

# FISCAL YEAR 2024- 2026



## THE STRATEGIC PLAN OF THE INDIANA PUBLIC RETIREMENT SYSTEM



# ▶ TABLE OF CONTENTS

<b>Introduction</b> .....	3
<b>Vision and Mission</b> .....	4
<b>Our Values</b> .....	5
<b>Strategy Map</b> .....	6
<b>Strategic Goal Overview</b> .....	7-8
<b>GOAL 1:</b> Promote an engaged, high-performing, and agile workforce. ....	9
<b>GOAL 2:</b> Deliver a quality member experience.....	10
<b>GOAL 3:</b> Deliver a quality employer experience.....	11
<b>GOAL 4:</b> Manage a financially secure retirement system.....	12
<b>GOAL 5:</b> Reduce complexity and optimize operational efficiency across the enterprise. ....	13-14

# ▶ INTRODUCTION

The Indiana Public Retirement System (INPRS) is proud to publish our 2024 – 2026 strategic plan. This plan offers a clear strategy that lays out our vision for the future of INPRS and the members and employers we serve.

Our strategic plan is the product of more than a year of extensive peer and institutional research, benchmarking, SWOT (strengths, weaknesses, opportunities and threats) analysis, stakeholder surveys, federal and state legislative and business trends and insightful discussions between INPRS' executive staff and the INPRS Board of Trustees. This plan reflects not only our passion and commitment, but further accelerates work already underway in helping our members realize and secure their retirement dreams.

The INPRS team continues to deliver top-tier service levels year-over-year as measured and reported by CEM Benchmarking, Inc. This independent research firm ranks pension plan performance in various service and cost categories. Last year, INPRS achieved the highest service score in our pension plan peer group. INPRS is focused on maintaining high levels of service and low-cost performance as participant experiences and expectations continue to evolve. As the strategic plan reflects, INPRS will continue to invest in and advance member, employer and staff experiences.

## REINFORCED COMMITMENT AND COLLABORATION

The INPRS 2024-2026 strategic plan reinforces our commitment to maintain the trust our members and stakeholders have placed in us. The executive and leadership staff will develop and implement strategic initiatives to accomplish the defined goals and objectives outlined in this plan. Our teams will collaborate to achieve these objectives, while leveraging innovative technologies and assessing the organization for operational efficiencies. Additionally, intentional focus is being placed on cultivating our internal talent and defining and promoting a positive workplace culture. Collectively, our efforts aim to enhance the long-term value add to our members and employers.

# ▶ VISION AND MISSION

## VISION

Engaged members able to realize their retirement dreams.

## MISSION

As fiduciaries, we educate stakeholders, collect necessary contributions and prudently manage member assets to deliver promised defined benefit and defined contribution benefits and services.

# ▶ OUR VALUES

**INPRS BELIEVES** PEOPLE ARE THE FOUNDATION OF OUR SUCCESS. IT TAKES PEOPLE WITH DIFFERENT BACKGROUNDS, IDEAS AND STRENGTHS TO BE SUCCESSFUL.

## OUR PEOPLE ARE:



### MODELS OF INTEGRITY

They hold themselves to the highest standards of ethical and professional behavior.



### TEAM PLAYERS

They encourage and support others for the success of the team, breaking down silos and connecting with our shared vision.



### CONTINUOUS LEARNERS

Our team members are eager to improve while having an open mind to feedback and new ideas.



### CANDID

They believe in direct, respectful and honest communication.



### DILIGENT

Our people are well-researched, risk aware and transparent.

