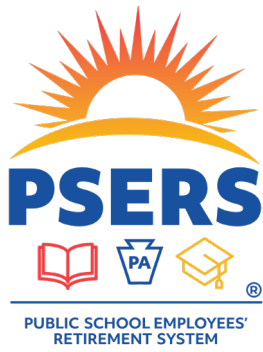


## **PSERB Resolution 2025-45**

### **Re: Repeal of *Statement of Organization, Bylaws and Other Procedures*, Adoption of a Governance Manual, Adoption of Amendments to the Board's Ethics Policy, and Adoption of a Non-Investment Contracts and Political Contributions Policy June 13, 2025**

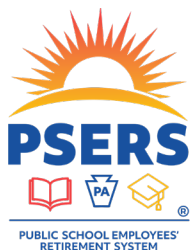
**RESOLVED**, that the Public School Employees' Retirement Board ("the Board") accepts the recommendation of the Governance and Administration Committee and:

- i. repeals the Board's current *Statement of Organization, Bylaws and Other Procedures* ("*Bylaws*");
- ii. adopts the *Governance Manual of the Public School Employees' Retirement Board* and related amendments to the *Bylaws*;
- iii. adopts the amendments to the Board Ethics Policy; and
- iv. adopts the Non-Investment Contracts and Political Contributions Policy, as attached.



# Governance Manual of the Public School Employees' Retirement Board





# Governance Manual of the Public School Employees' Retirement Board

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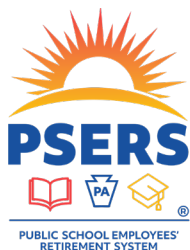
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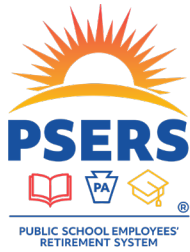
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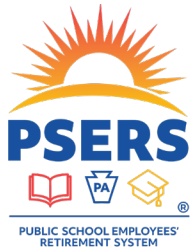
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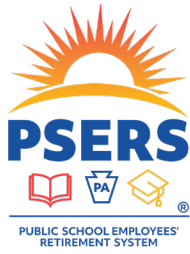
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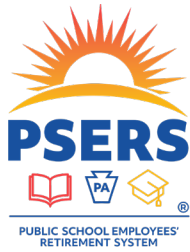
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Governance Manual of the Public School Employees' Retirement Board

## TAB 1

# Introduction and Governing Laws



## TAB 1

# Introduction and Governing Laws

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## INTRODUCTION AND GOVERNING LAWS

### Introduction

The Governance Manual of the Public School Employees' Retirement Board (Board) is a collection of the bylaws, charters, position descriptions, and policies governing the functions of the Board. The contents of this Manual provide guidance regarding the proper conduct of members of the Board and its committees in performing their responsibilities to ensure that they are functioning in an effective and efficient manner and in accordance with applicable law.

### Board Responsibilities and Composition

The Pennsylvania Public School Employees' Retirement System (PSERS) is one of the oldest pension plans in the United States. Established in 1917 PSERS began operations in 1919 to serve the public school employees of the Commonwealth of Pennsylvania (Commonwealth). PSERS is a governmental, cost-sharing, multiple-employer pension plan to which public school employers, the Commonwealth, and public school employees contribute. PSERS was created by statute through the Public School Employees' Retirement Code (Retirement Code) as a traditional defined benefit plan and a qualified trust under Section 401(a) of the Internal Revenue Service Code (DB Plan; Fund). Upon the passage of Act 5 of 2017, effective July 1, 2019, PSERS was expanded to include the School Employees' Defined Contribution Plan, a separate qualified 401(a) Defined Contribution Plan (DC Plan; Trust).

The Board is established by state law as an independent administrative board of the Commonwealth responsible for the administration and oversight of the PSERS plans. The Board's 15 trustees stand in a fiduciary relationship to its members by exercising exclusive control and management of the DB Plan, including the investment of its assets, and the DC Plan within applicable state and federal laws. The Board members are:

- 4 ex-officio members (State Treasurer, Secretary of Education, Secretary of Banking & Securities, Executive Director of Pa. School Boards Association)
- 1 member appointed by the Governor
- 1 member elected by school boards members
- 5 members elected by the members of the System (1 annuitant member, 4 active members)
- 2 appointed House members, one from the majority and one from the minority
- 2 appointed Senators, one from the majority and one from the minority

The Board is responsible for oversight of the investments and benefit administration of the DB Plan and selects the investment options and oversees the contracted third-party administrator of the DC Plan. In addition to retirement benefits, the Board administers a Premium Assistance Program and a PSERS Health Options Program.

