



# *Trustee Education and Training Policy*

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## I. Purpose

This Policy establishes guidelines and procedures for ACERA Board and Alternate Trustees that recognize the importance of education to the success of fulfilling their fiduciary responsibilities. The Policy is designed to mitigate the risk that Trustees will not possess the minimum level of knowledge necessary to carrying out their fiduciary duties in overseeing the pension plan and adhering to the Trustee education requirements set forth in Government Code section 31522.8.

## II. Assumptions

The Policy rests on the following important assumptions:

- A. The role of a Trustee is distinct from that of management and requires correspondingly different knowledge and education.
- B. An identifiable body of knowledge can be imparted to Trustees to facilitate the carrying out of their fiduciary roles and responsibilities.
- C. Trustees are responsible for making policy decisions affecting all major aspects of pension plan administration and must acquire an appropriate level of knowledge of all significant facets of the plan rather than limiting their knowledge to only some areas.
- D. No single method of educating Trustees works for everyone so a variety of approaches is necessary and appropriate.
- E. The Policy is not intended to dictate that Trustees attend only specific conferences, programs or other training opportunities. Trustees have discretion to determine which programs best meet their needs and the objectives of this policy.
- F. The Policy is in compliance with Government Code section 31522.8.

### III. Objectives

The objectives of the Policy are as follows:

- A. Ensure that all Trustees gain the knowledge they need to effectively carry out their fiduciary responsibilities as defined by the County Employees Retirement Law of 1937 Act (Government Code §31450, et seq.).
- B. Ensure that access to the necessary educational opportunities are made available to all Board and Alternate Trustees.
- C. Ensure that Trustees possess a shared knowledge of pension administration that facilitates group discussion, debate, and effective decision-making.
- D. Ensure that Trustees have the opportunity to acquire a relevant level of knowledge across all major aspects of pension plan administration, as opposed to only gaining specialized knowledge in particular areas.
- E. Ensure that all newly appointed or elected Trustees are provided with sufficient knowledge to actively and effectively participate in Board and committee deliberations.

### IV. Policy Guidelines

#### Trustee Education and Training Requirements

All Trustees agree to develop and maintain their knowledge and understanding of the issues involved in the management of ACERA throughout their terms as Trustees.

#### A. Minimum Hours of Education

- 1. All new Trustees must receive a minimum of 24 hours of Board member education within the first two years of assuming office.
- 2. After first two years of office, every Trustee must receive a minimum of 24 hours of Board member education every two years.

B. Educational Topics

- i. Trustees agree to develop and maintain a relevant level of knowledge across a broad spectrum of pension-related topics in at least the following areas:
  - a. Fiduciary responsibilities.
  - b. Ethics.
  - c. Pension fund investments and investment program management.
  - d. Actuarial matters.
  - e. Pension funding.
  - f. Benefits administration.
  - g. Disability evaluation.
  - h. Fair hearings.
  - i. Pension fund governance.

(Government Code §31522.8.)

C. Process for Selecting Educational Opportunities

- i. Trustees shall consider the following requirements when selecting an educational vehicle that best meets their needs:
  - a. The opportunity is designed to provide Trustees with the knowledge they need to carry out their roles and responsibilities;
  - b. The opportunity assists Trustees in securing a useful level of knowledge of the areas listed above;
  - c. The opportunity meets the requirements of this Policy; and
  - d. The cost-effectiveness of the program.

2. Trustees will seek out, evaluate and attend appropriate educational programs, such as:
  - a. Conferences, seminars, workshops, and roundtables;
  - b. Courses, workshops and presentations sponsored by academic institutions or external service providers;
  - c. In-house workshops, seminars, or presentations delivered by ACERA staff;
  - d. Self-study from relevant periodicals, articles, trade journals, textbooks, and electronic media or other sources of educational material; and
  - e. Any other educational opportunities that the Trustees deem necessary and appropriate.
3. Annual Retreat: Trustees shall participate in an annual planning and educational retreat organized by ACERA management with input from the Board. The Board may identify collective areas for improvement in the Board's knowledge base and direct that training in those areas be included at the annual retreat.
4. Educational seminars sponsored by pension fund organizations or accredited academic institutions shall be deemed to meet the Trustee education requirements. (Government Code §31522.8.)

