Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board

2.01 Trustee & Fiduciary Education

Date of Original Issue: April 19, 2004 **Date Modified: December 18, 2019**

PROPOSED

PURPOSE

The Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 Retirement Board members are trustees and fiduciaries of the LEOFF Plan 2 Retirement System. To fulfill statutorily mandated duties as trustees and fiduciaries, board members are required to attend trustee and fiduciary education.

SCOPE

This Education Policy is intended to serve as a catalyst for each Board member's individual development and advancement to best serve the members and beneficiaries of LEOFF Plan 2.

By design, individual Board members come to the LEOFF Plan 2 Retirement Board with diverse backgrounds, experiences, and professional responsibilities. This Education Policy is established to:

1. Encourage all Board members seek and maintain up-to-date knowledge regarding the information necessary to fulfill fiduciary and statutorily mandated duties as trustees and prudently govern the retirement plan.
2. Provide a framework through which Board members can develop the skills and knowledge necessary to effectively carry out their fiduciary and statutory duties/responsibilities, recognizing that such information can be obtained in a variety of formats and from a variety of sources.
3. Set forth principles and guidelines for introductory and ongoing educational activities and ensure all Board members have access to the knowledge they need to effectively carry out their fiduciary and statutory duties.
4. Recognize the individual roles and responsibilities of Board members and the necessity to achieve and maintain proficiency regarding responsible pension plan governance so that Board members can carry out their fiduciary and statutory duties.

POLICY

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. New Board members should attend orientation prior to, or in conjunction with their first board meeting, or as soon as feasible thereafter.

BOARD MEMBER EDUCATION GUIDELINES

Law Enforcement, Fire Fighter and Employer Board members

First Term of Service

During their first full term of service Board members are expected to complete an approved educational program 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 recommended to satisfy this requirement include:

1. IFEBP Annual Education Conference
2. IFEBP CAPPP – Employee Pensions Part 1 and Part 2
3. IFEBP New Trustee Institute – Level 1 and Level 2
4. NCPERS Annual Conference & Exhibition
5. NCPERS Public Safety Conference
6. NCPERS Accredited Fiduciary (NAF) Program – Module 1 through 4
7. Other programs may satisfy this requirement, but must be approved by the Executive Director

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 expected education. The education requirement would need to be completed in the next subsequent term of service, should there be one.

Second Term of Service

During their second term of service a Board member is expected to complete an approved advanced educational session designed for trustees and public sector policy makers. Approved programs recommended to satisfy this requirement include:

1. IFEBP Trustee Master Program (TMP)
2. IFEBP TMP Advanced Leadership Summit.

PROPOSED

Third and Subsequent Terms of Service
During a third or subsequent term of service a Board member may pursue additional advanced education. Board members should identify areas in which they might benefit from additional education and work with the LEOFF Board team to find appropriate educational opportunities.

Legislative Board members

Legislative members are encouraged to maintain proficiency by voluntarily attending educational programs designed to give them a general understanding of the responsibilities of a public retirement system fiduciary. The approved programs recommended to satisfy this requirement include

1. IFEBP Annual Education Conference
2. IFEBP CAPPP – Employee Pensions Part 1 and Part 2
3. IFEBP New Trustee Institute – Level 1 and Level 2
4. NCPERS Annual Conference & Exhibition
5. NCPERS Public Safety Conference
6. 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. The approved programs which are recommended include:

1. IFEBP Trustee Master Program (TMP), and
2. IFEBP TMP Advanced Leadership Summit
3. NCPERS Accredited Fiduciary (NAF) Program – Module 1 through 4

PROVIDERS, PROGRAMS AND CONTENT
Board members are required to seek education necessary for them to carry out their fiduciary responsibilities throughout their service on the Board. Education may be obtained in a variety of formats with appropriate content from approved program providers.

Educational Activities/Formats

Board members may receive education in relevant subjects through various formats including, but not limited to the following:

1. External conferences, seminars, workshops, roundtables or similar programs;
2. Courses and programs conducted by and/or through academic institutions;
3. 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;
4. Electronic media, including CD ROM-based education, Internet-based education (webinars, online classes), and video based education; and,

PROPOSED

5. Relevant periodicals, journals, textbooks or similar materials

Pre-approved Providers and Programs

Board members are expected to maintain ongoing proficiency throughout their term by attending educational conferences or other educational sessions from pre-approved program list.