## Governing Statutes and Regulations

The Board, as well as the funds and programs it administers, were created, and are governed by state statutes. The primary statutes and codes that govern the Board's responsibilities include the following:

- Pennsylvania Constitution
- Public School Employees' Retirement Code, 24 Pa.C.S. § 8101, et seq.
- Administrative Code of 1929, 71 P.S. § 51, et seq.
- Commonwealth Procurement Code, 62 Pa.C.S. § 101, et seq.
- Charter School Law, 24 P.S. § 17-1701-A, et seq.
- Public School Code of 1949, 24 P.S. § 1-101, et seq.
- Public Employee Pension Forfeiture Act, 43 P.S. § 1311, et seq.
- Commonwealth Attorneys Act, 71 P.S. § 732-102, et seq.
- Sovereign Immunity Act, 42 Pa.C.S. §§ 8521- 8527
- Employee Retirement Income Security Act (ERISA), 29 U.S.C.S. § 1001, et seq.
- Probate, Estates, and Fiduciaries Code, 20 Pa.C.S. § 101, et seq.
- Pennsylvania Sunshine Law, 65 P.S. § 261, et seq.
- Pennsylvania Right-to-Know Law, 65 Pa.C.S. §§ 67.101-67.3104
- Internal Revenue Code, 26 U.S.C.S. § 1, et seq.
- Public Official and Employee Ethics Act, 65 Pa.C.S. § 1101, et seq.

## Fiduciary Responsibilities

As trustees, members of the Board have fiduciary responsibilities. These fiduciary duties establish standards of conduct that are generally stricter than those observed by other public officials or directors of corporations. The primary fiduciary responsibilities are imposed on Board members and other PSERS fiduciaries by 24 Pa. C.S. §§ 8401 and 8521(e), and include:

### *Duty of Loyalty*

PSERS fiduciaries are subject to the exclusive benefit standard, which requires them to act solely in the interests of the plan's participants and beneficiaries, and for the exclusive purpose of providing benefits to participants and beneficiaries.

### *Duty of Care*

In exercising their fiduciary responsibilities, PSERS fiduciaries are governed by the "prudent fiduciary rule" and each must perform these responsibilities "with the degree of judgment, skill and care under the circumstances then prevailing which persons of prudence, discretion and intelligence, who are familiar with such matters, exercise in the management of their own affairs not in regard to speculation, but in regard to the permanent disposition of the funds, considering the probable income to be derived therefrom as well as the probable safety of their capital."

### *Common Law Fiduciary Duties*

In addition to the above statutory and code provisions, trust law sets forth fiduciary duties and contain the following principles:

- **Duty to Diversify:** Trustees must diversify investments so as to minimize the risk of loss, unless under the circumstances it is clearly not prudent to do so.
- **Duty to Delegate:** Trustees may delegate functions that a prudent trustee would delegate under the circumstances, provided that they exercise reasonable care in selecting, instructing and monitoring the delegated agents.
- **Duty to Control Costs:** Trustees may incur costs that are appropriate and reasonable to prudently accomplish the purposes of the trust.
- **Duty of Impartiality:** Trustees must discharge their duties impartially, taking into account any differing interests of various participants and beneficiaries.
- **Duty of Good Faith:** Trustees must exercise their responsibilities in accordance with a good-faith interpretation of applicable law and governing documents.

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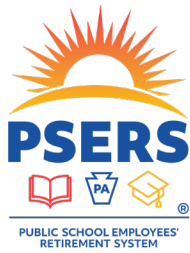
### **Construction**

The headings and captions in this Governance Manual are for convenience and ease in navigating the governing documents of the Board and shall not be construed or deemed to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the documents.



