

June 22, 2017 Board Meeting



**MPERS' Business Plan**  
Fiscal Years 2018, 2019 and 2020



## Background

MPERS' Board Governance Policy calls for the development of a rolling three-year business plan. Sound business planning should culminate in a plan that presents projects that promote MPERS' business goals, takes into account the economic environment, and maximizes resource utilization. The organization should be stronger, more focused, and more effective when utilizing a sound business plan. The business plan is not a stale document but rather one that continues to evolve over time. The Business Plan should follow the MPERS Mission statement which is:

*"To provide a foundation for financial security to plan participants by delivering quality benefits and exceptional member service through professional plan administration and prudent management of assets, at a reasonable cost to the taxpayers of Missouri."*

Because the environment is fluid and MPERS intends that this process will be re-visited each year, the Business Plan contains more tasks in the current year compared to successive years.

Please note this Business Plan is not illustrative of our day-to-day essential functions (e.g. semi-monthly payroll processing, retirement inceptions, benefit payments, account reconciliations, counseling, and ongoing investment activities). Instead, the Business Plan describes activities that are typically over and above normal job duties. The activities described in this plan are strategic to improving MPERS performance and efficiency, but are not generally essential except for cases where they actually improve our ability to complete core functions or make us more efficient.

## Core Values

The Business Plan is also reflective and an outgrowth of our Core Values, which are noted below:

- *Our members are our number one focus...we work for them.*
- *Our goal is to provide exceptional service **always** no matter who is on the phone or sitting across from us.*
- *We strive to preserve, protect, and grow our assets.*
- *We are committed to the security and privacy of our members' information.*
- *We make decisions in the best interest of our members based upon statutory guidance.*
- *We conduct business at a reasonable cost to the taxpayers of Missouri.*

## Budgeting

No business plan would be complete without some mention of the budgeting process. The current budget process is not strictly "zero-based budgeting"; however, staff takes a hard look at each line item to ensure the expenditure is reasonable and not inflated each year to provide a "cushion" for unnecessary expenditures. Staff intends to present the budget committee with our best estimates on the expenditures from the trust fund to administer the pension fund for the current year. It is staff's hope that when unanticipated major expenses are incurred or new ideas come forth that require additional resources that the Board will understand and consider budgetary amendments after a thorough explanation from the executive director.

## Business Plan Fiscal Years 2018, 2019 and 2020

Listed below are the goals for the next three fiscal years. Included in the tables are the action items, level of importance (as defined by staff), and target completion year that constitutes the MPERS' Business Plan. These action items are intended to support the System's goals of providing MPERS' members with exceptional and cost-effective service; protecting MPERS' trust fund and resources; and increasing MPERS' capability to outperform investment benchmarks.

### FY2018 Action Plans

Item No.	Action Items	Level of Importance	Target Completion Date
1	Ensure our processes are modified to implement any legislation that is signed by the governor and/or implemented by the Board.	High	FY18
2	Create plan for electronic retirement filing process. This would be used to leverage progress with LRS, who would have to program PensionGold.	High	FY18
3	Finalize plans and communicate with membership transition to all electronic communication platform.	High	FY18
4	Review ALL existing workflows for updates and have LRS implement necessary changes.	High	FY18
5	Update closed plan handbook.	High	FY18
6	Update pre-retirement seminar material.	High	FY18
7	Transition to new document retention platform (does not apply to member documents).	High	FY18
8	Segregation of duties analysis. This would be primarily from a PensionGold perspective to be sure risks are effectively addressed.	High	FY18
9	Establish secure employer website (primarily for HR type staff) that houses information and distributions intended for that audience.	High	FY18
10	Create risk committee, define purpose and periodic meetings schedule.	High	FY18
11	Establish process for deleting PCX documents (member documents) that ends with LRS deleting them via PIR. This will maintain a record of the deletion and control risk of inadvertent document deletion.	High	FY18
12	Webinar Series: continue with more specific subject matter.	Medium	FY18
13	Develop a benefit basics brochure in lieu of workbook.	Medium	FY18
14	Continued implementation of modified service accrual methodology.	Medium	FY18

