integrity of our Information System**, staff worked with the current pension administration (line-of-business) system vendor, Vitech, to make some critical updates to the System and work began on the planning for a new pension administration system (PAS). An oversight team was chartered in fall 2022, which issued a Request for Information to

potential PAS providers to better understand the vendor landscape. The team also hired a consultant to help develop the Request for Proposal to procure the new PAS and this work is currently underway.

We successfully completed an audit by CBIZ of our compliance with the National Institute of Standards and Technology (NIST) cybersecurity framework and several security tests and assessments conducted by Tyler Technologies. We explored a self-insured model for cybersecurity risk with the assistance of Monarch Information Security Consulting, but chose to renew our cyber-insurance policy when the insurer offered to reduce premiums and expand coverage.

An AirGap system was implemented to retain a full backup of our computing environment vaulted from any access and replicated hourly. We also implemented Manage Engine Endpoint Central to enhance our desktop patching program to ensure all security patches for all software are successfully deployed and tracked.

Our Information Technology staff upgraded the wireless infrastructure in the Augusta and Portland offices and replaced the uninterrupted power supplies in both locations. Planning has also begun to transition from an on-premises environment to a more secure cloud-based environment beginning in 2025.

Development of a comprehensive member education, communications, and service model that supports planning for retirement security is a key strategic objective under **Goal IV – Cultivation of a Member-centric Organization**. To this end, staff implemented an annual Member Account Statement for active members that proactively communicates key retirement information including the member's service credit, contributions, and interest earned to date. MainePERS developed educational videos and unveiled an online Benefit Estimator, which are published on our website to support members in actively planning for their retirement. Additionally, we added an online workshop for new and mid-career members to better understand their retirement benefit and associated retirement services. MainePERS expanded the availability of its defined contribution program, MaineSTART, to teachers and to date two school districts have elected to join the program. MaineSTART ended FY 2023 with a 7.3% increase in participation and 12.5% increase in total assets invested.

MainePERS conducted the first annual member survey for active and retired members in August 2022. Ninety-two percent (92%) of retirees and 69% of active members indicated they were "satisfied" or "very satisfied" with MainePERS. Over 91%, of retirees and more than three quarters of active members, 76%, stated they "agree" or "strongly agree" that MainePERS acts with integrity. And, 83% of retirees and 66% of active members "agree" or "strongly agree" that MainePERS staff are knowledgeable.

To better understand and address chronic backlogs of member requests for services, staff developed and refined tracking tools for key metrics and now monitor workflow on a weekly basis. Focus Friday's were introduced in April 2023 as a temporary measure to prevent the backlogs from worsening. The queue of service retirement estimates, necessary for placing a member on the payroll with a preliminary benefit upon retirement, were reduced from 1,011 at the end of March 2023 to 264 at the end of July. Backlogs in requests for benefit verification, beneficiary elections, and member account statements were eliminated. As additional attention was needed to reduce the backlog in moving retired members from a preliminary to a final benefit, staff recommended continuation of the Focus Fridays for an additional six months with a report back to the Board at that time.

MainePERS conducted an extensive review of the disability retirement program following the implementation of Public Law 2021, c. 277. The review included a program audit to ensure the law had been fully implemented, an evaluation of the medical review service provider, a member experience survey, and the engagement of stakeholders in consensus-based rulemaking to update the rules for compliance with the law. The program and rules are compliant with the law and 92% of members who applied for disability retirement under the new law were “satisfied” or “very satisfied” the process was fair.

Perhaps one of the most significant achievements in the past year is the development and implementation of a member portal for which a phased rollout begins in fall 2023. To date the program has undergone rigorous user and cybersecurity testing to ensure it is both easy to use and secure. In advance of the rollout, members are receiving information about the portal including a form to update their contact information in preparation for the multi-factor authentication security feature of the portal. We also dedicated our July member newsletter to educating members on the portal’s features.

Under **Goal V – Development of Stakeholder Relations**, MainePERS staff focused on improving stakeholder relations with our 600 plus employers. With the support of the Board, employer reporting staff was increased to address demand and provide employers with a single point of contact. Staff developed tools for key metrics to monitor workflow and made significant improvement in addressing a backlog of account reconciliations bringing the percentage of reconciled accounts up to 73% as of July, from 51% a year earlier. Staff have also been working with employers and payroll providers to educate and improve reporting compliance. Additionally, staff recommended and the Board adopted policy assigning the oversight of employer reporting to the Finance and Audit Committee following news stories on two employers that were out of compliance with reporting requirements. Finally, an employer satisfaction survey was conducted in July 2023. Seventy-nine percent (79%) of employers were “satisfied” or “very satisfied” with MainePERS.