## TAB 2

# Statement of Organization Bylaws, and Other Procedures

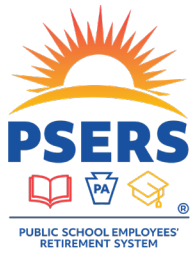


## TAB 2

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## ARTICLE I: INTRODUCTION AND STATEMENT OF PURPOSE

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### Section 1: Introduction

The name of the board of trustees of the Public School Employees' Retirement Fund (the "Fund") and the School Employees' Defined Contribution Trust ("Trust") of the Commonwealth of Pennsylvania (the "Commonwealth") is Public School Employees' Retirement Board (the "Board").

The Board is an independent administrative board of the Commonwealth. The members of the Board stand in a fiduciary relationship to the members of the Pennsylvania Public School Employees' Retirement System (the "System") regarding the investments and disbursements of moneys of the Fund. The members of the Board, as trustees of the Fund, have exclusive control and management of the Fund and full power to invest the fund, subject to observance of such standards of fiduciary conduct and such other terms, conditions, limitations and restrictions on the making of investments as may be provided by law. The Board also performs other functions as are required for the administration of the System, including the payment of benefits. The Board may adopt and from time to time amend a "mission statement" for publication to System members, the government of the Commonwealth, and the general public. The Board determines the terms and provisions of the School Employees' Defined Contribution Plan (the "Plan") and shall perform functions as are required for the administration of the Plan, which shall be administered exclusively for the benefit of the participants of the Plan and their beneficiaries. The Board administers the Trust and determines the types of investments available to participants.

---

### Section 2: Statement of Purpose

The "Statement of Organization Bylaws, and Other Procedures" (the "Bylaws") sets forth many of the more important requirements of the above referenced laws and regulations particularly as they relate to the operations of the Board. For example, substantial portions of Article III of the Bylaws are derived from the open meeting requirements of the Pennsylvania Sunshine Law. In some cases, statutory and regulatory language has been incorporated into the Bylaws to facilitate the Board's efforts to fully comply with all applicable laws and regulations.

Finally, important sections of the Bylaws concern the manner in which the Board operates in carrying out its fiduciary responsibilities. These sections are not derived from specific statutes or regulations and include such sections as the section found in Section 4 of the Bylaws which relate to the responsibilities of various standing committees of the Board.

The Fiscal Year of the Board, the System, the Fund, the Plan, and the Trust shall be July 1 to and including the June 30 of the following year.

## ARTICLE II: BOARD COMPOSITION & POWERS

---

### Section 2.1 Composition

The Board shall consist of 15 members. The members of the Board are the Secretary of Education, ex officio; the State Treasurer, ex officio; the Secretary of Banking and Securities, ex officio; the Executive Secretary of the Pennsylvania School Boards Association, ex officio; one person appointed by the Governor; three persons elected by the active professional members of the System and active certified (professional) Class DC participants in the Plan from among their number; one person elected by the active nonprofessional members of the System and active non-certified (nonprofessional) Class DC participants in the Plan from among their number; one person elected by the annuitants and eligible Class DC participants from among their number; one person elected by members of the Pennsylvania public school boards from among their number; and two Senators and two members of the House of Representatives.

The appointments made by the Governor are subject to confirmation by the Senate.

The members from the Senate are appointed by the President pro tempore of the Senate and shall consist of one member from the majority and one member from the minority. The members from the House of Representatives are appointed by the Speaker of the House of Representatives and shall consist of one member from the majority and one member from the minority. Such legislative members shall serve on the Board for the duration of their legislative terms and shall continue to serve until 30 days after the convening of the next regular session of the General Assembly after the expiration of their respective legislative terms, or until a successor is appointed for the new term, whichever first occurs.

The procedures governing full-term elections and elections to fill vacancies in the Board's elective membership are set forth in the "Election Procedures and Guidelines of the Commonwealth of Pennsylvania Public School Employees' Retirement Board," as amended from time to time, and are incorporated herein by reference.

---

### Section 2.2 Appointment Qualifications

Reserved.

---

### Section 2.3 Powers

Except as otherwise provided by law and these Bylaws, all powers of the System shall be exercised by or under the authority of, and the business and affairs of the System shall be managed under the direction of, the Board. The Board has developed an Elections Policy that governs the process for electing Trustees from the members of the System/participants in the Plan and from the members of the School Boards Association.



