

SERS Strategic Plan

July 1, 2023 - June 30, 2027

Transforming the SERS Experience
by Expanding Digital Options



pennsylvania

STATE EMPLOYEES' RETIREMENT SYSTEM



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ABOUT US

Simply put, the Pennsylvania State Employees' Retirement System is a small agency with a big purpose: administering the retirement benefits for nearly a quarter-million current and former Pennsylvania employees, their beneficiaries, and survivors.

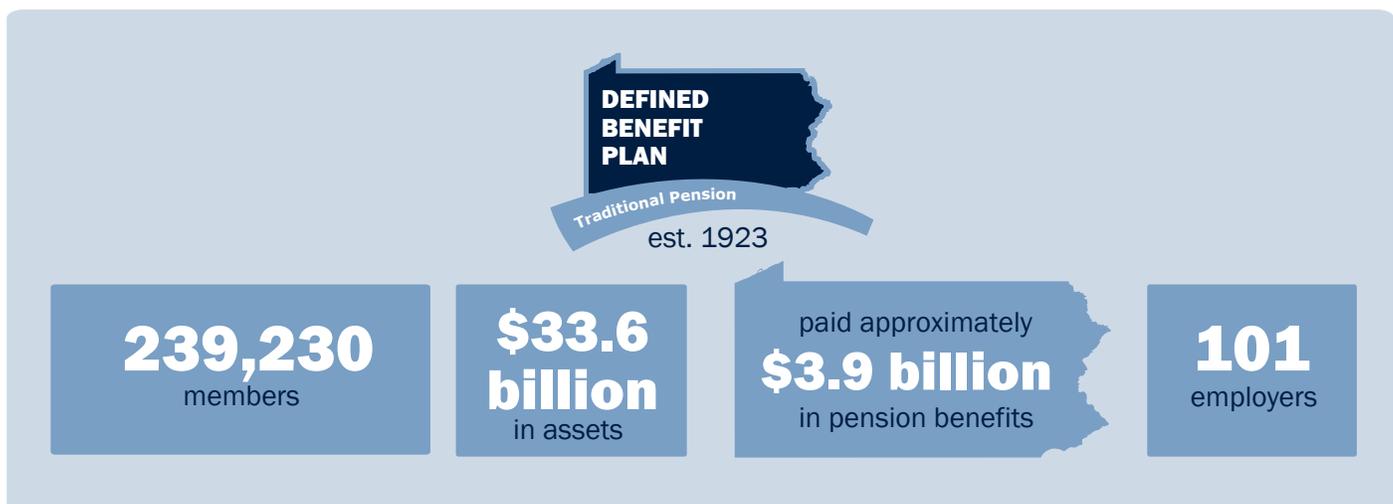
For most of our members and participants, these retirement benefits are their biggest assets, and are meant to support them for life after retirement. With that as our driving force, all of us at SERS share a singular focus: help prepare our members and participants to achieve financial security in retirement.

Guided by an 11-member board, our work involves administering nearly \$38 billion in assets, as of December 31, 2022. The assets are held in trust for our members and participants as part of the four retirement plans we administer:

- Defined Benefit Plan, known as the traditional pension plan, was established in 1923, making it one of the nation's oldest and largest statewide retirement plans for public employees.
- Defined Contribution Plan, is a personal investment plan, similar to a 401(k) plan, that opened to new employees in 2019.
- Hybrid Plan, is a combination plan in which employees contribute to both the traditional pension plan and the newer investment plan. It also opened to new employees in 2019.
- Deferred Compensation Plan, is a voluntary, supplemental investment plan that has been providing extra retirement savings to SERS members since 1987.



WHO WE SERVE as of December 31, 2022



MESSAGE FROM OUR EXECUTIVE DIRECTOR



Beginning in October 2022, we launched an ambitious initiative to transform SERS into a digital workplace. Since then, that initiative has been reviewed, discussed, and revised into the strategic plan that is summarized in the following pages. This plan is at the center of SERS' vision to provide best-in-class services and products to our members, participants, and stakeholders.

The fundamental goal of this four-year strategic plan: To digitally transform SERS by expanding digital options while reducing dependence on paper processes.

As part of this effort, we are transitioning our customer service model from SERS staff providing services during the workday, to empowering members and participants to access and manage their accounts whenever they want, and from wherever they happen to be.