A Disability Working Group made up of employer and employee representatives was convened to develop a long-term disability insurance option for public employees and to review the reforms to the disability retirement program following the implementation of Public Law 2021, c. 277. The work and observations of the working group were included in the Disability Retirement Report and the Long-term Disability Insurance Report filed with the Legislature.

MainePERS worked closely with the members of the Participating Local District Advisory Committee sharing information on the PLD Consolidated Plan, developing contribution rates, and implementing two cost-of-living increases. Additionally, we provided an onboarding orientation for two new members of the Committee.

Presentations were made by staff to the Joint Standing Committees of the Legislature on Labor and Housing and Appropriations and Financial Affairs on the FY 2022 Valuation and funding trends, as well as the 5-Year Strategic Plan. MainePERS also worked closely and collaboratively with the Labor and Housing Committee and other stakeholders on legislation impacting MainePERS members. Senior leaders met with stakeholders on request to discuss issues related to services, legislation and investments. Stakeholders were also kept informed via email on important issues.

A sixth Goal was recommended by staff and adopted by the Board of Trustees for the Strategic Plan, **Goal VI – Foster an Engaged Workforce that Advances the Organization’s Mission.**

The Organizational Values Steering Committee was chartered in fall 2022 to guide the work of institutionalizing the organizational values developed by the staff as part of the strategic planning process. The Steering Committee is staff-led and is organizing to promote interdepartmental communication and collaboration as we work to bring all MainePERS staff into one cohesive team. A staff-led Events Committee was also established to plan social engagements and employee recognition events. Additionally, the senior management team organized and staffed the second annual All Staff Cookout as a thank you to our employees for their work on behalf of our members.

Strategic performance management was implemented in fall 2022 for all confidential staff, including an annual self-evaluation, performance review, and performance compensation program. Prior to this, there was no formal process in place for confidential staff. Diversity, equity and inclusion (DEI) training was held for all staff, including an expanded program for senior management. Four of our staff are pursuing a DEI certification, including two from Human Resources. With the support of the Board, two training positions were added for Member Services and Employer Services to improve the quality of training for staff, and accelerate staff productivity and advancement. Emerging leaders were offered a cohort leadership educational experience to support advancement. Additionally, senior leaders and the investment team participated in fiduciary training led by the Board's governance consultant and the General Counsel.

Also with the support of the Board of Trustees, staffing for member services was increased and MainePERS implemented retention payments to address an attrition rate of 36% in calendar 2022. Turnover declined in the first half of 2023, down 30% from the prior calendar year. An employee satisfaction survey was conducted in February 2023. The survey's response rate was 72%, of those responding 74% stated they "agree" or "strongly agree" they are satisfied with their job. Responses to the survey suggest some optimism that the work culture and environment are moving in a positive direction, but also acknowledge there is more work to do and that transformation takes time. Employees noted that interdepartmental relationships need attention and that the work backlogs were burdensome. Additionally, employees expressed concerns that the compensation structure did not value seasoned employees and that entry-level compensation was too low. Subsequent to the employee survey, MainePERS completed a market compensation study and position review in spring 2023, leading to agreement with the employee union on a third-year wage reopener which was approved by the Board of Trustees.

In August 2023 we revamped the onboarding program for new staff to include education on the MainePERS mission and strategic plan by senior managers. Members of the Organizational Values Steering Committee also participate by discussing the organizational values. And soon, new employees will receive cross-departmental introductions as part of their onboarding to promote communication and collaboration among departments.

### **Conclusion**

Much has been accomplished to move the 5-Year Strategic Plan adopted by the Trustees forward and the momentum is accelerating. On behalf of the staff at MainePERS, I am pleased to offer this update on the progress of the Plan and look forward to accomplishing even more in the year to come.