The Executive Director will approve educational programs based on educational content, demonstrated educational effectiveness, attendance requirements and potential appearance concerns for Board members.

The Administrative Services Manager will maintain a list of educational conferences & programs appropriate for Board members.

Approved providers/programs that have been pre-approved for meeting the education requirements under this policy, include:

1. International Foundation of Employee Benefit Plans (IFEBP)
   - Annual Education Conference
   - Certificate of Achievement in Public Plan Policy (CAPPP) (Part 1 & 2)
   - New Trustee Institute (Level 1 & 2)
   - Trustees Masters Program (TMP)
   - TMP Advance Leadership Summit
2. National Conference on Public Employee Retirement Systems (NCPERS)
   - Annual Conference & Exhibition (ACE)
   - Public Safety Conference
   - Accredited Fiduciary Program (NAF) (Modules 1 through 4)
3. Other programs may satisfy this requirement, but must be approved by the Executive Director

Desired Content for Educational Sessions

Board members should 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 should 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;
- Pension funding policy;
- Actuarial analysis;

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- Fiscal management;
- Benefits structure and administration;
- Ethics;
- Regulatory and legal considerations;
- Institutional investment practices, asset allocation principles and investment program management;
- 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.

PROCEDURES

Approval
All trustee and fiduciary education shall be requested and approved by the Executive Director in advance.

Travel for Trustee & Fiduciary Education
Travel may be necessary to attend education programs. Board members are eligible to receive allowable reimbursement for expenses incurred while attending trustee and fiduciary education.

Reimbursement for expenses incurred while attending trustee and fiduciary education is authorized under rules established by the Washington State Office of Financial Management in the State Administrative and Accounting Manual (SAAM) Chapter 10.

Board members will exercise prudent judgment in incurring expenses when on Board business.

Coordination
Board members' registration and travel arrangements for trustee and fiduciary education will be coordinated through the Administrative Services Manager (or designated team member) to ensure compliance with all state regulations and state per diem rates.

Requirements
- Board members' attendance for trustee and fiduciary education is mandatory
- Upon completion of trustee and fiduciary education, board members are required to provide a written and/or oral report to the Board
- Upon completion of trustee and fiduciary education, board members are required to provide a certificate of attendance to the Administrative Services Manager (or designated team member)

PROPOSED

Reimbursement
Upon completion of trustee and fiduciary education, and fulfillment of the requirements (under the Requirements section), board members may request reimbursement for eligible expenses by submitting a Board member Expense Reimbursement Form and associated receipts to the Administrative Services Manager (or designated team member).

STATE TRAVEL RULES
Board members may be reimbursed for per diem and other travel expenses incurred while conducting LEOFF Plan 2 Retirement Board duties, including attending trustee and fiduciary education. Per Diem rates may vary according to location and are subject to change.

Reimbursement for expenses incurred while attending trustee and fiduciary education is authorized under rules established by the Washington State Office of Financial Management in the State Administrative and Accounting Manual (SAAM) Chapter 10.

Board members will exercise prudent judgment in incurring expenses when on Board business.

Some basic travel rules to remember are:

- Air, rail and other transportation arrangements using common carriers must be made through travel agencies authorized by the state
- Lodging expense is generally authorized if required to stay overnight, more than 50 miles from the closer of either the member's official place of business or residence. Actual expense, documented by a receipt, up to the maximum state rate is allowable. Some exceptions apply
- Deductions to the daily meal allowances will be made for meals included as part of the registration fee for conferences, seminars, or furnished at meetings
- Entertainment, alcoholic beverages, and other personal expenses are not reimbursable
- Private car mileage may be claimed only by one member regardless of number of members traveling together

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Approved By:

Steve Nelsen
Executive Director
LEOFF Plan 2 Retirement Board

Modifications:
August 12, 2010
December 18, 2019

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