We are moving from a totally paper-dependent retirement process to making online and electronic services the mainstay of our member support model. At the same time, anyone who is more comfortable with the paper process can continue using paper. We will be revamping our public website and mobile options to make them more robust and customer friendly. In addition, we'll be adding digital features to give our members and participants the flexibility to view their account information and update information online in real time.

SERS' digital transformation will also create a more streamlined operational workflow internally. Moving to a digital workplace will give SERS staff quicker access to important information across the enterprise thus helping to improve efficiencies and customer service. It will also serve to expand telework capabilities to more business processes in more business areas, and provide an additional layer of insulation against business disruptions to ensure continuity of service.

These are truly exciting times! And the fact that, in 2023, we are celebrating our 100th anniversary year underscores the vital importance of this ongoing transformation. These changes won't happen overnight. But we are committed, in the months and years ahead, to find ways as efficiently and securely as possible, to serve our members and participants and help them achieve financial security in retirement. After all, that is our core mission.

Please feel free to reach out with any comments or suggestions you might like to share. You can email our Communications Office at: RA-ERCOMMUNICATIONS@pa.gov.

Sincerely,

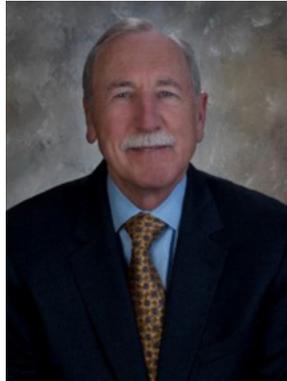
A handwritten signature in black ink that reads "Joseph A. Tuzi". The signature is written in a cursive, slightly slanted style.

BOARD MEMBERS SERVING YOU

The SERS' Board establishes governance and board education policies and oversees the administration of the Defined Benefit Plan, the Deferred Compensation Plan, and the Defined Contribution Plan. The board also sets investment policy, asset allocation, and approves investments made by the fund. Other responsibilities include setting actuarial assumptions and adopting the annual employer contribution rates for the SERS plans. The board participates in the systematic development of the strategic plan, approves the final plan for adoption, and provides oversight and input on an ongoing basis.



David R. Fillman
Chair



Glenn E. Becker
Assistant Chair



John M. DiSanto
PA State Senator



Dan B. Frankel
PA State Representative



Stacy Garrity
PA State Treasurer



Vincent J. Hughes
PA State Senator



Gregory K. Jordan
Fmr. ED, Senate Apps



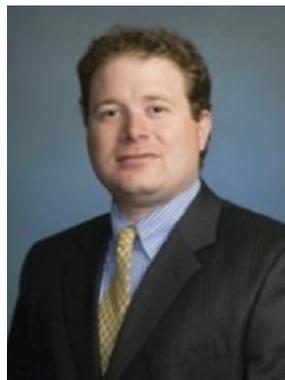
Brett R. Miller
PA State Representative



Mary A. Soderberg
Former Budget Sec'y



Wendy Spicher
Sec'y Banking & Securities



Gregory C. Thall
Former Budget Sec'y

Mission

Prepare our members and participants to achieve financial security in retirement.

Vision

To be an employer of choice and an innovative leader among public pension organizations by providing best-in-class services and products to our members, participants, and stakeholders.

A Commitment to Service

OUR CORE VALUES

CHAMPION THE MISSION

We champion the mission and SERS' commitment to serve our members, their families, and beneficiaries, throughout their careers and into retirement.

ACT ETHICALLY & WITH INTEGRITY

We embrace the qualities of trustworthiness, honesty, integrity, fairness, accountability, and ethics as an organization. Remembering to do the right thing even when no one is looking.

EMPOWER MEMBERS

We believe in providing our members and stakeholders with the services, tools, and information that they need, where and when they need them.

EMBRACE INNOVATION

We strive to continuously improve by being open-minded and by encouraging, promoting, implementing, and valuing new ideas and solutions to better serve our members.

FOSTER LIFE WORK BALANCE

We value, appreciate, and recognize our staff as individuals whose value extends beyond the workplace. We encourage and support the growth, development, and contributions of each employee outside of the workplace and seek to foster a positive balance with life and work.