---

### Section 2.4 Term of Office

Each member appointed to the Board shall serve for a term of three years and until his or her successor is duly appointed and qualified.

Each member elected to the Board shall serve for a term of three years beginning on a January 1 and ending on the December 31 of the third calendar year of such term and until his or her successor is duly elected and qualified.

Each election shall be conducted in a manner approved by the Board.

Notwithstanding the preceding, in the event an elective member serving on the Board no longer is a member of the constituent group from which he or she was elected, then said seat shall be deemed vacant except that the nonqualified elective member shall continue to serve on the Board until his or her successor is duly elected and qualified pursuant to Section 2.5.

---

### Section 2.5 Vacancies

A vacancy occurring during the term of any member, whether appointive, elective, ex-officio or legislative, shall be filled for the unexpired portion of the term by a successor appointed or elected, as the case may be, in the same manner as his or her predecessor. In determining the manner in which elections may be conducted, the Board may adopt standards for, and pursuant thereto maintain a practice of, conducting on the same ballot an election to fill a vacancy for the unexpired portion of a member's term together with the election of a successor to the next full term of the same office, if such a procedure would result in substantial cost savings to the Fund as compared to the cost of successive elections.

---

### Section 2.6 Designees

Each ex-officio member and each legislative member of the Board may at any time and from time to time appoint a duly authorized designee to act in his or her stead at any meeting of the Board or of any committee thereof or with respect to official business and activities of the Board conducted outside of meetings. Each appointment shall be made in writing signed by the member and filed with the Executive Director of the System (the "Executive Director").

Both ex-officio and legislative members may authorize more than one designee either in priority preference or as alternates.

Each designee of the Secretary of Education shall be an officer or employee of the Commonwealth holding office by appointment of the Secretary or of the Governor. Each designee of the State Treasurer shall be an officer or employee of the Department of Treasury. Each designee of the Executive Secretary of the Pennsylvania School Boards Association shall be an employee of such association.

As a duly appointed designee of an ex-officio member or legislative member of the Board, each designee, when acting in the stead of that member, shall adhere to the same standard of care, fiduciary relationship and responsibility imposed upon a member.

The appointment of a designee in the manner herein provided shall remain in full force and effect unless and until revoked in writing signed by the member by whom such designee was appointed and filed with the Executive Director, or until the earlier removal or resignation of such designee from the office or employment that qualified that person for appointment, or until the member of the Board ceases to hold the office that confers ex-officio or legislative membership on the Board.

---

### **Section 2.7 Oath of Office**

Each member of the Board, whether appointive, elective, ex-officio or legislative shall, before exercising any power or privilege of office, take and subscribe to the oath of office in the form prescribed by law. Such oath shall be certified to by the officer before whom it is taken and immediately filed in the office of the Secretary of the Commonwealth. Each designee of an ex-officio or legislative member of the Board shall, upon his or her appointment by a member, be deemed to take and shall be bound by the oath of office prescribed herein and taken by the Board member who appointed the designee.

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### **Section 2.8 Removal and Resignation from Office**

A member of the Board shall be subject to removal from office only in accordance with applicable provisions of Article VI of the Constitution of Pennsylvania, or of 65 P.S. §121, or both. Any member may resign at any time. Such resignation shall be in writing filed with the Executive Director but the acceptance thereof by the Executive Director or by any other authority to whom such resignation is addressed shall not be necessary to make it effective.

---

### **Section 2.9 Compensation**

Members of the Board who are members of the System or Class DC participants in the Plan shall serve without compensation from the Fund. Members of the Board who are not members of either the System or the State Employees' Retirement System or Class DC participants in the Plan may be paid \$100 per day when attending meetings. All members shall be reimbursed for any necessary expenses while attending to official business. No member of the Board may otherwise profit either directly or indirectly with respect to the investments and disbursements of any of the moneys of the Fund or Trust, except in the case of a member of the System/participant of the Plan, and then only to the extent of such member's/participant's rights and benefits under applicable provisions of the Public School Employees' Retirement Code, the Plan, or other law.

---

### Section 2.10 Attendance

Reserved.

