

PENNSYLVANIA STATE EMPLOYEES' RETIREMENT BOARD
FINANCE AND MEMBER AND PARTICIPANT SERVICES
COMMITTEE CHARTER

I. PURPOSE.

The Finance and Member and Participant Services Committee's purpose is to assist the Pennsylvania State Employees' Retirement Board (the "Board") in fulfilling its oversight responsibilities in the areas of budgeting and procurement, accounting, financial reporting, and member and participant services for the State Employees' Retirement System, the State Employees' Defined Contribution Plan (the "401(a) Plan"), and the Commonwealth's IRC §457 Deferred Compensation Plan (the "457 Plan") (collectively, "SERS"). The Board accomplishes these tasks through the shared administrative staff of the State Employees' Retirement System, which it also utilizes to administer and operate the 457 Plan and 401(a) Plan, and for which it charges those plans appropriate cost sharing expenses.

II. AUTHORITY.

The Board hereby delegates all necessary power and authority for the Board Finance and Member and Participant Services Committee (the "Committee") to perform the duties and responsibilities described in this Charter and as may otherwise be delegated by the Board from time to time. Except as expressly granted herein, nothing in this Charter shall be construed as giving the Committee the authority to take any action on behalf of the Board or Board Chairperson without first obtaining the approval of the Board.

III. COMPOSITION.

The Committee shall consist of three (3) to five (5) current members of the Board, who may be the designees of Board members ("Committee Members"), as provided in the Bylaws.

The terms of appointment for Committee Members shall be as provided for in the Bylaws.

IV. MEETINGS.

Committee meetings shall be conducted in accordance with the Bylaws, except as otherwise provided in this Charter. The Committee shall meet at least two (2) times every year. The Committee Chair, after consulting with the Committee Members, shall fix the dates and times of the Committee meetings and shall request that the Secretary of the Board provide notice of meetings in accordance with the Bylaws.

The Committee may invite the Chief Financial Officer, Deputy Executive Director for Member and Participant Services, Deputy Executive Director for Administration, other members of SERS management, members of the SERS Chief Counsel's Office

("CCO"), and others to attend meetings and provide pertinent information, as it deems necessary or desirable.

V. RESPONSIBILITIES.

A. Budgeting and Procurement.

1. The Committee shall oversee procurement policies and processes and recommend any changes to the Board.
2. The Committee shall oversee the SERS budgeting process, including sources of funding if applicable, and recommend the approval of any budgets that require Board approval.
3. The Committee shall oversee the overall financial operations and cost effectiveness of SERS.

B. Accounting and Financial Reporting.

1. The Committee shall keep abreast of relevant accounting pronouncements and their impact on SERS.
2. The Committee shall oversee SERS' financial reporting practices and recommend any changes to the Board (provided that the Audit, Risk and Compliance Committee shall oversee audits of financial reports).

C. Actuarial Services.

1. The Committee shall recommend the selection and retention of the Actuary.
2. The Committee shall review any draft actuarial policies and recommend such policies to the Board as necessary.
3. The Committee shall review actuarial assumptions and valuations as necessary and recommend any changes proposed by SERS' actuary to the Board.
4. The Committee shall review the results of the annual actuarial report, annual stress testing and risk report, actuarial experience study, and/or asset liability study prepared by SERS' consultants, and provide recommendations to the Board and the Investment Committee, as applicable.

D. Member and Participant Services.

1. The Committee shall oversee, review, discuss, and make recommendations to the Board for its approval of policies, actions, and other matters related to SERS' administration of the rights, duties, and benefits of SERS members and participants and the duties of Commonwealth employers under the State Employees' Retirement Code; and shall review, discuss, and make recommendations to the Board on customer service issues relating to SERS' members and
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participants and Commonwealth employers, including, but not limited to, the dissemination of information to same.

2. The Committee shall oversee information technology plans and budgets that directly impact member and participant services functions and operations.
3. The Committee shall oversee any significant issues in member and participant services operations that impact the cost effectiveness of SERS as necessary.
4. The Committee shall oversee the implementation of, or change in, any administrative fees (excl. investment management fees) that are charged to participants in the 401(a) Plan and 457 Plan. The Committee will review fees periodically to ensure they remain reasonable over time or otherwise comply with any fee policy that the Board may adopt. The Committee shall make recommendations to the Board, as needed.
5. The Committee shall:
 - a. Oversee the research and due diligence performed by SERS staff to identify and evaluate qualified third party administrators for the 401(a) Plan and 457 Plan; and report any findings and recommendations to the Board.
 - b. Review any recommendations from SERS staff regarding the engagement or termination of third party administrators and update the Board.
 - c. Make recommendations to the Board on customer service matters relating to the administration of the 401(a) Plan and the 457 Plan, including the application of information technology.
6. The Committee shall oversee the plan and trust for both the 401(a) Plan and 457 Plan and make recommendations to the Board for any amendments thereto.

E. Other Responsibilities.

1. The Committee shall monitor member participation in the 401(a) Plan and 457 Plan and advise SERS staff of communications to plan participants as necessary.
2. The Committee shall perform such other activities related to the Committee's functions and duties as are reasonably appropriate or are requested by the Board from time to time.

VI. REPORTING.

- A. Following a Committee meeting, the Committee Chair shall provide a written report to the Board at the next regularly scheduled Board meeting to update
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the Board as to its activities, findings, recommendations, and any other relevant issues. Committee minutes shall be distributed to the Board.

- B. The Committee Chair shall share the agenda for an upcoming Committee meeting with the entire Board as soon as practicable.

VII. SELF-EVALUATION.

- A. The Committee shall collaborate with SERS staff and CCO to review the Committee Charter and the policies and procedures described herein or otherwise overseen by the Committee on a biennial basis. The Committee shall recommend any changes thereto to the Board.
- B. The Committee and each Committee Member shall comply with the Board's self-assessment policies and processes and shall participate in any independent fiduciary reviews.

VIII. MISCELLANEOUS.

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Bylaws.