## SUCCESS IS BUILT UPON:

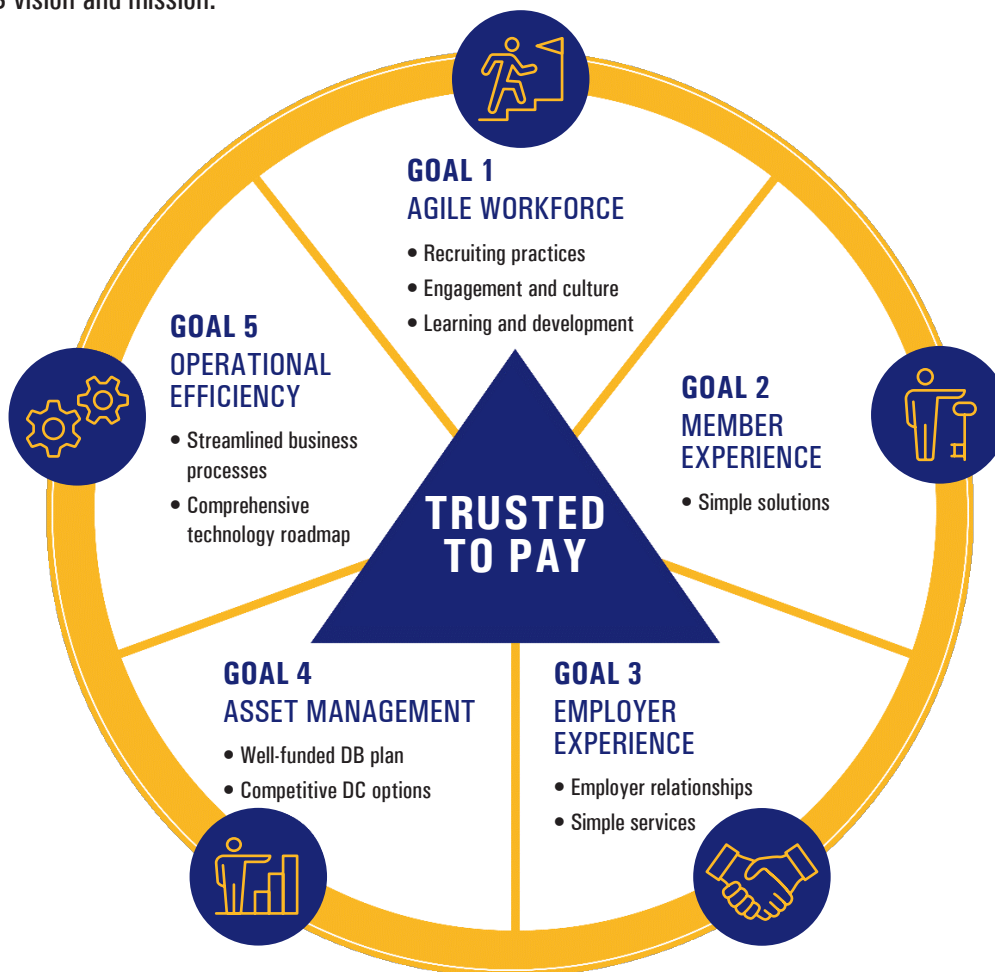
- **TRUST** – We empower our people to successfully fulfill their duties while providing them with training, support and mentorship.
- **CONSTRUCTIVE CONFLICT** – We encourage healthy debate around ideas to arrive at the best solution.
- **COMMITMENT** – Everyone is dedicated to making decisions and creating action plans.
- **ACCOUNTABILITY** – We set clear expectations for people, roles and teams and holding ourselves and each other accountable for results.



**Balance in life is important. We strive to create a flexible and supportive environment while not sacrificing service to our members.**

# ▶ STRATEGY MAP

The INPRS Strategy Map is a pictorial representation of Strategic Goals outlined to achieve the INPRS vision and mission.



## STRATEGIC GOALS

Driven by the INPRS Vision and Mission statements, this year's goals and objectives of the strategic plan are straightforward and more tightly centered on improving our engagement and overall services to our members and employers. The goals include:

**GOAL 1:** Promote an engaged, high-performing and agile workforce.

**GOAL 2:** Deliver a quality member experience.

**GOAL 3:** Deliver a quality employer experience.

**GOAL 4:** Manage a financially secure retirement system.

**GOAL 5:** Reduce complexity and optimize operational efficiency across the enterprise.

# ▶ STRATEGIC GOAL OVERVIEW

## AGILE WORKFORCE

Having shared values, goals and beliefs drives organizations forward, but a healthy organizational culture truly contributes to their success. In FY2023, we continued the journey of fostering a robust culture of beliefs and norms.

