

Policy Name: SERS Board Travel Policy
Policy Number: 2018 POL-BD-10
Effective Date: September 12, 2018
Reviewed Date: July 17, 2018; October 27, 2021
Applies To: All SERS Board Members, Designees, and SERS Employees
Contact Person: Deputy Executive Director for Administration

Purpose:

The State Employees' Retirement Board (the "Board"), Board member designees, and its employees stand in a fiduciary relationship to the members and beneficiaries of the State Employees' Retirement System, and to the participants and beneficiaries in the State Employees' Defined Contribution Plan and the Commonwealth of Pennsylvania Deferred Compensation Plan (which System and Plans shall collectively be referred to herein as "SERS").

Board members and their designees are authorized to travel in the performance of their duties and responsibilities to the Board and to SERS.

Employees may from time to time be required to travel on behalf of SERS for various business-related reasons, including, but not limited to, conducting investment-related due diligence reviews and other fiduciary oversight responsibilities, as well as attending meetings and educational seminars.

This policy establishes guidelines for all Board members, designees, and employees traveling on official SERS business ("Business Travel").

The SERS Board Travel Policy supplements and operates in conjunction with:

- Manual 230.1 Amended (the "Commonwealth Travel Procedures Manual") and Commonwealth Management Directive 230.10 Amended (the "Commonwealth Travel Policy"), as each may be amended from time to time;
- Executive Resolution ER-86-064 ("ER-86-064"), attached hereto, as Appendix A;
- SERS Ethical Conduct Policy (2018 POL-BD-11) (applicable to Board members);
- Public Official and Employee Ethics Act;
- Governor's Code of Conduct (applicable to gubernatorial appointees and employees);
- Legislative Code of Ethics (applicable to legislative members);
- State Employees' Retirement System Gifts & Gratuities Policy (2015 POL-EO-01) (applicable to employees);

- State Employees' Retirement System Employee Code of Conduct (2020-POL-OA-02) (applicable to employees);
- Travel Reimbursement Policy (2015 POL-OFA-BPO-06);
- Out-of-State Travel Submissions Memo from the Office of the Governor (May 29, 2019) ("Out-of-State Travel Memo"), attached hereto, as Appendix B; and
- Any other regulations, directives, and executive orders as applicable to each Board member, designee, and employee.

The above-listed items, along with this SERS Board Travel Policy, shall be collectively referred to herein as the "Travel Rules."

This policy is not intended to modify or supersede the terms of any current commonwealth policy, collective bargaining agreement, or memorandum of understanding (MOU) with the union. Where any conflicts may exist between this policy or the terms of any current commonwealth policy, collective bargaining agreement, or MOU, the commonwealth policy, collective bargaining agreement, or MOU shall prevail.

Policy and Guidelines:

- A.** Prior to arranging Business Travel, all employees are encouraged to explore opportunities to participate virtually, subject to supervisor approval, in any meetings, conferences, seminars, and other gatherings, particularly where SERS business needs and the purpose of the attendance can be met through virtual participation.
- B.** Prior to arranging and embarking on Business Travel, all Board members, designees, and employees are to familiarize themselves with the Travel Rules.
- C.** In accordance with established policies, all Board members, designees, and employees are expected to exercise care in incurring expenses and accomplishing Business Travel as a prudent person would exercise, not inconsistent with the Travel Rules.
- D.** In general, Business Travel transportation, lodging, and rental vehicle arrangements for Board members, designees, and employees shall be the most economical to SERS in consideration of the individual's schedule and efficient use. All flights, hotels, train, and rental cars booked in conjunction with flights must be reserved online using SAP Concur or any successor online booking system established by the Commonwealth (collectively referred to herein as "SAP Concur"). Board members and designees shall make all arrangements for Business Travel through the SERS Executive Office, including Business Travel approvals, booking and expense reimbursements. The SERS Executive Director is to be notified of requests for arrangements for Business Travel for Board members and designees. Board members, designees, and employees in need of automotive transportation that is not associated with a flight must choose the least

expensive option that meets business needs. Employees must receive prior approval from their supervisor before making any Business Travel arrangements.