**MainePERS**  
PUBLIC EMPLOYEES RETIREMENT SYSTEM

# **5-Year Strategic Plan**

## **Update to Board of Trustees**

October 12, 2023

Dr. Rebecca Wyke, CEO

# Mission and Vision Statements

## **Mission**

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

## **Vision**

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



# Organizational 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 are mindful of culture and diversity in all we do, exercising empathy, compassion, kindness, and appreciation in valuing all 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.

# 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, and ensure sufficient liquidity
- C. Plan for post-2028 full funding of the 1996 State Employee and Teacher Plan UAL and engage with stakeholders
- D. Develop policy to address the recent divestment legislation in accordance with sound investment criteria and consistent with fiduciary obligations
- E. Exercise efficient use of resources in the administration of the retirement plans and related services



# I. Preservation of the Trust Fund



- ▶ Conducted a good governance assessment of Board practices, as well as annual education - A
- ▶ Conducted the annual Board self-evaluation - A
- ▶ Developed a Trustee Charter for the Board - A
- ▶ Developed an Annual Work Plan for the Board - A
- ▶ Developed a Board Education Plan - A
- ▶ Conducted annual Fiduciary Duty Education for the Board - A
- ▶ Conducted new Trustee orientation - A
- ▶ Developed an Enterprise Risk Management Plan - A
- ▶ Developed a Staff Succession Plan - A
- ▶ Transitioned to an electronic board management system, Govenda, to better manage current and archived Board information - A
- ▶ Added Board Meeting materials to the MainePERS website and an archive of prior meeting materials to improve transparency - A



# I. Preservation of the Trust Fund cont.



- ▶ Implemented an online webinar platform to broadcast and record Board Meetings - A
- ▶ Executed agreement to fund the Retiree Health Insurance Post-Employment Benefits Investment Trust for Teachers- B
- ▶ Reviewed and modified available MaineSTART options - B
- ▶ Reviewed and modified the strategic asset allocation - B & C
- ▶ Began work with actuary for post-2028 planning - C
- ▶ Developed response to the divestment legislation and filed the first Divestment Report with the Legislature - D
- ▶ Amended Policy 2.1 to acknowledge the divestment laws, provide for disclosures, and annual reporting - D
- ▶ Adopted the FY 2023 Budget & completed fiscal year within budget - E
- ▶ Received a “clean” audit for the FY 2022 financial statements - E
- ▶ Developed a risk assessment and 5-year internal audit plan; completed audits for disability retirement services and investment controls - E

# 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



## II. Stability of the Contribution Rates

- Reviewed and approved the FY 2022 actuarial valuation - **A**
  - State/Teacher Plan 83.9% funded; calculated employer contribution rate stable at 20.65%
  - Legislative & Judicial Plans fully funded at 143.8% & 108.4%
  - PLD Consolidated Plan 91.2% funded; calculated contribution rate stable at 18.7%
- Adopted the FY 2024 & FY 2025 employer contribution rates for the State/Teacher Plan of 19.87% and 19.89% respectively - **B**
  - Rate-setting included an acceleration of the amortization of the 2014 experience gain by 6 years to coincide with the payoff of the 1986 UAL
- Adopted the FY 2024 aggregate contribution rate for the PLD Consolidated Plan of 18.6% - **B**
- Reported on funding trends to the Joint Standing Committees of Labor and Housing and Appropriations and Financial Affairs - **C**
- Communicated funding trends via the newsletter to members and other stakeholders - **C**

## II. Stability of the Contribution Rates cont.



- Reported on funding trends to the Joint Standing Committees of Labor and Housing and Appropriations and Financial Affairs - C
- Communicated funding trends via the newsletter to members and other stakeholders - C
- Administered the award of three cost-of-living adjustments for the State-sponsored Plans and two for the PLD Consolidated Plan - C



# 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



# III. Security and Integrity of our Information Systems



- Successfully completed an audit of our compliance with the National Institute of Standards and Technology (NIST) cybersecurity framework - A
- Completed security tests and assessments with Tyler Technologies, including for the new member portal -A
- Implemented an AirGap system to retain a full backup of our computing environment - A
- Implemented Manage Engine Endpoint Central to enhance our desktop patching program -A
- Upgraded the wireless infrastructure in Augusta & Portland - A
- Replaced the uninterrupted power supply in Augusta & Portland - A



### III. Security and Integrity of our Information Systems cont.



- Worked with current Pension Administration System (PAS) vendor to make critical updates to the System - B
- Began planning for a new PAS - B
  - PAS Team chartered
  - RFI issued to explore vendor landscape
  - Consultant hired to develop the RFP for the new PAS
- Began planning the transition from an on-premises environment to a more secure cloud-based environment - C