At INPRS, we encourage a workplace culture based on partnership and teamwork. Cross-functional teams inspire employees to develop connections across the organization; these interactions provide a setting where core values can be demonstrated and acknowledged.

Employee feedback is important, and the INPRS 2023 Employee Pulse Survey has proven to be a valuable resource. Based on feedback from it, INPRS will continue to place focus on cultivating internal talent. We will provide staff with essential resources, mentoring options and learning opportunities necessary to grow professionally at all levels within the organization. These opportunities enable the organization to close skill gaps and enhance the overall employee experience while enhancing services to our members, employers and stakeholders.

## MEMBER AND EMPLOYER EXPERIENCE

Today, we are reimagining both the member and employer experience. Using experience roadmaps that leverages resources and technology in a more strategic way, we support and complement business functions throughout the organization. Additionally, we have identified structural changes to business operations within the organization to operate more effectively and efficiently with and for the benefit of our members and employers.

Our 2024-2026 Strategic Plan reflects a continued focus on improving our engagement and overall service to our members and employers through effective communication channels, improved tools, education opportunities and collaborative relationships.

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# ▶ STRATEGIC GOAL OVERVIEW CONT.

## ASSET MANAGEMENT

The INPRS investments team is responsible for the prudent investment and management of approximately \$46 billion in assets across defined benefit (DB), defined contribution (DC) and other plans. After the successful transition to the new strategic asset allocation for public markets, our FY2024 focus centers on research relating to the active vs passive mix of small- and mid-cap domestic equities. This research has resulted in the decision to be active in US small-cap equities and passive in US mid-cap equities. Continuing to navigate the complex global markets, the investment team will assess the investment allocation of the retirement medical benefit assets and integrate a newly formed investment stewardship team. This team will build out improved processes for proxy voting services as well as compliance with recently passed Indiana laws impacting the INPRS portfolio.

## OPERATIONAL EFFICIENCY

Through cross functional project teams, INPRS continues to assess opportunities to improve operational performance, lower risk, reduce complexity and improve the member and employer experience. This year, INPRS defined the comprehensive technology modernization roadmap to transform business service delivery. Over the next 4 to 5 years, INPRS will embark upon a journey to reimagine and modernize our technological solutions to realize operational efficiencies and enhance our customer experience, data governance and core IT infrastructure.

The INPRS FY2024 – 2026 strategic plan reflects our pathway forward in securing the financial future of the members we serve. Using the goals and objectives outlined by this plan, we are confident that we will continue to achieve the mission of INPRS. As we start Fiscal Year 2024, we are eager to build upon the enthusiasm, dedication and teamwork of the entire staff while cultivating relationships and servicing our members and employers.



# ▶ **GOAL 1: PROMOTE AN ENGAGED, HIGH-PERFORMING AND AGILE WORKFORCE.**

## **STRATEGIC OBJECTIVES**

- A. Enhance hiring practices to attract and hire high-quality and culturally fit talent to maintain an annual onboarding satisfaction score of 90% or greater.
- B. Foster and maintain an engaged workforce and a positive workplace culture to increase the annual employee engagement score year over year.
- C. Support employee skill expansion and leadership readiness by implementing a formal enterprise learning and development program and allocating 10 hours of training per fiscal year per employee.

## **KEY OPERATIONAL REQUIREMENTS**

- 1. Continuously assess staffing needs and complete recruiting of the required staff.
- 2. Complete an annual employee survey and create action plans to ensure employee engagement.
- 3. Review and refresh the succession plan and position risk assessment to address retention and developmental plans.