---

### Section 2.11 Statement of Economic Interests

No person shall be allowed to take the oath of office or enter or continue upon his duties as a member of the Board or as a designee of either an ex-officio or legislative member of the Board unless that person has filed a statement of financial interests for the preceding calendar year with the State Ethics Commission (or in the case of a designee who is a state employee, with his or her department or agency in the manner provided by the Public Official and Employee Ethics Act (the "Ethics Act")) and (through the Executive Director) with the Board, as required by the Ethics Act. Ex-Officio and legislative members may appoint a designee prior to the designees' filing of a Statement of Financial Interests for the preceding calendar year and that designee may exercise their duties as a designee immediately upon their filing of Statement of Financial Interests for the preceding calendar and their taking of the oath of office.

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### Section 2.12 Delegation

Reserved.

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### Section 2.13 Board Direct Reports

Reserved.

## ARTICLE III: MEETINGS OF THE BOARD

This Article III shall apply to any meeting of the Board or of any committee thereof which is a "meeting" as defined in the Pennsylvania Sunshine Act, 65 Pa. C.S. §703, namely a prearranged gathering of the Board or committee which is attended or participated in by a quorum of the members thereof and held for the purpose of deliberating business or taking official action. "Deliberation," "official action," and other terms used in this Article which are also defined in the Sunshine Act shall have the same respective meanings herein as in such Act. This Article is intended to achieve compliance with the letter and spirit of the Sunshine Act and, in accordance with the provisions of 65 Pa. C.S. §710, to set forth the rules and regulations of the Board necessary for the conduct of its meetings and the maintenance of order at such meetings consistent with the intent of the Sunshine Act. The omission from within this Article of any provision of the Sunshine Act or related law, or of any matter set forth in the Interpretation of the Sunshine Act as Applied to Executive Agencies (4 Pa. Code §§1.41 et seq.), shall not be construed as a determination that such provision is inapplicable to the Board. Unless the context clearly indicates otherwise, the provisions of this Article which apply to the Board shall also apply to any committee thereof in the same manner and with the same effect.

---

### Section 3.1 Place of Meetings

The Board shall meet upon the call of the Chair at such times and places as the Chair shall designate and at such times and places as the Board may by resolution designate. In order that Board meetings be held at locations reasonably convenient and accessible to the general public, full Board meetings shall be held at the office of the Board to the extent practicable. The Board shall hold at least six regular meetings annually and such other meetings as are deemed necessary.

One or more or all members of the Board may participate in any Board meeting by means of conference telephone or similar communications equipment by means of which all members and other persons duly participating in the meeting can hear each other. Participation in a meeting pursuant to this Section 3.1 shall constitute presence in person at the meeting.

The office of the Board shall be at 5 North 5th Street, Harrisburg, Pennsylvania. The mailing address of the headquarters is: 5 North 5th Street, Harrisburg, Pennsylvania 17101.

---

### Section 3.2 Open Meetings

Official actions and deliberations by a quorum of the Board shall take place at a meeting open to the public unless closed for an executive session or unless such official actions and deliberations predominantly and primarily involve administrative action. Administrative action pertains to the execution of policies previously authorized or required by official action adopted at an open meeting and includes but is not limited to internal operations of the System and the Plan. Official actions and deliberations with regard to budget recommendations to be submitted to the Secretary for Budget are not subject to open meeting requirements unless the Governor waives the privilege of confidentiality with respect thereto.

The Chair shall preside at all meetings of the Board and shall have such other powers and duties as are provided by these Bylaws or by resolution of the Board to the extent not inconsistent with the Public School Employees' Retirement Code and other applicable law. The Vice Chair shall preside at all meetings of the Board in the absence or inability of the Chair to act and shall have such other powers and duties as may be provided by resolution of the Board to the extent not inconsistent with the Public School Employees' Retirement Code and other applicable law. In the event that neither the Chair or Vice Chair are able to be present at a meeting of the Board, the Chair will designate a Board member to preside over the meeting in their absence.

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### Section 3.3 Regular Meetings

Reserved.

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### Section 3.4 Special Meetings

Reserved.

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### Section 3.5 Emergency Meetings

The Chair may call an emergency meeting for the purpose of dealing with a real or potential emergency involving a clear and present danger to life or property. Advance public notice is not required but the Chair shall to the extent practicable see to giving actual advance notice especially to individuals or organizations with a direct and substantial interest in the official action scheduled for consideration.