# Goal IV: Cultivation of a Member-centric Organization

## Strategic Objectives:

- A. Develop a comprehensive member education, communications, and service model that supports planning for retirement security
- 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, including access to annual member statements
- F. Expand the availability of defined contribution plans (MaineSTART)
- G. Assess the experience of the system and its members following the implementation of the new disability legislation
- H. Seek member input and measure satisfaction



## IV. Member Centric Organization

- ▶ Implemented an annual Member Account Statement - A
- ▶ Developed an online Benefit Estimator - A
- ▶ Developed on demand educational videos for pending retirees: - A
  - ▶ *When Should I Begin Planning for My Retirement?*
  - ▶ *How Do You Select Your Benefit Payment Option?*
  - ▶ *How Do You Receive Your Benefit Payments?*
  - ▶ *Can My Benefits Be Used to Cover the Costs of Insurance?*
- ▶ Developed an early and mid-career online information session to introduce members to the defined benefit plan and associated retirement services - A

## IV. Member Centric Organization cont.

- ▶ Began planning for a new Pension Administration System - A & B
- ▶ Developed tracking tools for key metrics to monitor workflow - B
- ▶ Introduced Focused Fridays to reduce a chronic backlog of member requests - B
  - ▶ Reduced the backlog for service retirement estimates from 1,011 in May to 264 at the end of July
  - ▶ Eliminated the backlogs for benefit verifications, beneficiary elections, and member account statements
  - ▶ Maintained the backlog of preliminary to final benefits and prevented it from worsening
- ▶ Established a staff training program for Member Services Staff - C & D
- ▶ Developed an online member portal -E
  - ▶ Phased rollout began October 2, 2023

## IV. Member Centric Organization cont.

- ▶ Expanded the availability of MaineStart to teachers - F
  - ▶ Promoted the program to superintendents in July 2022
  - ▶ Two school districts have opted to participate to date
  - ▶ Plans to attend Maine School Management Assn annual meeting in October to promote the program
- ▶ Conducted an expansive review of the Disability Retirement Program and presented report to the Board of Trustees and the Joint Standing Committee on Labor and Housing - G
  - ▶ Program Audit
  - ▶ Medical Review Service Provider Evaluation
  - ▶ Member Experience Survey
  - ▶ Consensus-based Rulemaking
- ▶ Conducted the first annual member survey for active and retired members in August 2022 - H



# Goal V: Development of Stakeholder Relations

## Strategic Objectives:

- A. Provide legislators, employers, and other stakeholders with information on defined benefit retirement plans and related services
- B. Continue to explore with stakeholders potential post-2028 pension plan options that enhance benefit portability, including Social Security participation
- C. Engage stakeholders to develop an implementation plan for providing mandatory long-term disability insurance coverage to members through their employers
- D. Develop a comprehensive employer education, communications, and service model and partner with employers and third-party payroll vendors to streamline processing and improve reporting
- E. Seek employer input and measure satisfaction

# V. Development of Stakeholder Relations



- ▶ Delivered an overview of MainePERS to the Joint Standing Committees of the Legislature for Labor and Housing and Appropriations and Financial Affairs - **A**
  - ▶ Worked with legislators and other stakeholders on legislation impacting MainePERS members
- ▶ Met with stakeholders on request to discuss issues related to services, legislation, and investments - **A**
- ▶ Met with actuary to begin planning for the post-2028 payoff of the 1998 UAL - **B**
- ▶ Convened the Disability Working Group made up of employee and employer representatives to develop a long-term disability insurance option for public employers and address lingering concerns with the Disability Retirement Program - **C**







## V. Development of Stakeholder Relations cont.

- ▶ Increased employer reporting staff and provided employers with a single point of contact - D
- ▶ Began development of a training program for employer services- D
- ▶ Developed tracking tools in Employer Services for key metrics to monitor workflow and made significant improvement in addressing a backlog of account reconciliations - D
  - ▶ Percentage of reconciled accounts increased to 73% from 51% a year ago
- ▶ Amended Board Policy to provide oversight of employer reporting to the Finance and Audit Committee - D
- ▶ Began partnering with payroll providers to improve reporting - D
- ▶ Began planning for a new Pension Administration System - D
- ▶ Worked with the PLD Advisory Committee to develop contribution rates and implement COLAs - D
- ▶ Conducted an employer satisfaction survey - E