MODEL AN INCLUSIVE & RESPECTFUL WORKPLACE

We embrace different ideas, perspectives, experiences, knowledge, and opinions. We believe it's our differences that make us a better organization.

VALUE & DEVELOP TEAM MEMBERS

We treat our members, coworkers, and others with empathy, politeness, courtesy, civility, and thoughtfulness. We provide encouragement, opportunities, and validation to our coworkers

COLLABORATE

We encourage communication and collaboration among and between our employees, vendors, stakeholders, and members to provide responsive and excellent service to our coworkers, members, and stakeholders.

FIND JOY

Find joy, laughter, and fun at work with your colleagues in serving our members and stakeholders. Always remember what you do is important and makes a difference, and you'll be great at your job.

OUR STRATEGIC PLAN FRAMEWORK

Effective strategic planning and oversight of the plan is critical to our success in fulfilling our responsibilities.

The strategic plan:

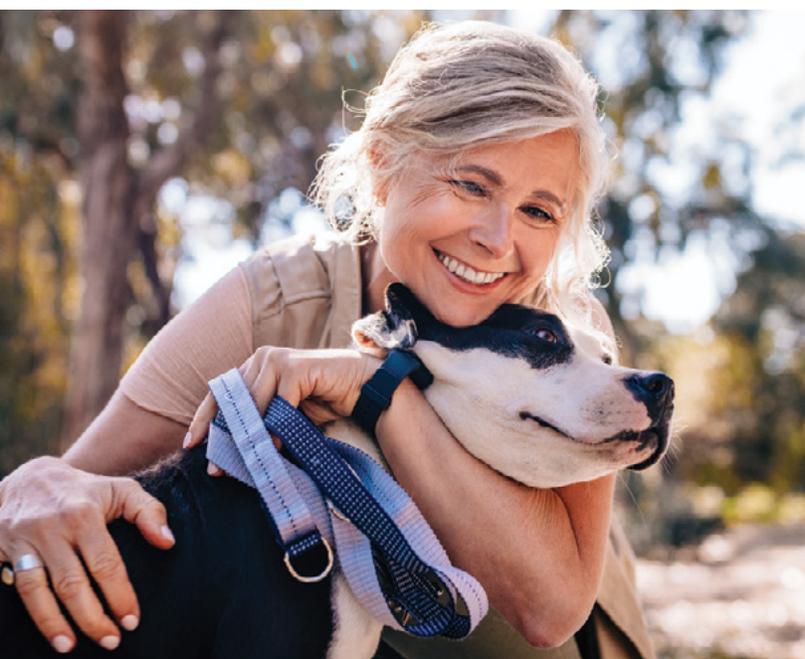
- Ensures that strategic investment, operations, and business planning occurs in a rigorous, systematic, and coordinated manner across the agency
- Keeps the planning process roles of the board and staff clearly delineated and appropriate
- Develops a road map that provides direction for both long-term and short-term strategies to achieve common goals and strategic initiatives
- Facilitates the communication of SERS' strategic direction throughout the organization and to our stakeholders
- Provides ongoing oversight, accountability, and updates throughout the entire plan beginning on July 1, 2023 through June 30, 2027



OUR STRATEGIC PRIORITIES

Transforming the “SERS experience” through the expansion of digital options, while reducing dependence on paper processes will be achieved through a framework that is focused on specific, measurable, action-oriented, realistic, and timely goals. The following strategic priorities will guide our digital transformation:

<p>Member Experience</p> <p>Enhance the member and participant experience through automated and self-service opportunities while maintaining personalized service</p>	<p>Operational Efficiencies</p> <p>Enhance efficiencies through streamlined processes and aligned content management practices</p>	<p>Centralized Data</p> <p>Enhance efficiencies and collaboration through a centralized repository(ies) of searchable, shareable resources</p>	<p>Workplace Experience</p> <p>Enhance the overall work experience for all employees while fulfilling the SERS mission</p>	<p>Pension Administration System</p> <p>Determine the roadmap in light of digital transformation and modernization efforts to provide digital access to member accounts</p>
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OUR FOUNDATIONAL GOALS

These enterprise wide foundational goals will support the transformation of our operations and establish a road map for success.

Year 1

Complete an independent comprehensive technology assessment detailing SERS technology architecture and the current platforms' functional potential to support our digital transformation project.