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### Section 3.6 Meeting Agendas

The Chair shall establish the agenda for each meeting of the Board by notice to members given at least one week prior thereto. A member may add an item to the agenda on an exceptional basis by providing a written statement of the proposed agenda item to the Chair, provided that such written statement is received by the Chair in sufficient time to provide not less than 24-hours advance notice of the agenda item to the Board.

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### Section 3.7 Annual Calendar

Reserved.

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### Section 3.8 Notice of Meetings

The Board shall give public notice of its first regular meeting in each year not less than three days in advance of the meeting, which meeting or any adjournment thereof shall be the organizational meeting of the Board in that year and shall be held as soon as practicable. The Board shall give public notice of the schedule of its remaining regular meetings either prior to or immediately following the organizational meeting. The Board shall give public notice of each special meeting or each rescheduled regular or special meeting at least twenty-four hours in advance of the time of the convening of the meeting specified in the notice. Notice shall be published and copies thereof posted or mailed at the times and places or to interested parties as specified in the Sunshine Act, 65 Pa. C.S. §709.

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### Section 3.9 Quorum and Voting

A majority of the Board or Committee as the case may be shall constitute a quorum.

At any open meeting, the vote of each member who actually votes on any resolution, rule, order, regulation or the setting of official policy shall be publicly cast and, in the case of roll-call votes, recorded in the minutes. The vote of each member in the elections of the Chair and the Vice Chair, respectively,

shall be publicly cast. Proxy voting is not allowed. Voting by designees of either ex-officio or legislative members of the Board does not constitute proxy voting for the purposes of these Bylaws. The act of a majority of members present and voting at a meeting at which a quorum is present shall constitute the official action of the Board or the Committee as the case may be.

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### Section 3.10 Participation

a. Board Participation. Each member, including each designee acting in the stead of an ex-officio or legislative member, at any meeting, shall have equal rights to reasonable participation in the deliberations and other business of the meeting, provided that with respect to any one order of business not more than one designee of an ex-officio or legislative member shall have the right to participate. The Board or Committee Chair may grant recognition to more than one designee of an ex-officio or legislative member with respect to any one order of business. The Chair may also grant recognition to any employee of the System scheduled in advance to report, or resource person accompanying a Board member who requests his or her recognition for the purpose of reporting, on any order of business on the meeting agenda.

b. Public Participation. The Board shall provide, and may adopt policies governing, a reasonable opportunity for public participation and attendance at open meetings of the Board and Board committees in accordance with the Pennsylvania Sunshine Act.

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### Section 3.11 Executive Session

a. Reasons for closed meeting. The Board may hold an executive session for any one or more of the reasons enumerated in the Sunshine Act, 65 Pa. C.S. §708(a), including the discussion of personnel matters and labor relations, the purchase or lease of real property, pending or expected litigation, agency business which, if conducted in public, would violate a privilege, investigations, or quasi-judicial deliberations. To the extent that such a session is held to review and discuss agency business which, if conducted in public, would violate a lawful privilege or lead to the disclosure of information or confidentiality protected by law, as permitted by the Sunshine Act, 65 Pa. C.S. §708(a)(5), "information or confidentiality protected by law" shall include without limitation any information submitted to the Board under the terms of an express confidentiality agreement with a business entity offering any security for sale to and purchase by the Board in a non-public offering; deliberations with respect to the purchase, holding or sale of or the exercise of voting rights with respect to, the publicly traded securities of any business entity, which deliberations, if conducted in public, may or might have a material bearing on the market for such securities; any other deliberations with respect to any proposed or actual investment of the Board which, if conducted in public, may or might so substantially affect the price or terms of any transaction concerning such investment, or the value thereof, as to adversely affect the Fund and its participants; privileged and confidential matters set forth in 4 Pa. Code §§ 1.50(a) and (b) and any information not subject to disclosure under 24 Pa. C.S. §8502(e).

