

**MINUTES FROM MEETING OF
THE REGIONAL TRANSPORTATION AUTHORITY PENSION COMMITTEE
July 15, 2022**

The Pension Committee members of the Regional Transportation Pension Plan met in special session on July 15, 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
William Lachman – RTA, Chair, RTA Board of Pension Trustees

Support Staff Present:

Pam Grundt – Alliance Pension Consultants, LLC
Rob Reed – Alliance Pension Consultants, LLC
Jeff Van Wagner – Alliance Pension Consultants, LLC
Katie Rak – McGuire Woods
Lance Weiss - GRS
Amy Williams – GRS

Call to Order

Ms. Lacombe called the meeting to order at 1:07 p.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 re-draft of the communication/education materials for the retirement choice and the service purchase options reflecting the changes and additions resulting from the June 30, 2022 special meeting.

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

- Still need cost for the calculations and updated examples
- Make sure Participants understand age does not increase with purchase

- Example- at 9 years of service and age 56, with purchase of 1 year of service can get one to earn an early retirement benefit but 9 years of service and age 64 with purchase of 1 year of service does not earn a normal retirement benefit
- GRS will develop with a rule of thumb calculation that would allow a Participant to estimate his/her cost of purchasing the service credit
- Process of the request – goes to HR or Alliance, all requests go through Alliance which will then send to GRS for calculation
- Fee Process – an application will be completed by the Participant accompanied by a check for the fee calculation(s) made out to the Pension Plan; the Participant will execute an agreement related to the purchase
- GRS will likely be able to provide a range of calculations for requesting Participants, at a single fixed fee in order to minimize multiple successive calculation requests for different credit periods.

The second document reviewed was on the retirement choice. The following are some of the key issues, suggestions, and additions to the document:

- Bold “that in the future the 7% contribution could change”
- There was a discussion about the timing of making the 401(k) employer contribution annually or with each payroll; most popular seemed to be with each payroll however no decision was reached
- Need to review the definition of compensation in the 401(k) plan; should the definition of compensation be the same for the 401(k) employer compensation or be more like the pension definition of compensation and have limitation on paid PTO/vacation paid in last year?
- Thought charts were useful. “Less” is better on charts than expanding them; most felt not to add line charts
- Any comments after final review should go to Ms. Rak with cc to Ms. Lacombe.

Wednesday, August 31, 2022 was set for the staff communication meeting for retirement choice. It will be a hybrid meeting held at the Metra offices. All new employees (January 1, 2022 hire dates or later), for all three agencies will be invited to attend. The meeting will be recorded for future use. The effective “start” date for the election will be September 6, 2022

Discussion Related to Benchmarking Pension Plan Benefits and Potential GRS Study

GRS reviewed their letter of July 7, 2022 followed by discussion among the committee members.

Upon motion by Joseph Ellyin seconded by John Millano to accept the GRS proposal of July 7, 2022, a roll call was conducted whereupon the vote was 5 ayes 1 absent.

Process of Issuing Lump Sum Distributions from the Pension Plan

Ms. Grundt discussed the process of calculating and distributing lump sum pension distributions. Currently lump sum distributions are delivered by check and sent to the Participant by Fed Ex. Some committee members inquired why we were not sending the distribution by ACH. There was a discussion regarding which methods of delivery are most subject to fraud and/or are easiest to correct. Mr. Reed

was to discuss industry practices with Norther Trust & how NT's clients distribute lump sum payments from their pension plans. The item was tabled for further discussion until the next meeting.

New Business – set next meeting date

A date of August 24, 2022 at 9:30 a.m. was established the next quarterly meeting.

Old Business

None

Adjournment

Upon motion by Win Buren seconded by John Milano the meeting was adjourned by unanimous vote at 3:28p.