

**MINUTES FROM MEETING OF
THE REGIONAL TRANSPORTATION AUTHORITY PENSION COMMITTEE
June 3, 2022**

The Pension Committee members of the Regional Transportation Pension Plan met in special session on June 3, 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:

Pam Grundt – Alliance Pension Consultants, LLC
Katie Rak – McGuire Woods
Rob Reed – Alliance Pension Consultants, LLC
Jeff Van Wagner – Alliance Pension Consultants, LLC

Call to Order

Ms. Lacombe called the meeting to order at 8:48a.m. Roll call was conducted whereupon a quorum was declared to be present.

Public Comment

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

Discussion of Educational Material on the New Approved Pension Amendment for Participants and New Employees

Ms. Rak Presented the draft of the communication/education materials for the Retirement Choice and the service purchase options

The materials consisted of:

- “Important Notice- Newly-Hired Employees & Your “Retirement Choice”
- “Employee’s Waiver and Release of Participation in the Regional Transportation Authority Pension Plan”
- “Important Notice Describing a Temporary Service Credit Purchase Opportunity for the Regional Transportation Authority Pension Plan”

The materials were discussed. The first paragraph of the material provides a general discussion of the subject followed by a Question-and-Answer (Q&A) format. The intent is to add additional graphics and potential questions before release to help improve the appearance and make it easier for the Participants and employees to understand.

The first document reviewed was on the Retirement Choice. The following are some of the key issues, suggestions, and additions to the document:

- Make clear that participants in the 401(k) plan can make voluntary employee contributions whether or not they are in the pension
- Make clear that the Retirement Choice is made effective through the employee's election to waive pension plan eligibility
- In the "Who Is Eligible" section, add information regarding the eligibility of rehires
- Participant must get an acknowledgement from HR about their election to waive the pension (probably electronic) with a copy also sent to Alliance Pension
- There is a difference in eligibility to make elective contributions in the existing 401(k) plan between agencies: RTA and Metra- immediate, Pace- 30 days. Is that an issue?
- In communication use term "compensation" rather than "earnings" and define compensation
- In the comparison list:
 - Add "pension could change"
 - May want to discuss difference between the two plans regarding death of the Participant and effect on estate
- Need way for the Participant to project benefits between the two plans. May be a two-step process with a different calculator and process for each plan. Alliance providing pension estimates and see whether Empower has a 401(k) calculator that can convert a 401(k) account balance to a monthly benefit
- In the pension Q&A, repeat rehire language
- Need to have a separate Q&A regarding transfers between agencies and/or into or out of union
- Repeat information on investment risk e.g. pension risk is on the agencies, 401(k) risk is on the Participant and could have substantial impact on benefit
- Provide continuity in document Q&As where the description or subject are the same in the 401(k) section and pension section
- Need to get updated calculations/charts from GRS. Make information in charts simple to understand, may want graphics/charts to help visualize the difference between the two choices. May need narrative to explain charts. Also make clear that the numbers do not include the employee voluntary contributions
- Legal disclosure – leave in right for agency to change the pension plan. Also make clear and concise that agencies are not providing investment advice.

Overall Goal

Goal in the materials/presentation is to provide a consistent message to each group. Also, if have repeated questions from the employees/Participants, intent is to send out a supplemental communication with additional Q&As

Waiver/Release Document

- May add language regarding other beneficiary(ies)

- Take out the last part of the second paragraph “and will apply as long as I am an employee of the RTA, Metra, and Pace”

Purchase of Service Credit Election Q&A

This document, due to the time constraints had a limited review. Some suggestions were:

- Add language about who is eligible for lump sums
- Mention the \$415 cap
- Need to have GRS work out costs for their calculations and how often employees can request a calculation
- Examples need review
- Determine who is responsible for the service purchase and tracking payments/credit
- Add Q&A on pre-tax and post-tax contributions

Discussion Related to Benchmarking Pension Plan Benefits and Potential GRS Study

Tabled to next meeting

New Business – set next meeting date

A date of June 30,2022 at 8:30 a.m. was set for a special meeting to continue the review of the communication/presentation material. GRS should be invited.

Old Business

No old business

Adjournment

Upon motion by Joseph Ellyin seconded by Allison Noback the meeting was adjourned by unanimous vote at 11:00 a.m.