- b. Use of conference telephone and similar equipment. Whenever the Board meets in executive session as authorized by law, one or more or all members of the Board may participate in the meeting by means of conference telephone or similar communications equipment by means of which all members and other persons duly participating in the meeting can hear each other. Participation in a meeting pursuant to this Section 3.12 (b) shall constitute presence in person at the meeting.
- c. Procedure. Unless an executive session has been announced at an open meeting for a future time, members of the Board shall be given at least 24 hours' advance notice of the date, time, location and purpose of any executive session to be held other than during or immediately following an open meeting of the Board. A waiver of such notice in writing, signed by the member or members entitled thereto, whether before or after the date and time stated therein, shall be deemed equivalent to the giving of notice. Attendance of a member at any executive session (including attendance through participation by any means authorized by Section 3.1) shall also constitute a waiver of notice of the meeting except where such attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened or because an executive session is not authorized for the purpose involved.
- d. Announcements. The Chair shall announce the reason for holding an executive session at the open meeting of the Board that occurs immediately prior or subsequent to the executive session.
- e. Official action. Official action on any matter discussed or deliberated upon during an executive session held pursuant to law shall be taken at an open meeting. Official action on any such matter relating to an investment or investments of the Fund may be taken at an executive session if, and only if, such action: (1) is required as a matter of the Board's fiduciary duty in the circumstances; or (2) would, if then taken in a meeting open to the public, violate a lawful privilege or breach a confidentiality interest protected by law; and (3) is confirmed or ratified at the first open meeting of the Board after any reason of privilege or confidentiality no longer applies.

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### Section 3.12 Voting Conflicts

Any member of the Board who would be required to vote on a matter that would result in a conflict of interest shall abstain from voting, refrain from participating in any discussions concerning the matter, and, prior to the vote being taken, publicly announce and disclose the nature of his or her interest as a matter of public record in a written memorandum filed with the Executive Director or acting secretary of the meeting, except that such memorandum may be filed after the vote is taken if the conflict does not become apparent to the Board member within a reasonable period of time prior to such vote. A "conflict of interest" does not arise in connection with an action which would have an insignificant economic effect on any interest of the member or which affects the member only as a member of the general public or of a subclass of the general public, such as school employees or members of the System or participants in the Plan as a whole, which includes the member; provided, however, that no member of the Board shall vote on any quasi-judicial matter to which such member or a member of his or her immediate family is a party; and provided, further, that this Section 3.12 applies only to the

possible use by a member of his or her vote for private pecuniary benefit and does not in any way affect the member's other fiduciary responsibilities to the members of the System or participants in the Plan, in connection with official actions in which the member has no private interest.

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### **Section 3.13 Notational Voting**

Members of the Board may cast votes by notational or voting whereby a vote is taken of members individually upon a recommended written motion, resolution, rule, proposal, regulation, report or order prepared by the staff or an individual Board member and circulated for approval to all members and for information to non-voting members. Absent unusual circumstances to be determined by the Chair, the Board will resort to notational voting only in quasi-judicial matters to promote timely decision-making after full deliberations have been completed in executive session, or in certain financial or investment transactions in which a resolution or other similar formal action of the Board is required to expedite or complete the appropriate documentation. In quasi-judicial matters, the Chair shall, at the first open meeting after the adoption of written opinions or orders by notational voting, announce the substance of matters so decided and cause the record of the votes cast by individual members on each such matter to be entered in the minutes of the meeting.

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### **Section 3.14 Rules of Order**

Except to the extent otherwise provided by law or by these Bylaws, the rules of order for meetings of the Board and committees thereof shall follow as closely as practicable those prescribed for small assemblies or similar small bodies in the most recently published revision of Robert's Rules of Order. Such rules of order shall be construed to promote the orderly and efficient conduct of business and to avoid procedural complexity which may delay or hinder the taking of action required by law or advisable in the prudent exercise of the Board's fiduciary responsibility to members of the System and participants of the Plan.

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### **Section 3.15 Minutes of Meetings**

Written minutes shall be kept of each open meeting and after signing by the Executive Director or the person he or she designates to be secretary of the meeting, such minutes shall be made available for public inspection and copying. The minutes shall be prepared as required by the Sunshine Act, (65 Pa. C.S. §706). Audio tape recordings of open meetings may be made solely for the purpose of facilitating the preparation of written minutes. Such tape recordings shall be retained until Board approval of the minutes to which they relate.



## ARTICLE IV: COMMITTEES OF THE BOARD

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### Section 4.1 Standing Committees

The Board may establish by resolution one or more standing or special committees, each to consist of two or more Members. In addition, the Chairperson may establish special advisory or review committees. Any committee, to the extent, but only to the extent, provided in an applicable resolution of the Board, committee charter or in these Bylaws, shall have and may exercise any of the powers and authority of the Board.