Create an agencywide project planning and governance process that includes prioritization, risk management, and conflict resolution for providing appropriate resources based upon need including and beyond strategic plan initiatives.

Complete an analysis of strategic goals contained in this plan against the technical capabilities inventory to develop a plan to leverage/expand current solutions already owned by SERS to quickly solve new problems and incorporate where appropriate in our digital transformation.

Year 2

Continue to identify gaps in the current technology architecture and develop a plan to implement and build out new technology solutions to support strategic goals.

Implement a third-party risk management framework and monitoring program.

Upgrade member portal (MES) security technology to include multi-factor authentication and KeystoneLogin and conduct an analysis of industry best practices and solutions for supporting two-way secure transactions and delivery of confidential documents online.

OUR STRATEGIC PLAN DELIVERABLES BY YEAR

Transform the SERS member experience by expanding digital options while reducing dependence on paper processes.

YEAR 1

- Develop Board metrics
- Develop an agencywide project planning and governance process
- Complete the phone system migration
- Begin digital newsletter distribution
- Draft initial SOC audit policies and processes
- Initiate quarterly staff updates on strategic plan progress

YEAR 2

- Convert to digital new member packages
- Build member portal (MES) security enhancements
- Establish digital knowledge management plan
- Complete actuarial audit
- Implement third-party risk management framework
- Pilot an employee resource group

YEAR 3

- Create digital enhancements to member journey
- Clean network drives
- Complete SOC audit
- Identify data management architecture
- Establish Employee Resource Group(s)
- Continue employee training to support digital transformation
- Initiate employee skills assessment

YEAR 4

- Continue member portal (MES) enhancements
- Expand e-signature capabilities
- Implement digital workflow solutions
- Complete digital knowledge transfer
- Initiate skills-based training

YEAR 1 GOALS

#1 Member Experience

- Map and identify (by business unit) high-volume workflows to transition each year to a digital format to better support members, participants, and employees and reduce dependency on paper.
- Complete the SERS telephone system migration to Microsoft Teams.
- Convert current member newsletter to digital for all commonwealth employees.
- Identify and prioritize OMPS priorities for secure member digital transactions.

#2 Operational Efficiencies

- Staff to publish policy and process documents on PolicyTech to aid in the agency SOC audit.
- Procure the consultant and finalize the plan to review current and draft additional policies and processes in preparation for the 2025 SOC audit.
- Procure the consultant and finalize the plan to review current methodology and procedures of SERS' actuary, Korn Ferry.
- Complete the gap analysis of SOC-related policies and processes.

#4 Workplace Experience

- Develop and implement an agencywide Communication plan to support staff, members, and participants throughout the strategic plan process.
- Initiate quarterly updates to all staff to inform and engage them concerning our workplace transformation and its impact on our members, participants, and employees.

#5 Pension Administration Modernization

- Complete technology assessment of legacy system and SERIS 2.0.
- Evaluate market for best in class systems.



YEAR 2 GOALS

#1 Member Experience

- Convert new member packages to digital for all new employees with links to SERS and TPA websites.
- Develop and finalize the plan to identify the resources needed and initiate the necessary procurement to support the digital transition of high-volume workflow processes and expand the digital workflow solutions.
- Develop and share information for members and employers to support their transition to our new digital resources.

#2 Operational Efficiencies

- Procure the consultant and finalize the plan to perform the agencywide SOC audit.
- Complete an independent review of SERS' actuarial procedures utilized by Korn Ferry.
- Identify and develop a plan for the use of e-signature to include external parties and notarization.

#3 Centralized Data Resources

- Establish a digital knowledge management plan/methodology.

#4 Workplace Experience

- Initiate ongoing training to help managers and employees develop the skills to support their work experience at SERS.

#5 Pension Administration Modernization

- Evaluate the pension administration system assessment recommendations and their potential integration into the new digital member experience.



YEAR 3 GOALS

#2 Operational Efficiencies

- Complete the agencywide SOC audit.

#3 Centralized Data Resources

- Review, evaluate, and scrub all business unit shared network drives according to the established plan.
- Determine the to-be replacement architecture for storing, securing, and sharing network files, develop an implementation and migration plan, and procure any resources necessary to support the prioritization and implementation of the identified solution.

#4 Workplace Experience

- Initiate employee resource group(s) to engage employees in enhancing the workplace experience while fulfilling the SERS mission.