D. Orientation Program

1. A formal orientation program shall be developed by senior management for the benefit of new Trustees designed to ensure that new Trustees are in a position to contribute fully to Board and committee deliberations, and effectively carry out their fiduciary duties as soon as possible upon joining the Board.
2. New Trustees shall be encouraged to participate in the orientation program within 45 days of being elected or appointed to the Board.
3. The orientation program shall include:
  - a. An Orientation Handbook;
  - b. Introduction to all key members of senior management and staff;

- c. A tour of the ACERA offices; and
  - d. A comprehensive briefing by senior management.
4. The Orientation Handbook shall include:
- a. Most recent plan description and member handbook;
  - b. Roles and responsibilities of Trustees, committees, and senior management, both fiduciary and operational;
  - c. Copies of ACERA Board policies;
  - d. Most recent actuarial valuation and financial statements;
  - e. Most recent actuarial asset/liability study;
  - f. Most recent investment performance report;
  - g. Most recent business plan and budget;
  - h. Up-to-date organizational chart;
  - i. Up-to-date names and phone numbers of other Trustees and Chief Executive Officer;
  - j. Relevant readings covering pension fiduciary fundamentals; and
  - k. Copies of relevant ACERA publications/brochures.

E. Required Trustee Trainings

- i. Sexual Harassment Prevention Training
  - a. Each trustee is required to take two hours of sexual harassment prevention training within the first six months of taking office and every two years after that. (Government Code §§53237, et. seq.)
  - b. Sexual harassment training obtained by a Trustee at a previous employer will serve to satisfy this requirement so long as the training is compliant with current

legal requirements and was completed within one year before the Trustee took office.

2. Ethics Training

- a. Each Trustee is required to take ethics training within one year of taking office and every two years after that. (Government Code §§53234, et seq.)
- b. Refer to the Conflict of Interest Policy, Section VI, for more details.

F. Policy Compliance

1. Each Board member must maintain a record of his or her compliance with the education requirements (Government Code §31522.8). The Board members must certify their compliance on the form attached as Exhibit A and provide the original to the CEO's office no later than January 31 for the previous calendar year.
2. This Policy and an annual report on Board Member Compliance with the Policy will be on the ACERA website (Government Code §31522.8).
3. Trustees agree to be accountable to each other, as a group, for complying with the provisions of this Policy.
4. The ACERA Legal Department will maintain records indicating the date sexual harassment prevention training was completed and the entity that provided the training.
5. The ACERA Legal Department will maintain the records indicating the date ethics training was completed and the entity that provided the training consistent with the reporting requirements stated in the Conflict of Interest Policy.

V. Policy Review

This policy shall be reviewed by the Operations Committee every three years to ensure that it remains relevant and appropriate.

VI. Policy History

- A. The Board adopted this policy on October 16, 1999.
- B. The Board reviewed and affirmed this policy, with revisions, on February 15, 2018<sup>1</sup>.

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<sup>1</sup> The Board adopted the Policy (then named the Trustee Education Policy) on October 16, 1999. The Board reviewed and affirmed with revisions September 18, 2003; November 18, 2003; November 9, 2006; December 18, 2008; December 20, 2012; October 17, 2013; September 17, 2015; January 19, 2017; and February 15, 2018.



## *Certification of Compliance: Trustee Education*

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I, \_\_\_\_\_, am a Trustee on the Board of Retirement for the Alameda County Employees' Retirement Association (ACERA).

I have been informed of the education and continuing education requirements under California Government Code Section 31522.8 and ACERA's *Trustee Education and Training Policy*.

I hereby state that I am in compliance with the obligations imposed on me by California Government Code Section 31522.8 and ACERA's *Trustee Education and Training Policy*.

This is applicable for the period January 1, \_\_\_\_\_, to December 31, \_\_\_\_\_.

Dated: \_\_\_\_\_ Signature: \_\_\_\_\_