## **GOAL 2: DELIVER A QUALITY MEMBER EXPERIENCE.**

### **STRATEGIC OBJECTIVES**

- A. Develop simple solutions that provide an accurate and personalized member experience resulting in overall satisfaction score of 90% or greater.

### **KEY OPERATIONAL REQUIREMENTS**

1. Distribute timely and accurate payments to members.
  - a. Monthly payroll
  - b. Weekly payroll
  - c. Retirements
  - d. Disability
  - e. Death
  - f. Defined Contribution Account
2. Distribute accurate 1099-R documents by January 31 of every year.
3. Explore and assess the diversity demographics and perceptions of INPRS' membership.
4. Enhance digital education content delivery platforms.
5. Maintain ongoing Voice of Customer (VOC) surveys and research.
6. Provide required reports to the Legislature including the Pension Management Oversight (PMO) Committee.
7. Maintain a formal process to incorporate stakeholder insights into the strategic plan.
8. Continue to adapt and deliver a financial and investment education strategy to enhance member retirement readiness as measured by member engagement metrics.

## **GOAL 3: DELIVER A QUALITY EMPLOYER EXPERIENCE.**

### **STRATEGIC OBJECTIVES**

- A. Deliver simple, timely and accurate services to employers to achieve an annual employer satisfaction score of 87% or greater.

### **KEY OPERATIONAL REQUIREMENTS**

1. Request pension relief information from employers.
2. Provide annual contribution rate notification to employers.
3. Track and report the timeliness of employer contributions.
4. Track employers that are habitually late and request the State Comptroller to intercept funds from these employers.
5. Annually obtain actuarial valuation reports for the defined benefit (DB) plan.
6. Establish annual employer contribution rates at or above the actuarially determined contribution (ADC) rates.
7. Perform an experience study of the DB plans to update the actuarial assumptions and review the actuarial methods for any necessary changes.

## **GOAL 4: MANAGE A FINANCIALLY SECURE RETIREMENT SYSTEM.**

### **STRATEGIC OBJECTIVES**

- A. Effectively manage and invest assets to ensure well-funded defined benefit plans by meeting or exceeding the approved DB Rate of Return and Actuarial Defined Contribution (DC) Rate for each plan.
- B. Offer a simple and diversified menu of competitive investment options for the DC plans that meet or exceed associated benchmarks.

### **KEY OPERATIONAL REQUIREMENTS**

1. Achieve the DB investment metrics.
2. Complete the annual Investment Policy Statement (IPS) Review.
3. Conduct an annual review of DB investment management fees, including benchmarking fees as compared to other public pension funds.
4. Complete and assess a short-term and long-term liquidity analysis of the DB portfolio.
5. Ensure the DB allocation to each asset class is within the Board-approved range.
6. Assess the most productive mix of passive and active management across the DB portfolio.
7. Monitor securities litigation and opportunistically participate in domestic and/or international cases to maximize INPRS' loss recovery.
8. Achieve the DC investment metrics.
9. Conduct an annual review of DC investment management fees, including benchmarking fees as compared to other public pension funds.
10. Perform an annual review of DC investment options, including glide path (asset allocation) assumptions for the target date funds.
11. Assess the most productive mix of passive and active management across the DC investment options.
12. Complete quarterly reviews of the external annuity provider's performance, claims-paying ability, creditworthiness and fees charged.
13. Conduct periodic meetings with business partners to benchmark our DC options and services.
14. Set and communicate the DC administration fee.

# ▶ **GOAL 5: REDUCE COMPLEXITY AND OPTIMIZE OPERATIONAL EFFICIENCY ACROSS THE ENTERPRISE.**

## **STRATEGIC OBJECTIVES**

- A. Streamline business processes to improve employee experiences and productivity, operational efficiencies and generate the highest value-to-cost ratio.
- B. Deploy the comprehensive technology roadmap to transform business and service delivery, enhance data management and integrity and advance the information security infrastructure.

