

**MINUTES FROM MEETING OF
THE REGIONAL TRANSPORTATION AUTHORITY PENSION COMMITTEE
November 18, 2022**

The Pension Committee members of the Regional Transportation Pension Plan met in regular session on November 18, 2022, pursuant to notice.

Chairperson Nadine Lacombe (RTA) was present and presided

Also Present: Win Buren – METRA
Frank Dufkis – PACE
Joseph Ellyin – PACE
John Milano – METRA
Allison Noback – RTA
William Lachman – RTA, Chair, RTA Board of Pension Trustees

Support Staff Present included:

Katie Rak – McGuire Woods
Rob Reed – Alliance Pension Consultants, LLC
Jeff Van Wagner – Alliance Pension Consultants, LLC
Lance Weiss – GRS
Amy Williams – GRS
Josh Murner - GRS
Kristen Brundirks - GRS

Call to Order

Ms. Lacombe called the meeting to order at 9:44 a.m. Roll call was conducted whereupon a quorum was declared to be present.

Approval of Minutes from the August 24, 2022 Meeting

Upon motion by Joseph Ellyin and second by John Milano, the above minutes were approved unanimously.

Public Comment

Mr. Reed indicated there was no one wishing to make public comment and no one from the public present.

Update Discussion Related to the Hosting of the Pension Database

Ms. Lacombe indicated that she had received the initial draft of the contract and that it was under review by the RTA's Senior Counsel. RTA and Alliance have been in discussions regarding the contract's terms. Mr. Van Wagner indicated that there is only one item left to resolve. Ms. Lacombe states that once the discussions were resolved, if there is agreement on terms, the Committee would be provided the contract for their review for discussion at the next meeting.

Update on Pension Plan Amendment, Any Open Questions and Education Meetings

Ms. Lacombe stated that the Retirement Choice program has been rolled out to the employees of all three agencies. The Service Credit Purchase is being rolled out on an individual basis within each agency. The following is a summary of the rollout far:

Retirement Choice

There was a meeting, in person and remote, at Metra headquarters, with eligible employees from three agencies. The FAQs prepared for each program are being expanded to address some of the questions raised during the meetings. Some remaining issues are:

- For purposes of calculating the employer contribution in the 401(k): the definition of compensation will be consistent with the pension's definition and will apply to all agencies. If there are any non-qualified employer contributions, they will not be considered compensation for this purpose.
- The 401(k) Committee is awaiting the amendment of the 401(k) plan document reflecting the Retirement Choice provisions from the plan's administrator, Empower.
- A question was raised as to how many have finalized their Retirement Choice option to date. There is still time for eligible participants to make an election but thought was the numbers would provide a "feel" of the interest in the new program.
 - Pace had 1 employee elect the pension
 - Of RTA's 13-15 eligible employees, 2 selected the pension, 1 selected the 401(k)
 - Metra 1 person has shown interest in the 401(k) but no formal election has been made.

Service Credit Purchase

Ms. Lacombe indicated that the RTA has communicated the program to the RTA staff. Metra and Pace will be communicating the program to their staff. Some remaining issues are:

- Update the start date to January 1
- Communicate the cost for the calculation is \$400 per calculation. The calculation will include 5 increments of service credits. The participant can select the increments but if none are selected GRS will determine the increments.
- There will be a higher fee (\$750) for the calculation if the participant is eligible to receive the distribution as a lump sum.
- Requests for the calculation will be sent to Alliance with payment via check. Alliance will send the payment to Northern Trust and the request with any additional information to GRS. Once the calculation is received it will be valid for 1 year.
- If the Participant decides to make a purchase, they will execute the agreement. Alliance will execute the agreement as a representative of the plan, not a fiduciary, and will confirm the information provided and used for the calculation and that payment was made by the due date.
- All service credits will be as of January 1. Participants could apply during the last quarter of the year or before March 31 of the year. GRS will wait for updated compensation information before providing the calculation. Any application after March 31 will have to wait until the following January 1 for a calculation.

- Once the calculation is accepted and the agreement signed the Participant will have up to 5 calendar years to pay for the benefit. Payments will be made as a minimum monthly payment.
- Need to make sure there are good examples in the FAQs for the Participants to review so they have an idea of the cost for the credit before requesting a calculation.
- Participants can take an in-service distribution from their 457(b) plan before 59 ½. This feature does not extend to the 401(k) plan which has an in-service distribution available at and after 59 1/2.
- The statement in the FAQs stating that Participants will have access to the database needs to be deleted.
- Defaults will follow the 401(k) default procedures. Alliance will provide notice of any default to the Participant. GRS will review the time of the default and payments to determine the actual amount of the purchased benefit.
- A Participant eligible for and who will receive a lump sum distribution, must pay for the benefit within 1 year.

Discussion Related to Benchmarking Pension Plan Benefits

Ms. Williams discussed GRS's letter of August 16, 2022, illustrating the comparison of benefit provisions of Illinois pension plans covering public employers. Upon discussion of benchmarking specific proposed changes to the RTA Plan, Ms. Williams indicated that the original agreed upon cost for providing the benchmarking analysis included calculating up to 3 options. The Committee discussed the options and decided to request the following:

- A tiered multiplier like the IMRF plan e.g. a multiplier of 1.75% for each of the first 15 years of service and a 2% multiplier for additional years of service up to a maximum of 40 years.
- An ad hoc increase in retiree benefits of 2 % or 3% for those retirees who have been retired for 10 or more years.

Upon motion by Joseph Ellyin seconded by John Milano to proceed with the study the motion carried unanimously with a vote of 6 Ayes.

Actuarial Services Contract & Amendments

Ms. Lacombe stated that the GRS contract expires in 2023 and an RFP will be needed for the actuarial services. The GRS contract dated May 2018 had an original value of \$360,000. The total cost of approved ad hoc assignments resulting in contract amendments was approximately \$91,000.

Continued Discussion: Effect of Having a Pop-Up 10 Year Certain and Life Option

Discussion of this matter was deferred to next meeting.

Administrator's Report

Mr. Reed presented the attached Administrator's report.

New Business – set next meeting dates

The Committee discussed the dates for the quarterly meetings in 2023.

A motion to coordinate with the Trustees to establish the quarterly meetings in February, May, August and November on either the 2nd or 3rd Friday of the stated months. Motion by Allison Noback and seconded by Win Buren carried by vote of 5 ayes, 1 absent.

Old Business

No old business

Adjournment

Upon motion by Allison Noback seconded by Frank Dufkis the meeting was adjourned by unanimous vote at 11:58 a.m.