- E.** Notwithstanding the exception in ER-86-064 providing for an exemption from the monetary limits of the Commonwealth Travel Policy relating to travel and subsistence allowances for Board members, Executive Director, and Chief Investment Officer, the exemption shall not be utilized, and the monetary limits of the Commonwealth Travel Policy shall apply for any Business Travel.
- F.** For any out-of-state and international Business Travel, the following shall apply:
1. All employees must receive prior written approval from the Executive Director, Board Chairperson and the Chief Investment Officer prior to making any international investment-related Business Travel arrangements.
 2. Pursuant to ER-86-064, for travel outside the Commonwealth of Pennsylvania, but within the United States, employees are not required to use the Commonwealth Out-of-State Travel Application (COSTA) system, or successor system thereto (collectively referred to herein as “COSTA”), to request approval prior to making any reservations or incurring any costs related to the Business Travel. For international travel, all employees are required to use COSTA to request approval prior to making any reservations or incurring any costs related to the international travel.
 3. Pursuant to the Out-of-State Travel Memo, all gubernatorial appointees to the Board are required to use COSTA to request approval prior to making any reservations or incurring any costs related to any out-of-state and international Business Travel. The Executive Office will assist gubernatorial appointees in the use of COSTA for this purpose.
 4. Pursuant to ER-86-064, for travel outside the Commonwealth of Pennsylvania, but within the United States, Board members not appointed by the Governor and designees are not required to use COSTA to request approval prior to making any reservations or incurring any costs related to the travel. For international travel, Board members not appointed by the Governor and designees are required to use COSTA to request approval prior to making any reservations or incurring any costs related to the international travel. The Executive Office will assist Board members not appointed by the Governor and designees in the use of COSTA for this purpose.
- G.** It is acknowledged and understood that certain investment vehicles that SERS is subscribed to, and/or various third-party investment managers that have been engaged by SERS, pursuant to applicable contract provisions, are to furnish transportation,

lodging, and/or meals in whole or in part to designated representatives of SERS from time to time. Notwithstanding the foregoing, such representatives of SERS that participate in Business Travel shall coordinate their travel through the SERS Investment Office and they shall: (i) either directly, if an employee, or through the SERS Executive Office, if a Board member or designee, make all Business Travel arrangements through SAP Concur, and, thus, not permit any person or entity other than the Commonwealth to make Business Travel arrangements on their behalf, nor accept any Business Travel arrangements made by any parties other than the Commonwealth (which arrangements shall not be reimbursed by SERS); and (ii) either directly, if an employee, or through the SERS Investment Office, if a Board member or designee, seek reimbursement of such Business Travel costs and expenses from outside parties where applicable/permissible. Any contracts entered into by SERS or the Board after January 1, 2022 shall provide for the policy positions listed in items (i) and (ii) above. Any reimbursements owed to SERS pursuant to item (ii) above shall be payable to the Commonwealth of Pennsylvania and delivered directly to the Bureau of Commonwealth Payroll Operations.

All pre-investment due diligence Business Travel expenses must be paid by SERS and/or the employee for reimbursement by SERS. No reimbursement from investment managers for any pre-investment due diligence Business Travel shall be permitted or accepted.

Board members, designees, and employees are not permitted to seek out or receive extraordinary services from outside parties (e.g., entertainment, on-demand private car service, tickets to sporting events, etc.) under any circumstances.

- H.** Business Travel is intended to fulfill *bona fide* business and fiduciary requirements, not the personal desires of the traveling Board member, designee, or employee. Business Travel may be extended to accommodate a personal side trip, provided all expenses of the personal side trip are borne entirely by the traveling Board member, designee, or employee. Employees shall obtain the prior written approval of his or her supervisor to accommodate personal side trips. Travel arrangements must be made to accommodate business duties and not personal preference. Strictly personal travel cannot be confirmed using SAP Concur. For employees, should the personal portion of a business-related trip fall on business days/non-Holidays, use of annual leave will be required.

