

# Draft Education Policy

## **PURPOSE**

This policy recognizes that it is incumbent upon on each Board member to achieve and maintain proficiency regarding responsible pension plan governance so that Board Members can carry out their fiduciary and statutory duties.

This Board Education Policy sets forth principles and guidelines for introductory and ongoing educational activities for Board Members. The Policy establishes a framework through which Board Members can develop the skills and knowledge necessary to effectively carry out their duties and responsibilities, recognizing that such information can be obtained in a variety of formats.

## **OBJECTIVE**

To assure that all Board Members have access to the knowledge they need to prudently and effectively carry out their fiduciary and statutory duties.

To assure that all Board Members possess a common base of knowledge relevant to pension fund governance, actuarial methods, administration, the investment of pension fund assets, and fiduciary practices sufficient to enable effective group discussion, debate and decision-making.

To encourage and ensure all Board Members seek and maintain up-to-date knowledge regarding the information necessary to prudently govern the retirement plan.

## **BOARD MEMBER ORIENTATION**

A formal orientation program will be developed by the Executive Director for the benefit of all new Board Members. The goal of the orientation program will be to help assure that new Board Members are in a position to effectively carry out their fiduciary and statutory duties as soon as possible upon joining the Board.

## **ONGOING BOARD MEMBER EDUCATION**

During any term of service, board members are encouraged or expected to seek education necessary for them to carry out their fiduciary responsibilities. Board Members may receive education in relevant subjects through various formats including, but not limited to the following:

- External conferences, seminars, workshops, roundtables or similar programs;
- Courses and programs conducted by and/or through academic institutions;
- In-house educational presentations by external consultants, service providers, staff or others. Such presentations can take place at regular Board Meetings or at special sessions;

The Administrative Services Manager will maintain a list of educational conferences appropriate for board members. The Executive Director will approve educational conferences based on educational content, demonstrated educational effectiveness, attendance requirements and potential appearance concerns for board members.

## **BOARD MEMBER EDUCATION REQUIREMENTS**

**Law Enforcement, Fire Fighter and Employer Board Members** are encouraged to maintain ongoing proficiency throughout their term by attending educational conferences that are designed to give them a general understanding of the responsibilities of a public retirement system fiduciary. Approved

programs that satisfy this requirement include NCPERS Annual conference, IFEBP Annual conference and NCPERS Public Safety conference. Other programs may satisfy this requirement, but must be approved by the Executive Director.

**Law Enforcement, Fire Fighter and Employer Board Members** in their **first full term** of service will complete an approved educational session designed for trustees and public sector policy makers providing a solid base knowledge in legal, legislative, plan design and fiduciary aspects of public sector benefit plans.

Approved programs that satisfy this requirement include: Certificate of Achievement in Public Plan Policy (CAPPP) – IFEBP, New Trustee Institute – IFEBP, Trustee Masters Program (TMP) – IFEBP, and NCPERS Accredited Fiduciary (NAF) Program. Other programs may satisfy this requirement, but must be approved by the Executive Director.

NOTE: A Board Member who's first term is completing the term of a vacated position may be exempted from the first term requirement if it is determined by the Executive Director the remaining time in the term would not allow for completion of the required education. The education requirement would need to be completed in the next subsequent term of service, should there be one.

**Law Enforcement, Fire Fighter and Employer Board Members** in their **second term** of service will complete an approved advanced educational session designed for trustees and public sector policy makers. Approved programs that satisfy this requirement include: Trustee Masters Program (TMP) – IFEBP, and TMP Advanced Leadership Summit.

**Law Enforcement, Fire Fighter and Employer Board Members** in their **third term** of service may pursue additional advanced education. Board members should identify areas in which they might benefit from additional education and work with staff to find appropriate educational opportunities.

**Legislative Members** are encouraged to maintain proficiency by voluntarily attending educational conferences designed to give them a general understanding of the responsibilities of a public retirement system fiduciary. Approved programs that satisfy this requirement include NCPERS Annual conference, IFEBP Annual conference and NCPERS Public Safety conference. Other approved programs include: Certificate of Achievement in Public Plan Policy (CAPPP) – IFEBP, and New Trustee Institute – IFEBP. Other programs may satisfy this requirement, but must be approved by the Executive Director.

**Legislative Members** serving more than one term on the Board may voluntarily attend advanced educational sessions. Approved programs include Trustee Masters Program (TMP) – IFEBP, TMP Advanced Leadership Summit (IFEBP), and NCPERS Accredited Fiduciary (NAF) Program.

#### **DESIRED CONTENT FOR EDUCATIONAL SESSIONS**

Board Members will pursue an appropriate level of education across a broad spectrum of public pension fund-related areas, rather than limiting their education to particular subjects. Board Members will also endeavor to gain knowledge that is consistent and appropriate with the Board's role as a high level, policy-setting and oversight body.

Relevant subjects for Board Member education include, but are not limited to the following:

- Fiduciary responsibilities;
- Effective governance practices;
- Institutional investment practices, asset allocation principles and investment program management;
- Actuarial analysis;
- Pension funding policy;
- Benefits structure and administration;
- Fiscal management;
- Regulatory and legal considerations;
- Ethics;
- Programs related to professional licensing requirements or obtaining/maintaining professional credentials; and,
- Training programs mandated by law, including ethics training and sexual harassment prevention training.

In addition to presentations at conferences or Board meetings, accepted formats for education include:

- Electronic media, including CD ROM-based education, Internet-based education and video based education; and
- Relevant periodicals, journals, textbooks or similar materials.