## FY2018 Action Plans *(continued)*

Item No.	Action Items	Level of Importance	Target Completion Date
15	Create a “which plan am I in” page for the website to facilitate new employee navigation.	Medium	FY18
16	Create benefit statement for MPERS disability claimants.	Medium	FY18
17	Promote video counseling as an alternative for members that do not wish to drive to Jefferson City.	Medium	FY18
18	Consider correspondence to include a “how your benefit was calculated” component for new retirees.	Medium	FY18
19	Implement new module of GP (accounting framework) to recognize automation/efficiency.	Medium	FY18
20	Move MPERS’ employee payroll process to purely electronic platform.	Medium	FY18
21	Make scanning process more efficient with template to denote member id and document type.	Medium	FY18
22	Review investment accounting processes to identify efficiencies/automation, including Northern Trust.	Medium	FY18
23	Re-create plan investment return to plan inception (or as far back in time as possible).	Medium	FY18
24	Create a “ready to retire” web page to address common questions and details for completing the retirement process.	Medium	FY18
25	Update accounting instructions/procedures for efficiencies.	Medium	FY18
26	Create communication for two-step retirement process to acknowledge members decision to retire and what steps remain.	Low	FY18
27	Transition the FYI document to fully recognize popular annual report format and submit it to GFOA for approval.	Low	FY18
28	Establish training program for new operations staff.	Low	FY18
29	Add economic impact piece to annual funding update.	Low	FY18
30	Move secure trustee website to primary site (off sharesync) but maintain security.	Low	FY18
31	Create new MPERS employee orientation document (one pdf of various memos, forms, etc.)	Low	FY18

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## FY2019 Action Plans

Item No.	Action Items	Level of Importance	Target Completion Date
32	Develop a <i>Benefit Basics</i> overview video.	High	FY19
33	Create service/purchase/transfer section for website	High	FY19
34	Explore SEBES to determine if it can or should play any role with new employee enrollment.	High	FY19
35	Update web member direct to allow beneficiary designations.	Medium	FY19
36	Conduct Investment Policy Review for compliance and completeness.	Medium	FY19
37	Add COLA information and payment option explanation to benefit estimates.	Medium	FY19
38	Create benefit verification self-service feature in <i>myMPERS</i> .	Medium	FY19
39	Develop customer service/call standards guide.	Medium	FY19
40	Create a one-page infographic for each plan.	Medium	FY19
41	Identify member milestones and develop appropriate communication for each to promote awareness and interest in benefits. Will require collaboration with LRS to initiate.	Medium	FY19
42	Analyze the staff career ladder policy. With the adoption of the merit pool the career ladder may no longer be necessary or changes may need to be considered.	Medium	FY19
43	Apply timeline to job procedures so that it is clear “when” certain tasks must be completed by backup personnel.	Medium	FY19
44	Research the concept of providing 1099R’s and W-2’s online only.	Medium	FY19
45	Integrate budget detail into accounting software (GP).	Medium	FY19
46	Review accounts payable process for updates/efficiencies.	Medium	FY19
47	Update vendor payment procedures for benefit payments.	Medium	FY19
48	Research and develop plan to enhance visual appearance of adhoc emails.	Low	FY19
49	Establish process to survey calls and emails.	Low	FY19
50	Update brochures.	Low	FY19
51	Add service purchase calculators to <i>myMPERS</i> .	Low	FY19
52	Enhance take home pay calculator.	Low	FY19
53	Create annual online investment update.	Low	FY19
54	Review and update Job descriptions.	Low	FY19
55	Automate the scheduling of benefit counseling appointments.	Low	FY19
56	Develop canned responses to common interactions in anticipation of PensionGold contact/event logging tool.	Low	FY19

## FY2020 Action Plans

Item No.	Actions	Level of Importance	Target Completion Date
57	Review and evaluate employee/work processes to affirm or improve efficiencies.	High	FY20
58	Develop 2011 Tier webinar for pre-retirement.	High	FY20
59	Apply document upload feature to secure member access which requires work from LRS to complete.	High	FY20
60	Develop a prospective employee tab for website. Show value of benefit and summary of benefits. Could be useful tool for employers.	High	FY20
61	Consider Administrative risks that should be included in risk policy and identify corresponding controls.	Medium	FY20
62	Create internal “evolution of benefits” manual.	Medium	FY20
63	Update Doc Types/Names in Indexing to eliminate items that are no longer used or to consolidate items that are very similar – example: <i>Doc Type: Change &amp; Doc Name: Contact Info</i> should be merged with <i>Doc Type: Change &amp; Doc Name: Personal Info</i> .	Medium	FY20
64	Perform a mock event with LRS.	Medium	FY20
65	Conduct remote test with Huber.	Medium	FY20
66	Review investment manager due diligence process.	Medium	FY20
67	Update/refresh website look/appeal.	Medium	FY20
68	Website FAQ to address most prevalent member questions.	Low	FY20
69	Update member letters and forms.	Low	FY20
70	Standard disability approval letter from MPERS noting important details, like retirement date, estimated benefits, etc.	Low	FY20
71	Create communication tracking log to denote information noted in more than one location to ensure consistency.	Low	FY20
72	Develop report/plan for tracking 2011 Tier member refunds. These are paid weekly rather than monthly so they pose a unique cash flow not previously experienced.	Low	FY20
73	Create website communication tracking log to denote where information is listed in multiple places, such that information is updated and consistent.	Low	FY20
74	Determine if outreach is needed to maintain contact with vested former members.	Low	FY20
75	Develop Wharton-like education program in cooperation with MU. (For staff and trustee education, mainly geared toward investments.)	Low	FY20

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