

$$C + I = B + E$$



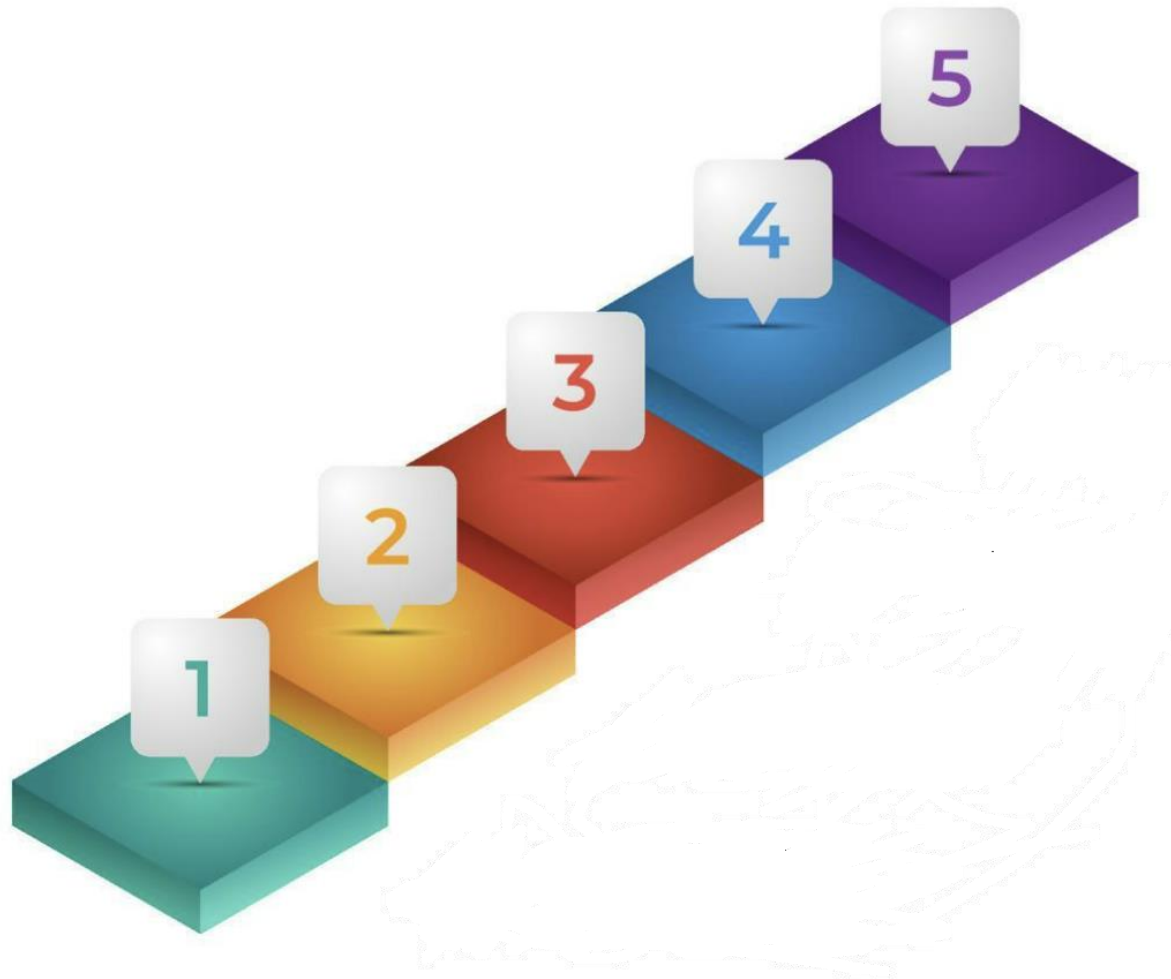
Best Practices for Plan Administration

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Best Practices: Session Overview



Board Composition



Board Governance



Board Oversight



Risk Mitigation



Trends & Technology

Building a Stronger Board

Board Composition

Balance:

Adding Diversified Perspectives

- Active vs. Retired*
- Employee vs. Professional*
- City vs. Member*



Board Management

- *Elections & Appointments*
- *Tracking*
- *Organization*
- *Term Length*

*Our best trustees
serve for a long time*



Training → Continuity → Succession

Building a Strong Foundation: Trustee Education



- *Trustee Orientation*
- *Board Documents*
- *Ongoing Training*
- *Schools & Conferences*

Education is the glue. Ongoing training matters.

A woman with long dark curly hair and glasses, wearing a white button-down shirt and a dark skirt, stands in the center of a meeting room. She is gesturing with her right hand towards a group of people seated around a large wooden conference table. The group consists of several individuals of diverse backgrounds, including a man in a blue suit and a woman with blonde hair. They are all looking towards the presenter. On the table are several white coffee cups, laptops, and papers. In the background, a whiteboard with a bar chart is visible. The entire scene is framed by a white, hand-drawn style border.

Board Composition Discussion

Governing with Clarity: Policies & Procedures

What's a policy vs. a procedure:

Policies = principles; Procedures = processes



Understanding Your Role

- *Trustee vs. Service Provider*
- *Oversight vs. Operations*

Plan Information: Key Reports



Key Documents

- *Plan Document*
- *Summary Plan Description*
- *Board Policies*
- *Insurance*

Key Reports

- *Annual Audit*
- *Valuation*
- *Investment Review*
- *Meeting Minutes*

Board Governance: Best Practices

- *Plan for Succession: Continuity of operations.*
- *Avoid Micromanagement: Know your role.*
- *Stay in Your Lane: Focus on governance.*
- *Embrace Innovation: Enhance efficiency.*
- *Education is the glue: Ongoing training matters.*



Board
Governance:
Discussion



Core Oversight Functions: Plan Operations

$$C + I = B + E$$



- *Contributions*
- *Investments*
- *Benefit Administration*
- *Valuation Report*
- *Expenses*

Board Oversight: Monitoring Operations



- *Set Clear Expectations*
- *Annual Calendar of Deliverables: Tracking Tasks*
- *Pending Matters (“To-Do”) List*
- *Service Provider Review*

Documenting findings and follow-up tasks in minutes reinforces accountability.

- *Promote Engagement*
- *Member Feedback*
- *Accessibility*
- *Status Updates*
- *Annual Statements*



Feedback reinforces accountability and helps trustees gauge whether communications are understood by members, not just delivered.

Board
Oversight:
Discussion

Accountable Processes Public
Decision Corporate Private
GOVERNANCE
Making Innovation Rules
Government Global Tasks
Decisions Policy Bureaucracy
Management Regulations Group
Governing Organization Action

Best Practices: Risk Mitigation





Annual Verification Letters

Confirm that retired members
receiving benefits are alive!

- *Increasing Risk to Plan*
- *Mail Process*
- *Online Access*
- *Growing Fraud Risk*
- *Notary Requirements*

Risk Management: Warning Signs



- Communication Is Not Equal
- Plan Administration Problems:
 - Communication Breakdown
 - Data Breakdown
- Education
- Insurance

Risk Management: Mistakes

- **Overpayments**

- Member Death
- Change Dates
- Data Errors
- Calculation Errors
- Clerical Errors
- Interpretation



- **Who pays?**

- Member
- Plan
- Sponsor
- Service Provider



Board Risk: Discussion

Embracing Change

A black and white photograph of several salmon jumping over a waterfall. The fish are in various stages of their leap, with some already in the air and others just leaving the water. The waterfall is on the left side of the frame, and the water is turbulent and white with foam. The background is a rocky cliff face.

***Enhancing Efficiency/
Improving Oversight***

AI

Governance

