BOARD OF RETIREMENT
Merced County Employees' Retirement Association

RESOLUTION 2013-01

SUBJECT: **TRUSTEES EDUCATION AND TRAINING POLICY**

I. Purpose: The Merced County Employees' Retirement Association (MCERA) is a public trust, and administration of this retirement system is subject to strict fiduciary responsibilities under trust law. The policies set forth in this document are intended to comply with common law trust requirements and to reflect sensitivity to the members and beneficiaries on whose behalf the MCERA Trustees serve.

MCERA is a multi-employer retirement system. The MCERA Board of Trustees has a constitutional and statutory duty to administer the retirement system in a sound and prudent manner. The California Constitution vests in the MCERA Board of Trustees the exclusive responsibility to administer the retirement system.

The MCERA Trustees are mindful of California state laws and regulations governing board member education, and intend to harmonize their fiduciary duties with these state laws and regulations. Further, MCERA Trustees are cognizant of their obligations to all members of MCERA to administer the retirement system in a cost-effective manner, minimizing costs wherever possible without a loss of benefits to the participants.

Assembly Bill 1519, effective January 1, 2013, requires Trustees to receive at least 24 hours of Board member education during the first two years after becoming a trustee, and during each subsequent two year period. Trustees Education and Training Policy , Resolution No.2013-01 identifies the appropriate topics for Board member education.

The complexities of sound management of the assets and liabilities of such a fund impose a continuing educational need for all MCERA Trustees: to understand and apply complex legal writings and concepts; to possess excellent communication skills in order to express positions, opinions and ideas with conviction and clarity; to use advanced analytical skills to understand investment policies, theory and practice; and, to have an interest and understanding in public finance, accounting, labor relations, employee benefits, institutional investments, legal, disability and personnel administration.

II. Principles: The MCERA Trustee Education and Training Policy rests on the following important principles:

- There exists a unique body of knowledge that can be imparted to Trustees to facilitate the carrying out of their distinct roles and responsibilities.
- Trustees are responsible for making policy decisions affecting all major aspects of pension plan administration. They, therefore, must acquire an appropriate level of knowledge of all significant facets of the plan, rather than only specializing in particular areas.
- No single method of educating trustees is optimal. Instead, a variety of methods is necessary and appropriate.
- The MCERA Trustee Education Policy is intended to give Trustees, after initial requirements are met, the discretion as to which educational programs best meet their needs and the objectives of this policy, as those needs change and new opportunities become available.

III. **Policy:** Each Trustee will receive a minimum of 24 hours of education within two years of assuming office and for every subsequent two-year period, in which the Trustee continues to sit on the MCERA Board, in the aspects of public pension plan administration, including, but not limited to the following areas:

- Fiduciary responsibilities.
- Ethics.
- Pension fund investments and investment program management.
- Actuarial matters.
- Pension funding.
- Benefits administration.
- Disability evaluation.
- Fair hearings.
- Pension fund governance.
- New board member orientation.

IV. **Guidelines:**

New Trustee Education: During the first year, New Trustees will receive education credit for new board member orientation from the MCERA Administrator and her staff or consultants. During the first two years, New Trustees are expected to attend one or more of the following and to receive education at: the SACRS Spring and Fall Conferences, including the New Trustee Seminar; the CALAPRS trustee educational opportunities, including the Principals of Pension Mangement held at Stanford, Trustee Round Tables, the Stanford Fiduciary School; or the SACRS

UC Berkeley Investment School.

Continuing Trustee Education: During every subsequent two-year period, Trustees will receive 24 hours of education through attending SACRS Spring and Fall Conferences; CALAPRS Trustee Round Tables ; completing educational opportunities offered by or sponsored by state or national public pension fund organizations, and seminars sponsored by accredited academic institutions; attending educational client conferences presented by investment managers ; making due diligence visits which address investment program management; attending webinars, watching videos or listening to recordings covering any topic in Section III above; or completing training offered by the MCERA Administrator and staff or consultants. Each hour of education provided by the MCERA Administrator and staff will consist of no less than 50 minutes of lecture and discussion.

V. **Documentation:** Each Trustee will provide proof of compliance with this policy by submitting the attached form to the MCERA Administrator, and the Administrator will provide an annual report of board member compliance to the Board of Trustees, and such report along with this policy will be placed on the MCERA internet website.

This policy was adopted by the Merced County Employees Retirement Association on

January 24, 2013.