

MINUTES

Finance and Member and Participant Services Committee

Tuesday, September 30, 2025 ~ Scheduled Start: 2:45 p.m. ~ Actual Start: 3:01 p.m.

ATTENDANCE AT COMMITTEE MEETING:

Board Members:

*Committee Members noted with * behind their name*

- | | |
|---|--|
| <input checked="" type="checkbox"/> Donald Enders, Jr. * | <input type="checkbox"/> Rep. Brett Miller |
| <input type="checkbox"/> W. Russell Faber | <input type="checkbox"/> Michael Heckmann, Designee |
| <input checked="" type="checkbox"/> Rep. Dan Frankel * | <input checked="" type="checkbox"/> Jill Vecchio, Designee |
| <input type="checkbox"/> Anne Baloga, Designee | <input type="checkbox"/> Sec. Uri Monson |
| <input type="checkbox"/> Jordan Laslett, Designee | <input type="checkbox"/> Sen. Devlin Robinson * |
| <input checked="" type="checkbox"/> Matthew McCarry, Designee | <input type="checkbox"/> Kevin Battle, Designee |
| <input type="checkbox"/> Devin Mercado, Designee | <input checked="" type="checkbox"/> Stephanie Buchanan, Designee |
| <input checked="" type="checkbox"/> John Galuska * | <input type="checkbox"/> Allison Dutrey, Designee |
| <input type="checkbox"/> Tr. Stacy Garrity | <input type="checkbox"/> Sec. Wendy Spicher * |
| <input checked="" type="checkbox"/> Christopher Craig, Designee | <input checked="" type="checkbox"/> Seamus Dubbs, Designee |
| <input type="checkbox"/> Lloyd Ebright, Designee | <input type="checkbox"/> Eric Pistilli, Designee |
| <input checked="" type="checkbox"/> Tom Waters, Designee | <input checked="" type="checkbox"/> Jeffrey Soderstedt, Designee |
| <input type="checkbox"/> Sen. Vincent Hughes | <input type="checkbox"/> Gregory Thall (Board Chair) |
| <input checked="" type="checkbox"/> Matthew Lindsay, Designee | |
| <input type="checkbox"/> Antoinette Marchowsky, Designee | |

SERS Leadership:

*Committee Liaisons and Committee Counsel noted with * behind their job title*

- | | |
|---|--|
| <input checked="" type="checkbox"/> Chief Compliance Officer
<i>Jo Ann Collins</i> | <input checked="" type="checkbox"/> Chief Financial Officer *
<i>Sara McSurdy</i> |
| <input checked="" type="checkbox"/> Chief Counsel
<i>N. Joseph Marcucci</i> | <input checked="" type="checkbox"/> Chief Information Officer
<i>Daniel Krautheim</i> |

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|---|--|
| <input checked="" type="checkbox"/> Chief Investment Officer
<i>James Nolan</i> | <input checked="" type="checkbox"/> Deputy Executive Director for OMPS *
<i>Brenda Cunard</i> |
| <input checked="" type="checkbox"/> Comm. Director & Press Secretary
<i>Pamela Hile</i> | <input checked="" type="checkbox"/> Director of Gov. & Strategic Initiatives
<i>Cynthia Collins</i> |
| <input checked="" type="checkbox"/> Deputy Chief Counsel (Benefits) *
<i>Catherine Nolan</i> | <input checked="" type="checkbox"/> Executive Director
<i>Joseph Torta</i> |
| <input checked="" type="checkbox"/> Deputy Chief Counsel (Business) *
<i>Steven Skoff</i> | <input checked="" type="checkbox"/> HR Director
<i>Michele Shaner</i> |
| <input checked="" type="checkbox"/> Deputy Chief Financial Officer
<i>Michael McGeoy</i> | <input checked="" type="checkbox"/> Internal Audit Director
<i>Ryan McCoy</i> |
| <input type="checkbox"/> Deputy Chief Investment Officer
<i>William Truong</i> | <input checked="" type="checkbox"/> Legislative Affairs & Policy Director
<i>Thomas Derr</i> |
| <input checked="" type="checkbox"/> Deputy Executive Director for Admin.
<i>Beth Christian</i> | |

SERS Board Committee Support:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Administrative Assistant, OA
<i>Kelly Bernhard</i> | <input checked="" type="checkbox"/> IT Administrator
<i>Mark Walter</i> |
| <input checked="" type="checkbox"/> Executive Assistant, OA
<i>Shannon Zimmerman</i> | <input checked="" type="checkbox"/> IT Generalist
<i>Jonathan Ryan</i> |
| <input checked="" type="checkbox"/> Executive Assistant, Board Ed.
<i>Sheila Willrich</i> | <input checked="" type="checkbox"/> IT Generalist
<i>Brett Shaffer</i> |
| <input checked="" type="checkbox"/> Executive Secretary
<i>Courtney Yurovich</i> | <input checked="" type="checkbox"/> IT Generalist
<i>Matthew Soule</i> |
| <input checked="" type="checkbox"/> Administrative Officer, OMPS
<i>Dana Shettel</i> | <input type="checkbox"/> Technical Support Director
<i>Randy Gilson</i> |

Other SERS Staff:

- Lindsay Bailor, Executive Office
- Robert Necciai, Chief Counsel's Office

Other Attendees:

- Craig Graby, GRS Consulting
- Kris Seets, GRS Consulting

NARRATIVE/ISSUES:

1. Call to Order and Roll Call

The meeting was called to order at 3:01 p.m. by Representative Dan Frankel, Committee Chair.

