

**MINUTES
BOARD OF TRUSTEES OF THE
INDIANA PUBLIC RETIREMENT SYSTEM**

**Meeting held at:
One North Capitol
1st Floor Conference Room
Indianapolis, Indiana 46204**

July 30, 2013

Board Members Present

Ken Cochran, Chairman
Chris Atkins
Tim Berry
Jodi Golden

Board Members Present via Conference Call

Brian Abbott
Michael Pinkham
Bret Swanson

Others Present

Deanna Oware, State Budget Agency
Nancy Tolson, IRTA

Others Present via Conference Call

Rich Dabrowski, Strategic Investment Solutions (SIS)
Pete Keliuotis, Strategic Investment Solutions (SIS)

Staff Present

Steve Russo, Executive Director
Steven Barley, Chief Operations Officer & Deputy Director
David Cooper, Chief Investment Officer
Donna Grotz, Director of Strategic Initiatives and Administration
Mike Hine, Chief Information and Technology Officer
Jeff Hutson, Chief Communications Officer
Julia Pogue, Chief Financial Officer
Teresa Snedigar, Director of Internal Audit
Scott Davis, Director of Public Equities
Allen Huang, Director of Fixed Income
Erin Hankins, Executive Assistant
Katie Williams, Legal Analyst

Staff Present via Conference Call

Tony Green, Chief Legal & Compliance Officer

- Meeting called to order at 9:30 a.m. by Chairman Cochran.

Chairman Cochran took attendance of members and others participating in the meeting via conference call.

In accordance with normal practice, written materials for the following matters were provided to the Board members in advance of the meeting.

I. Approval of Minutes from June 21, 2013 Board of Trustees Meeting

MOTION duly made and carried to approve the minutes from the June 21, 2013 Board meeting.

*Proposed by: Chris Atkins
Seconded by: Jodi Golden
Votes: 7 in favor, 0 opposed, 0 abstentions*

II. Unfinished Business

A. ASA Annuities

Mr. Russo reviewed highlights of the Annuity Saving Account annuity decision process and action items from the board meeting on June 21, 2013. He provided more information in the areas of investment of underlying assets, rate methodology, and frequency of rate changes. Mr. Russo also presented refined and updated Options 3A and 3B to the Board for their consideration. He then reviewed the expected impacts on administrative costs for each of the four annuity options.

Mr. Russo discussed implementation timing for a new annuity option. He communicated that staff strongly recommends that the effective date for any change to the ASA annuity be the same as the effective date of other board approved changes to actuarial factors used in calculating PERF and TRF DB benefits. DB actuarial factors had been previously approved for a January 1, 2014 effective date. Mr. Russo stated that staff members have identified incremental risks to implementing ASA annuity changes on January 1, 2014 and recommend that the implementation of updated DB actuarial factors and ASA annuity changes be effective on July 1, 2014. He also explained that a July 1, 2014 implementation would allow retirement eligible school teachers to finish out the school year and not be affected by the changes. Teachers' retiring before the end of the school year could impact the classroom.

Mr. Russo reviewed the plan for communicating ASA annuity changes to members and employers. He emphasized that changes would only affect new retirees going forward.

Mr. Russo updated the Board on information received from legislative leadership regarding the topic.

Mr. Russo presented the staff recommendation that, for Options 1, 2, or 3, mortality tables used to calculate ASA annuities be updated and made consistent with those used in calculating PERF and TRF DB retirement options. If Option 4 is chosen, mortality will be at market rates as determined by the 3rd party annuity provider.

Chairman Cochran opened the floor for discussion. Board members expressed support for Option 4, stating that a 3rd party provider could offer different products and more options for members. Board members and staff discussed the RFP for 3rd party providers, the possible timeline, and the procurement process.

MOTION duly made and carried to pursue Annuity Savings Account Annuity Option 4 as captured in Resolution No. 2013-06-01 titled The Resolution approving Solicitation and Contract with Third Party Annuity Provider.

Proposed by: Tim Berry
Seconded by: Jodi Golden
Votes: 7 in favor, 0 opposed, 0 abstentions

The resolution states that the INPRS Director, or his designee (each an Authorized Officer), be authorized and directed to fully complete the procurement process, and after thorough diligence, negotiate the terms of, and execute, on behalf of the Board, an Agreement with a 3rd Party Annuity Provider.

III. Adjournment

MOTION duly made and carried to adjourn the July 30, 2013 Board meeting at 9:53 a.m.

Proposed by: Chris Atkins
Seconded by: Jodi Golden
Votes: 7 in favor, 0 opposed, 0 abstentions