

UNIVERSITY OF ILLINOIS URBANA-CHAMPAIGN SENATE
STATE UNIVERSITIES RETIREMENT SYSTEM MEMBERS ADVISORY COMMITTEE
(Final; Information)

SUR.22.02 Report on SURSMAC* Meeting, April 14, 2022

The SURSMAC held its Spring Meeting electronically beginning at 10 a.m. on April 14, 2022. Those attending were welcomed by Melanie Lewis, SURSMAC Chair. The agenda included updates from members of the SURS administration and discussion of the restructuring of SURSMAC. (**NOTE:** Copies of the PowerPoint or web page material for the three “Meeting Presentations” from the SURS staff that are summarized below are available in that section “Meeting Presentations” on the SURSMAC link on the SURS home page: <https://surs.org/sursmac/>).

The first speaker was Executive Director Suzanne Mayer. She noted that the state had made its full fiscal year 2023 statutory contribution of just over 2.1 billion and two additional contributions of \$300 million in fiscal year 2022 and \$200 million in fiscal year 2023 to reduce unfunded liabilities. She also discussed the Money Purchase Factor Change set to go into effect July 2, 2022. This could have a negative effect on the monthly benefit for those retiring on or after that date under the Money Purchase formula. SURS members considering retirement in the next two years and might be affected by the change are advised to log in to their account on the SURS Member Website and use the benefit estimator to see their situation. She then discussed the SURS Deferred Compensation Plan (DCP) which has been adopted by all eligible SURS employers for which members may voluntarily enroll. Individuals joining the system starting in July 2023 will be automatically enrolled in the Plan unless they decide to opt out. She finished her formal presentation by discussing the return to the “new normal” in that they were providing lobby services but only telephone and video appointments. In response to a question about security issues, she noted that cybersecurity is a major concern and cited an article in the spring 2022 *Advocate* discussing the cybersecurity upgrades coming to SURS external websites.

The second speaker was Chief Investment Officer Doug Wesley who provided an investment update. He began by summarizing the allocation of funds in the investment portfolio compared to the target allocation and how the approved targets had changed under the new policy allocation approved in June 2021. As of December 31, 2021, the SURS portfolio performance was above the market goal for all but one time period and tied for that one (the ten-year period). The detail on the allocation of the portfolio and the portfolio changes by functional asset class and information on the key partners with whom SURS works can be found by checking the relevant PowerPoint presentations at the website noted in the first paragraph of this report.

The final speaker was Kristen Houch, Director of Legislative and Stakeholder Relations who discussed the bills that had been passed by the Legislature this year that related to retirement matters. This included discussing the allocations in fiscal year 2022 and 2023 and a brief discussion of some of the bills proposed by the legislators that would affect pensions and related matters.

Chair Lewis thanked the speakers for their presentations. Her first action was to introduce the members of the Executive Committee by providing their biographies. Vice Chair Linda Brookhart then provided an overview of past actions that SURSMAC had taken and discussion of the purpose of the group. The meeting concluded with a discussion of the changes that have occurred regarding SURSMAC this year and the effects they have had. The key change is that SURSMAC will be responsible for its own administration so that SURSMAC leaders will be carrying out the tasks formerly provided by a SURS staff member. It will therefore be necessary to amend the SURSMAC Constitution to reflect the new procedures, and a proposed revision was discussed. Members were asked to send their comments to Lewis for input so they could be included as part of the preparation of a draft of the new document for consideration at the SURSMAC Annual Meeting in the fall. There being no further business, the meeting was adjourned at about 11:25 a.m.

Respectfully Submitted, H.F. (Bill) Williamson, John Kindt, UIUC Senate Representatives

* SURSMAC is the State Universities Retirement System Members Advisory Committee to the SURS Board of Trustees. Members are faculty and staff representing the various institutions and agencies affected by SURS: public universities, community colleges, state surveys, and retiree organizations. It normally meets twice a year in Champaign, Illinois.