

**CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

**FIDUCIARY EDUCATION POLICY**

APPROVED: 04/09/96  
AMENDED: 12/14/99, 03/12/02, 09/12/12

**PURPOSE**

The Board of Retirement ("Board") of the Contra Costa County Employees' Retirement Association ("CCCERA") adopts this policy to provide guidelines for Trustees of CCCERA in meeting their continuing education duty as fiduciaries.

**AUTHORITY**

The California Constitution provides:

...the retirement board of the public pension or retirement system shall have plenary authority and fiduciary responsibility for investment of moneys and administration of the system..." and mandates that retirement board Trustees "...shall discharge their duties with respect to the system with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims. (Calif. Const. Art. XVI, Sec. 17.)

The County Employees Retirement Law of 1937 ("CERL") provides:

The board and its officers and employees shall discharge their duties with respect to the system:

(a) Solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system.

(b) With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.

(c) Shall diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so. (Govt. Code § 31595.)

The CERL additionally requires, as of January 1, 2013, that all board members receive a minimum of 24 hours of board member education within the first 2 years of assuming office and for every subsequent 2-year period in which the person serves on the board. The board is required to maintain a record of each board member's compliance and to post the education policy and an annual report on board member compliance on the retirement system's Internet Web site. (Govt. Code § 31522.8.)

## **POLICY**

The requirements and guidelines governing the Board's continuing education are set forth below:

1. The Constitution grants Trustees the sole and exclusive authority to invest trust fund money and administer the Retirement System, but in so doing it also requires that they be "familiar with these matters". Trustees must therefore make every effort reasonably possible to become educated with respect to "investment of moneys and administration of the system". Trustees must make every reasonable effort to become as educated in these matters as "a prudent person acting in a like capacity and familiar with these matters" would be.
2. Board members shall strive to develop and maintain an appropriate level of knowledge and skill necessary to administer the retirement system prudently throughout their term as members of the CCCERA Board. The following areas of education are included:
  - (i) Fiduciary responsibilities
  - (ii) Ethics (mandatory every two years pursuant to Govt. Code § 53235)
  - (iii) Pension fund investments and investment program management
  - (iv) Actuarial matters
  - (v) Pension funding
  - (vi) Benefits administration
  - (vii) Disability evaluation and process
  - (viii) Fair hearings
  - (ix) Pension fund governance
  - (x) New board member orientation, including:
    - a. Most recent Comprehensive Annual Financial Report
    - b. Most recent Actuarial Valuation, tri-ennial experience evaluation and most recent demographic and economic assumption reports
    - c. Most recent investment performance report
    - d. Most recent budget
    - e. Fiduciary responsibility
    - f. Current organization chart
    - g. Brown Act open meetings laws
    - h. Public Records Act
    - i. Board Regulations and policies
    - j. Trustee and executive staff roster

- k. Fair Political Practices Commissions regulations
  - l. CERL booklet and CCCERA Lawbook
  - m. Board travel reimbursement forms and travel guidelines
3. All trustees are encouraged to attend one or more of the comprehensive courses on pension fund management and investing such as those offered by:

Wharton School, University of Pennsylvania ("Pension Funds and Money Management");

California Association of Public Retirement Systems ("Principles of Pension Management"); and

State Association of County Retirement Systems ("Public Pension Investment Management Program").

These classes ensure that all members are familiar with their fiduciary responsibility and are active participants in the system. All new trustees are expected to attend one or more of the above as soon as possible after becoming a trustee.

4. The Board holds regular membership in several state and national organizations devoted to trust fund investment and accounting, and pension benefits design and delivery. The Board encourages trustees' regular attendance at conferences and meetings sponsored by these organizations:

SACRS	- State Assoc. of County Retirement Systems
CALAPRS	- Calif. Assoc. of Public Retirement Systems
NCPERS	- National Council of Public Employee Retirement Systems
IFEBP	- International Foundation of Employee Benefits Plans
CII	- Council of Institutional Investors
NIRS	- National Institute on Retirement Security

5. Educational opportunities designed to help Trustees achieve and maintain proficiency include in-house educational seminars, presentations and orientations on relevant topics.
6. The board maintains a library containing books, articles, videotapes and monographs on subjects pertinent to pension fund investing and pension benefit administration.
7. In addition, each Trustee shall be provided access to Pensions and Investments Magazine as part of their continuing education.

8. Each educational seminar, meeting or conference which appears pertinent to public plan benefits administration or fund investing will be placed on the Retirement Board's meeting agenda for determination by individual Trustees as to its value in meeting his/her specific educational or interaction needs and for approval by the Board.
9. Finally, as Trustees strive to attain the level of excellence demanded by the law, the cost to do so, within reason, constitutes an expense properly incurred in connection with the performance of the Trustees' duties with the System. The Board shall therefore establish an annual budget to cover the cost to provide continuing fiduciary education for its Trustees and for those staff members selected by the Retirement Chief Executive Officer and Trustees.
10. Board members shall provide to the Retirement Chief Executive Officer a record of Board member training hours in compliance with this Policy. The Retirement Chief Executive Officer or designee shall maintain for all Board members a record of training hours. An annual report on Board member compliance shall be placed on the CCCERA website, and an annual compliance reminder shall be sent to Board members.