#5 Pension Administration Modernization

- Begin integration of pension administration system recommendations into the new digital member experience.



YEAR 4 GOALS

#1 Member Experience

- Build support into the member portal (MES) for secure two-way transactions and delivery of member documents online.
- Implement the digital workflow solutions plan.
- Deliver enhancements of member portal (MES) for secure two-way transactions and delivery of member documents.

#2 Operational Efficiencies

- Implement e-signature expansion plan.

#3 Centralized Data Resources

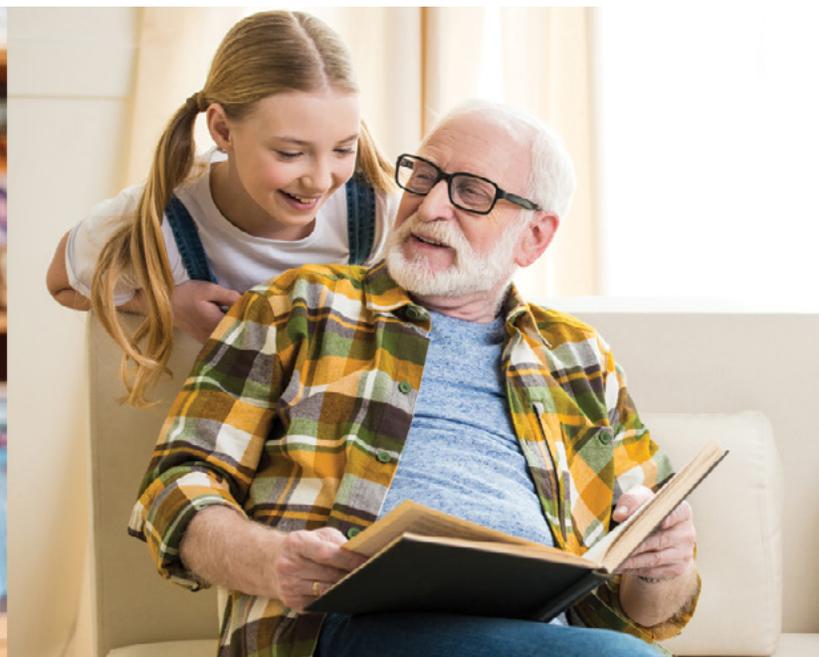
- Complete the implementation of the approved online searchable data repository solution with agencywide access.

#4 Workplace Experience

- Continue career development programs and opportunities for personal and professional growth.
- Initiate skills-based training for employees.

#5 Pension Administration Modernization

- Continue integration of pension administration system recommendations into the new digital member experience.



YOUR SENIOR LEADERSHIP TEAM



Joe Torta
Executive Director



Jim Nolan
Chief Investment Officer



Joe Marcucci
Chief Counsel



Sara McSurdy
Chief Financial Officer



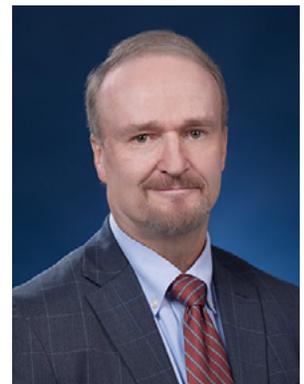
Cindy Collins
Director Governance & Strategic Initiatives



Brenda Cunard
Deputy Director Member & Participant Services



Beth Christian
Deputy Director Office of Administration



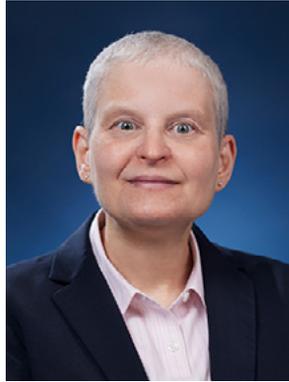
Thomas Derr
Director Communications & Policy



YOUR SENIOR LEADERSHIP TEAM



Ryan McCoy
Internal Audit Director



Jo Ann Collins
Chief Compliance Officer



Pam Hile
Press Secretary



Dan Krautheim
Chief Information Officer



Katie Mathews
Director Human Resources



Dawn Smith
Director Operations Office



Bill Truong
Deputy Chief Investment Officer





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**DEFINED
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Traditional Pension

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Supplemental Benefit

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