## **KEY OPERATIONAL REQUIREMENTS**

1. Maintain a strategic plan on a three-year time horizon to be updated annually (SWOT, Strategy Map, Strategic Plan).
2. Participate in the annual Cost Effectiveness Measurement (CEM) surveys (Administration Cost, DB Performance and Fee Structure, and DC Performance and Fee Structure). Coordinate all survey responses and follow the improvement process to develop and implement an INPRS cost and service improvement plan.
3. Maintain a Balanced Scorecard that contains a comprehensive set of measures for senior executives to assess INPRS progress towards meeting its strategic goals. Reevaluate all measures and target performance levels on an annual basis (end of fiscal year).
4. Establish an operating budget to be approved by the Board no later than June 30 of each year.
5. Report financial performance to the budget at every Board meeting.
6. Determine appropriate Board education and implement annually.
7. Provide consistent guidelines and processes that define the creation, review, approval, distribution, tracking and updating of policies and procedures used by INPRS .
8. Conduct performance reviews with business owners of vendors to ensure that key vendors are providing services according to expectations outlined in the contract.
9. Complete an annual benchmarking assessment to be utilized in the strategic planning process.
10. Conduct ongoing continuous improvement training to improve operational efficiencies across INPRS by fostering a culture of continuous improvement.
11. Obtain an annual unmodified opinion from the external auditor.
12. Publish the INPRS ACFR annually by December month end and obtain the Government Finance Officers Association (GFOA) certification.
13. Annually publish audited Government Accounting Standards Board (GASB) #68 related schedules for employers.
14. As issued, determine if new GASB pronouncements have an impact on INPRS.
15. Ensure that any audit findings or control issues identified in the annual external audit have action plans developed to correct the deficiency or material weakness within 30 days after the close of the audit.
16. Ensure member, employer and staff security by performing IT security access control audits.

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## ▶ **GOAL 5: REDUCE COMPLEXITY AND OPTIMIZE OPERATIONAL EFFICIENCY ACROSS THE ENTERPRISE.**

17. Hold an IT disaster recovery test to validate capabilities for timely recovery of application systems.
18. Complete a risk assessment of the organization and develop an annual audit plan.
19. Monitor the compliance matrix for the Investment Policy Statement (IPS).
20. Complete the biennial review of Board governance documents.
21. Enhance the comprehensive INPRS compliance program to ensure compliance with all federal and state requirements.
22. Maintain and improve information security through execution of the information security program.
23. Conduct business continuity and disaster recovery (BCDR) tabletop exercise to ensure all critical processes are operating in accordance with the Business Continuity Plan (BCP).
24. Annually, provide actuarial review and OPEB reporting for the SOI OPEB plans (SPD, ISP, EG&C, Legislators).
25. Maintain and improve information and data quality through execution of the information management program.
26. Complete an analysis of the actuarial-related risks faced by INPRS.
27. Complete a peer review and replication of the actuarial valuation results.
28. Conduct a review of Indiana Code for changes needed to achieve INPRS' mission and strategic goals at least annually in advance of the Pension Management Oversight (PMO) Committee annual meetings.
29. Provide all reports as required by Indiana Code to the Administrative and Legislative branches of Indiana State government.
30. Complete a monthly review of the nature of member benefit appeals and complaints to assess the need for change to existing code, policies, processes and procedures.
31. Respond to requests from the Legislative Services Agency (LSA) within timeframes mutually agreed upon between INPRS and LSA to enable appropriate review and response.
32. Provide financial and actuarial support during the legislative sessions to INPRS staff for legislators and LSA.

### ▶▶▶ **RETIREMENT DREAMS, REALIZED**

The INPRS FY2024 – 2026 strategic plan reflects our pathway forward in securing the financial future of the members we serve. Together, the goals and objectives outlined by this plan, we are confident that we will continue to achieve the mission of INPRS.

As we start Fiscal Year 2024, we are eager to build upon the enthusiasm, dedication and teamwork of the entire staff while cultivating relationships and servicing our members and employers.