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

## Strategic Objectives:

- A. Institutionalize the Organizational Values developed 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

## VI. Foster an Engaged Workforce that Advances the Organization's Mission



- ▶ Chartered the Organizational Values Steering Committee - A & D
  - ▶ Issued an RFP for a consultant to facilitate work of the Committee
  - ▶ Currently organizing to promote interdepartmental communication and collaboration
- ▶ Added training positions for both Member Services and Employer Services to improve the quality of training for staff and accelerate staff productivity - B
- ▶ Senior leaders and the investment team participated in fiduciary training - B
- ▶ Revised the new staff onboarding plan to include education on the MainePERS mission and the strategic plan - B
  - ▶ Including staff participation in presenting the organizational values

## VI. Foster an Engaged Workforce that Advances the Organization's Mission cont.

- ▶ Offered emerging leaders a cohort leadership educational experience through the Kennebec Leadership Institute - B
- ▶ Conducted an employee satisfaction survey - C
- ▶ Retention bonuses implemented to stabilize staffing - C
- ▶ Completed a market compensation study & position review - C
  - ▶ Reaching agreement with MSEA on third-year wage reopener approved by the Board of Trustees
- ▶ Chartered the Events Committee to plan social engagement - D
- ▶ Implemented strategic performance management for confidential staff, including annual self-evaluations & performance reviews - E
- ▶ Conducted DEI education, including an expanded program for the senior management team - F
- ▶ Developed a staffing succession plan - G



# Objectives

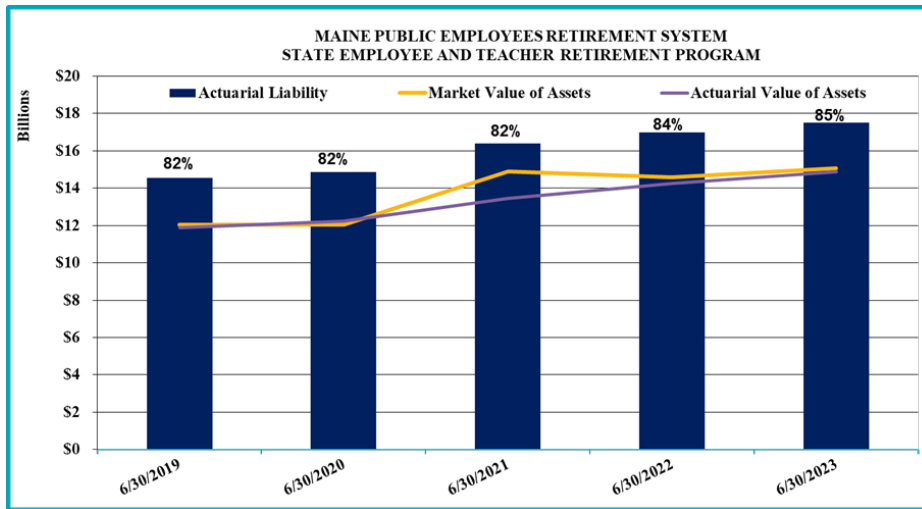
All short-term legislatively directed objectives listed in the Strategic Plan have been completed.

- ▶ Planning for the post-2028 full funding of the Unfunded Actuarial Liability (UAL), including potential public pension plan options that include social security *Resolves 2021, c. 66 & 72*
- ▶ Responding to the recent divestment legislation *PL 2021, c. 231 & 234*
- ▶ Expanding the availability of defined contribution plans to teachers *PL 2021, c. 548*
- ▶ Exploring mandatory long-term disability insurance coverage *PL 2021, c. 277*