2. Welcome and Introductions

Deputy Executive Director for the Office of Member and Participant Services, Brenda Cunard, conducted roll call.

3. Approval of the Minutes

The Committee approved the minutes from the July 22, 2025 Finance and Member and Participant Services Committee meeting.

4. Old Business

None

5. Special Presentations

A. Stress Testing and Risk Assessment Report

SERS actuaries from Gabriel, Roeder, Smith and Company (GRS) presented key highlights of the 2025 Stress Testing and Risk Assessment Report, which provides analysis of “What if?” scenarios, referred to as Stress Tests or Scenario Tests, to determine the availability of assets to pay benefits when due to members. They provided a high-level overview of three scenarios tested and concluded that SERS is well-positioned to adjust to potentially unfavorable circumstances.

By motion that was moved, seconded, and approved, it was RESOLVED that the Finance and Member and Participant Services Committee recommend that the State Employees’ Retirement Board approve the 2025 Stress Testing and Risk Assessment Report prepared by SERS’ Actuary Gabriel, Roeder, Smith & Company (GRS), as set forth in the attached.

The roll call vote tabulation was as follows:

Board Member	Vote
ENDERS	Yes
FRANKEL	Yes
GALUSKA	Yes
ROBINSON	
Designee: Buchanan	Yes
SPICHER	
Designee: Soderstedt	Yes

6. New Business

A. FY 2026-2027 Budget Presentation

Chief Financial Officer Sara McSurdy presented the proposed budgets for Fiscal Year 2026-2027 for SERS' Defined Benefit Plan, Defined Contribution Plan, and Deferred Compensation Plan. She provided a high-level overview of each of the budgets, highlighting key changes in Personnel and Operating Expenses within each of the budgets.

By motion that was moved, seconded, and approved, it was RESOLVED that the Finance and Member and Participant Services Committee recommend that the State Employees' Retirement Board approve, for Fiscal Year 2026-2027, the following proposed budgets:

- (1) SERS Administrative Budget of up to \$43,406,000 inclusive of amounts separately approved by the Audit, Risk, and Compliance (ARC) Committee specifically for the Internal Audit Office;
- (2) SERS Investment Budget of up to \$12,185,000 inclusive of amounts separately approved by the ARC Committee specifically for the Internal Audit Office;
- (3) State Employees' Defined Contribution Plan Budget of \$4,939,000 inclusive of amounts separately approved by the ARC Committee specifically for the Internal Audit Office; and
- (4) Commonwealth's Deferred Compensation Plan Budget of \$1,152,000 inclusive of amounts separately approved by the ARC Committee specifically for the Internal Audit Office,

each substantially in the same form as presented in the Chief Financial Officer's SERS FY 2026-27 Budget presentation, and each as amended and/or ultimately approved by the Office of the Budget, as set forth in the attached.

The roll call vote tabulation was as follows:

Board Member	Vote
ENDERS	Yes
FRANKEL	Yes
GALUSKA	Yes
ROBINSON	
Designee: Buchanan	Yes
SPICHER	
Designee: Soderstedt	Yes

7. Informational Items

A. Empower SEC Settlement

Ms. Cunard provided details regarding a settlement between Empower and the SEC and the impact this settlement has on approximately 560 SERS' participants, or around 2.6% of all enrolled participants. The settlement involved the SEC's findings on how Empower disclosed

some bonus compensation paid to certain representatives, specifically that some retirement plan advisors who had a discretionary bonus compensation component tied to managed account enrollments did not adequately disclose the potential conflict of interest. The SEC did not find that any participants were harmed, and they did not raise concerns with any recommendations made by Empower representatives or with the costs, performance, participant benefits or other features of Empower's managed account offerings. The impacted SERS' participants will receive nominal refunds as soon as administratively feasible.

B. 20th Investigation of Actuarial Experience Report Distribution

Ms. Cunard noted that this report covers the period January 1, 2020 through December 31, 2024. Highlights of the actuarial study were presented at the July 2025 Committee meeting.

C. Board Consultant Evaluation Memo

Ms. Cunard explained that this Committee is responsible for the Third-Party Administrator (TPA) and actuary relationships, that are both very important to operations at SERS. The memo highlights the work they do, as well as recent events, and indicates that they met our expectations during the last year.

D. Benefits and Membership Lists (May, June, July 2025)

Ms. Cunard provided a brief overview of each of the lists that are reviewed by OMPS staff and uploaded for each Committee meeting.

8. Comments, Concerns, Questions, and Reminders

The next committee meeting will be held in January 2026.

9. Motion to Adjourn

By motion that was moved, seconded, and approved, it was RESOLVED that the meeting be adjourned at 3:40 P.M.

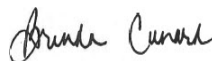
10. Follow up / Next Steps

None

Respectfully Submitted,



Sara McSurdy
Chief Financial Officer



Brenda Cunard
Deputy Executive Director
Office of Member and Participant Services