Roles and Responsibilities:

- A)** N/A

Related Information:

A) Consequences:

- 1) Any employee found to have violated this policy is subject to appropriate disciplinary action, up to and including termination from employment.

B) Related Policies:

- 1) Manual 230.1 Amended – Commonwealth Travel Procedures Manual
- 2) Commonwealth Management Directive 230.10 Amended – Commonwealth Travel Policy
- 3) SERS Ethical Conduct Policy (2018 POL-BD-11) (applicable to Board members)
- 4) Public Official and Employee Ethics Act
- 5) Governor's Code of Conduct (applicable to gubernatorial appointees and employees)
- 6) Legislative Code of Ethics (applicable to legislative members)
- 7) State Employees' Retirement System Gifts & Gratuities Policy (2015 POL-EO-01) (applicable to employees)
- 8) State Employees' Retirement System Employee Code of Conduct (2020-POL-OA-02) (applicable to employees)
- 9) Travel Reimbursement Policy (2015 POL-OFA-BPO-06)
- 10) Executive Resolution ER-86-064
- 11) Out-of-State Travel Submissions Memo from the Office of the Governor (May 29, 2019)

C) Related Processes:

- 1) N/A

D) Definitions:

- 1) N/A

E) Special Notes:

- 1) Board members, designees, and employee supervisors should seek clarification from the Chief Compliance Officer when application of this SERS Board Travel Policy is unclear. Clarification of the specifics of the Commonwealth Travel Procedures should also be sought from the SERS travel coordinators. The Chief Compliance Officer or travel coordinators shall notify the Executive Director

when advice and counsel or clarification from Board members or designees is solicited.

F) Business Continuity Significance

- 1) N/A

Document Properties

- a. **Document Owner:** Executive Office
- b. **Document Author:** David E. Durbin, as amended by the Executive Office.
- c. **Summary of Changes:**

Date	Version	Author	Summary
July 17, 2018	2018 POL- BD-10	David E. Durbin	The policy established by the Board providing guidance to the Board members and establishing guidelines for all SERS Board members and designees traveling on official SERS business.
October 27, 2021		Christopher C. Houston	The policy has been revised to merge the Board policy with the SERS Travel Policy (2015 POL-EO-02) applicable to employees, as well as to make other revisions pertaining to Business Travel arrangements included in certain investment and procurement-related contracts.

APPENDIX A

RESOLUTION # ER-86-064

March 27, 1986

WHEREAS, pursuant to 4 Pa. Code §40.3(c), the following agency has requested approval of guidelines relating to travel and subsistence, in the form of exceptions to the provisions of Management Directive 230.10 (Travel and Subsistence Allowances); and

WHEREAS, this agency has adopted the provisions of Management Directive 230.10, with the exceptions requested; therefore, be it

RESOLVED, that the board members, executive director, assistant executive director, and chief investment officer of the State Employees' Retirement System are exempt from the monetary limits of Management Directive 230.10; and be it further

RESOLVED, that with respect to Section 05b of Management Directive 230.10, officials and employes of the State Employees' Retirement System will not need prior authorization to travel out of the state; and be it further

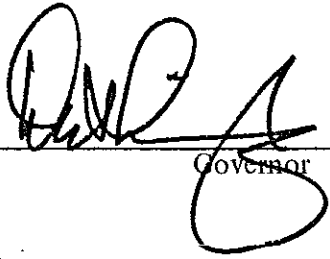
RESOLVED, that exceptions approved herein are effective March 1, 1986.