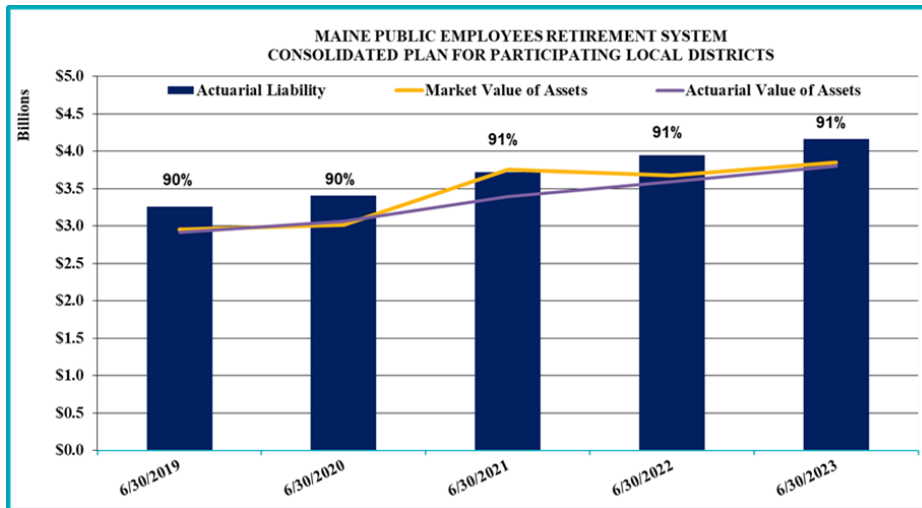
# Key Performance & Risk Metrics

2023 Strategic Plan Update

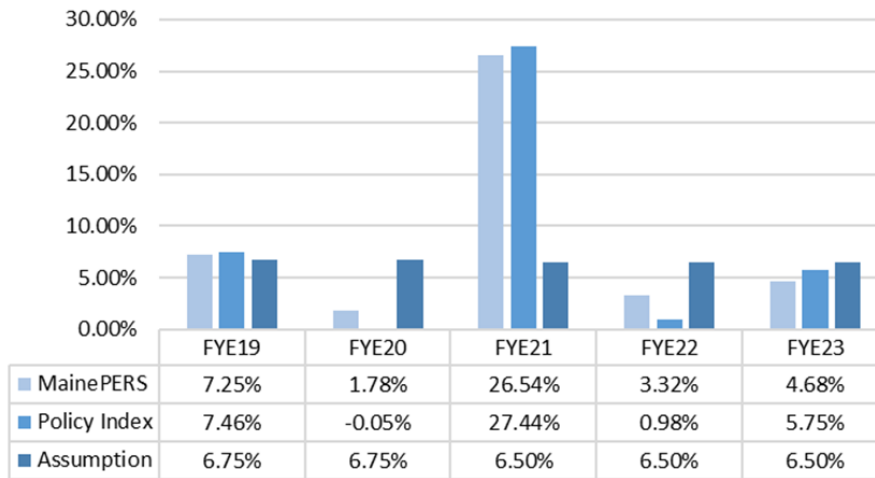
# Funding Ratio, Actuarial Liability, and Market Value of Assets State Employee and Teacher Plan



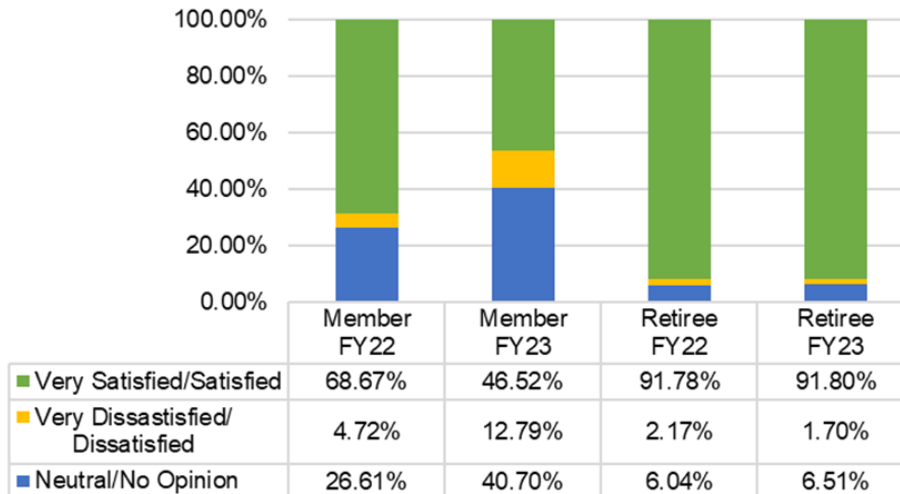
## PLD Consolidated Plan



### Net Annualized Investment Returns



### Member Satisfaction





## Benefit Initiation

