



MPERS' Business Plan
Fiscal Years 2019, 2020 and 2021



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 and objectives that promote MPERS' strategic goals and mission, 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 static document but rather one that continues to evolve over time. The Business Plan should help MPERS fulfill its mission which is captured in the following statement:

"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."

Many organizations will spend countless hours and resources to formulate and reformulate a strategic plan. We believe that the legislature has already provided our strategic plan by creating MPERS and memorializing our reason for being in state law. Namely, our strategic plan is to collect payroll contributions, invest those contributions in the market in a reasonable manner, and pay earned benefits. This business plan, because it is specific and not theoretical like many strategic plans, provides real and measurable objectives for staff to follow throughout the course of the year. In order to support the strategic plan, we have summarized three simple strategic goals to guide our efforts. These goals are: provide MPERS' members with exceptional and cost-effective service, protect MPERS' trust fund and resources, and increase MPERS' capability to outperform investment benchmarks.

Because the environment is fluid and MPERS intends that this process will be revisited each year, the Business Plan contains more tasks in the current year compared to successive years. MPERS staff accomplishes many important and urgent tasks that represent core administrative and investment operations throughout the year. These core activities are not represented in the business plan. Instead, this plan focuses on those tasks that are strategic to improving MPERS' performance and consistency, but do not necessarily have the urgency of core functions.

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. As a practical matter, the business plan will be subject to the approved budget. 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 2019, 2020 and 2021

Listed below are the objectives 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 strategic goals of providing MPERS' members with exceptional and cost-effective service; protect MPERS' trust fund and resources; and increase MPERS' capability to outperform investment benchmarks.

FY2019 Action Plans

Item No.	Action Items	Level of Importance	Target Completion Date
1	Develop prospective employee tab on our website with an eye towards recruitment and/or new employee orientation. Tool would highlight MPERS benefits for individuals thinking about joining MoDOT or Patrol	High	FY19
2	Research and educate staff and Board of Trustees on the concept of leverage and any positive application to investment policy.	High	FY19
3	The CIO should ensure at least one other investment staff is familiar with the fixed income portfolio, the approved traders, allowable securities, clearing procedures, and other related tasks.	High	FY19
4	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.	High	FY19
5	Segregation of duties analysis. This would be primarily from a PensionGold perspective to be sure risks are effectively addressed. Assistance from LRS will be needed for any implementation efforts.	High	FY19
6	Develop 2011 Tier pre-retirement webinar.	High	FY19
7	Complete service purchase/transfer cross-training to facilitate service continuity and to reinforce the administration of the program. This will be classroom-style exercises completed during staff meetings.	High	FY19
8	Complete disability cross-training to facilitate service continuity and to reinforce the administration of the program. This will be classroom-style exercises completed during staff meetings.	High	FY19
9	Develop report/plan for tracking 2011 Tier member refunds. These are paid weekly rather than monthly so they pose a unique cash flow issue not previously experienced.	High	FY19
10	Review and update job descriptions in anticipation of salary survey.	High	FY19
11	Rollout "quick hits" campaign as extension of webinar series.	Medium	FY19

Item No.	Action Items	Level of Importance	Target Completion Date
12	Conduct Investment Policy Review for compliance and completeness.	Medium	FY19
13	Explore SEBES (State Employee Benefit Enrollment System) to determine if it can or should play any role with new employee enrollment.	Medium	FY19
14	Create benefit verification self-service feature in <i>myMPERS</i> .	Medium	FY19
15	Integrate budget detail into accounting software (GP).	Medium	FY19
16	Review accounts payable process for updates/efficiencies.	Medium	FY19
17	Update vendor payment procedures for benefit payments.	Medium	FY19
18	Create a monthly calendar for operational duties (i.e., COLAs in January, seminars start in March, SAMII posting dates, etc.) to ensure nothing is overlooked and to support backup personnel if the need arises.	Medium	FY19
19	Add COLA information and payment option explanation to benefit estimates.	Medium	FY19
20	Staff review of governance policies and board rules. Governance policies require periodic review by the Board. Having staff applied to the process would offer additional perspective, determine compliance, identify improvements, etc.	Medium	FY19
21	Update/refresh website look with the assistance of Huber.	Low	FY19
22	Analyze benefit/risk to adding beneficiary designations to <i>myMPERS</i> .	Low	FY19
23	Create a one-page infographic for each plan.	Low	FY19
24	Revise the process for notifying our active members of our upcoming pre-retirement seminars. Revisions include sending emails to all email addresses we have on file, ending the mailing of paper invitations, and creating flyers for HR reps to distribute to outlying places of work (i.e., MoDOT sheds and Patrol zones).	Low	FY19
25	Centralize PensionGold development to lead staff person.	Low	FY19
26	Review take home pay calculator for improvements and better placement for website usage.	Low	FY19
27	Analyze the potential to automate the scheduling of benefit counseling appointments.	Low	FY19
28	Create refund cover letter that identifies refund amount but also explains the implications and benefits forfeited by taking it.	Low	FY19
29	Perform a mock event with LRS.	Low	FY19

FY2020 Action Plans

Item No.	Action Items	Level of Importance	Target Completion Date
30	Create “early-career” and “mid-career” seminar offerings to enhance knowledge of benefits value and retirement planning.	High	FY20
31	Consider administrative risks that should be included in risk policy and identify corresponding controls.	High	FY20
32	Benefit auditor cross train staff on her role with annual report production, annual valuation preparation, and death audits.	High	FY20
33	Identify member milestones and develop appropriate communication for each to promote awareness and interest in benefits. Will require collaboration with LRS to initiate.	High	FY20
34	Create service purchase/transfer section for website.	Medium	FY20
35	Apply document upload feature to secure member access. Requires collaboration with LRS to complete.	Medium	FY20
36	Analyze the applicability for template development to facilitate email distributions.	Medium	FY20
37	Update MPERS history/evolution of benefits document.	Medium	FY20
38	Review content and refresh design of member brochures.	Medium	FY20
39	Conduct remote test with Huber.	Medium	FY20
40	Establish process to survey calls and emails.	Medium	FY20
41	Review need for service purchase calculators in <i>myMPERS</i> .	Low	FY20
42	Develop canned responses to common interactions in anticipation of PensionGold contact/event logging tool.	Low	FY20
43	Create executive director congratulatory letter for new retiree payday. Purpose is to provide relevant reminders at a time when the process is very fresh.	Low	FY20
44	Create annual online investment update.	Low	FY20
45	Seek bids for an actuarial audit considering the use of either a full replication (Level 1) or a sampling audit (Level 2).	Low	FY20

FY2021 Action Plans

Item No.	Actions	Level of Importance	Target Completion Date
46	Review and evaluate employee/work procedures to affirm accuracy, evaluate effectiveness, and identify improved efficiencies.	High	FY21
47	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 & Doc Name: Contact Info</i> should be merged with <i>Doc Type: Change & Doc Name: Personal Info</i>).	High	FY21
48	Develop customer service and call standards guide.	Medium	FY21
49	Review content and refresh member correspondence and forms.	Medium	FY21
50	Develop long-term disability approval letter from MPERS noting important details, like retirement date, estimated benefits, etc.	Medium	FY21
51	Create website communication tracking log to denote where information is listed in multiple places, such that information is updated and consistent.	Low	FY21
52	Determine if outreach is needed to maintain contact with vested former members.	Low	FY21
53	Develop Wharton-like education program in cooperation with MU. (For staff and trustee education, mainly geared toward investments.)	Low	FY21

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