RECEIVED

MAR 29 1986

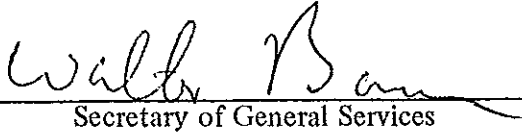
COMPTROLLERS OFFICE
EDUCATION & COM. SERVICES

Gary
4/10/86
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Governor

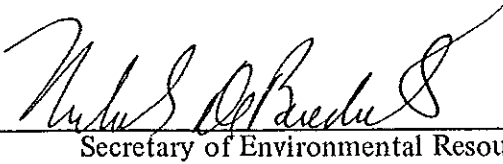
ER-86-064



Secretary of General Services



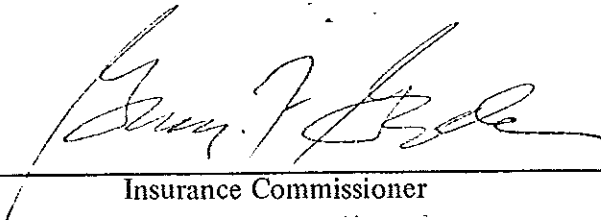
Secretary of Banking



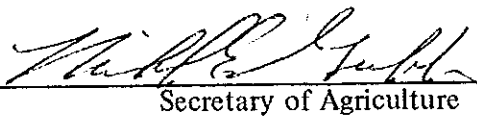
Secretary of Environmental Resources



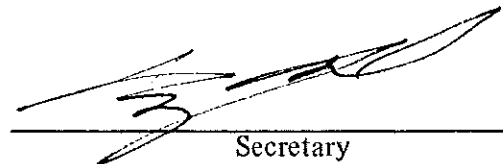
Secretary of Revenue



Insurance Commissioner



Secretary of Agriculture



Secretary

APPENDIX B

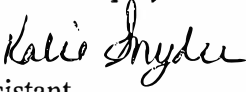
COMMONWEALTH OF PENNSYLVANIA OFFICE OF THE GOVERNOR

MEMO

DATE: May 29, 2019

SUBJECT: Out-of-State Travel Submissions

TO: Terrill Sanchez, Executive Director
Pennsylvania State Employees' Retirement System

FROM: Kalie Snyder 
Executive Assistant
Office of Governor Tom Wolf

The Governor's Office has conducted a review of the current Out-of-State Travel Policy. There is presently no process in place for members of the Pennsylvania State Employees' Retirement System to submit requests for review of out-of-state travel. Per the Management Directive 230.10, Commonwealth Travel Policy, all departments, boards, commissions, and councils under the Governor's jurisdiction, must submit form STD 189 and STD 190, for review, prior to making any arrangements to travel out of state or internationally.

Effective as of the date of this memorandum, the Governor's Office will require that only those employees/members of the Pennsylvania State Employees' Retirement System, appointed by the Governor, be required to submit an STD 189 form and STD 190 form, through the Commonwealth Out of State Travel Application (COSTA) system, for approval prior to making plans for out of state and international travel.

You can access the COSTA system at the following link: <https://costa.pa.gov/>. We are happy to assist in familiarizing all appointed employees/members of the Pennsylvania State Employees' Retirement System, with how to navigate the COSTA system.

Thank you for your assistance and cooperation. For your convenience, below are links to the Commonwealth Travel Procedures Manual, the Commonwealth Travel Policy, and the Out-of-State Travel Policy (for your reference). If there are any questions or concerns, please do not hesitate to contact me.

Manual 230.1, Commonwealth Travel Procedures Manual –
https://www.oa.pa.gov/Policies/Documents/m230_1.pdf

Management Directive 230.10, Commonwealth Travel Policy –
https://www.oa.pa.gov/Policies/md/Documents/230_10.pdf

Out-of-State Travel Policy –
<https://www.budget.pa.gov/Services/ForCommonwealthTravelers/Documents/out-of-state-travel-policy.pdf>

Governor Appointed Members:

1. Stephen Aichele
2. Glenn Becker
3. David Fillman
4. Mary Soderberg
5. Melanie DePalma
6. Greg Thall
7. Greg Jordan