The Board has established the following standing committees, which may be changed from time to time by Board resolution: Audit, Compliance, and Risk Committee; Benefits and Appeals Committee; Governance and Administration Committee; Defined Contribution Committee; Finance and Actuarial Committee; Health Care Committee; and Investment Committee; collectively, the "Standing Committees").

The Board shall delegate to the Standing Committees the authority to take such actions and perform such duties as expressly stated in the Standing Committees' committee charters; provided that no committee shall have the power to amend, modify or repeal a resolution of the Board or to amend these Bylaws or to take any action on matters committed by Board resolution or applicable law to the full Board under terms or provisions that make such action non-delegable.

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### Section 4.2 Ad Hoc Committees

In addition to the standing committees specified in Section 4.1 (Standing Committees), the Chairperson or the Board may at any time establish an ad hoc committee of the Board and fix its duties and responsibilities for any purpose which in the judgment of the Chairperson or the Board is better served by a temporary rather than standing committee. Each such committee shall consist of such number of members as the Chairperson shall determine, and the Chairperson shall also then appoint the chair and designate the other members of the Committee.

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### Section 4.3 Committee Membership

Unless designated by resolution, the Members of any committee ("Committee Members") shall be appointed by the Chairperson, with the Board's advice. The Chairperson may appoint a Member to multiple committees. The Chairperson shall appoint each Member to a committee as the Chairperson may reasonably determine.

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#### Section 4.4 Committee Member Terms

Commencing March 2022, and biennially thereafter, in January of every other year, the Chairperson shall appoint the Committee Members, who shall have terms through December 31st of the following year.

No Member may be appointed to both the Audit, Compliance and Risk Committee and the Finance and Actuarial Committee.

In the event of a vacancy on a committee, the Chairperson shall appoint a replacement Committee Member for the balance of the term of the vacating Committee Member.

Except as to membership on the Audit, Risk and Compliance Committee, there shall be no limitation on the number of full terms for which a Committee Member may be reappointed.

No Member shall serve on the Audit, Compliance and Risk Committee for more than two consecutive full terms, except that a Committee Member may be reappointed to the Audit, Compliance and Risk Committee by the Chairperson following a one-year absence from the committee.

Notwithstanding the foregoing, each Committee Member shall serve until his or her successor is duly appointed or until his or her earlier death, resignation, or removal, it being understood that termination of membership on the Board shall constitute a resignation from the committee.

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#### Section 4.5 Committee Chairs

For elections after January 1, 2022, biennially, Committee Members shall elect a chair of the committee ("Committee Chair") at the first committee meeting following the appointments made pursuant to Section 4.4.

The Chairperson may not serve as a Committee Chair, except that the Chairperson may serve as the Committee Chair for the Board Governance and Administration Committee.

The Committee Chair shall take office effective as of the day of his or her election and shall serve as Committee Chair through December 31st of the following year or until the Committee Chair's successor is duly elected or such officer's earlier death, resignation, or removal. If the Committee Chair does not complete his or her term, then the Committee Vice Chair shall succeed to the position of the Committee Chair for the remainder of the elected Committee Chair's term.

The Committee Chair shall preside at all meetings of the committee. The Committee Chair shall have such other powers and perform such other duties as may be delegated by the Board and as described in the Committee Chair Position Description.

No Committee Chair shall be elected to more than three consecutive terms.

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### **Section 4.6 Committee Vice Chairs**

For elections after January 1, 2022, biennially, the Committee Members shall elect a vice chair of the committee ("Committee Vice Chair") at the first committee meeting following the appointments made pursuant to Section 4.4.

The Committee Vice Chair shall preside at all meetings of the committee in the absence of the Committee Chair. The Committee Vice Chair shall have such other powers and perform such other duties as may be delegated by the Committee Chair and as described in the Committee Vice Chair Position Description.

The Committee Vice Chair shall serve through December 31st of the following year or until the Committee Vice Chair's successor is duly elected or such officer's earlier death, resignation, or removal. If the Committee Vice Chair does not complete his or her term, then the Committee Members shall elect a Committee Vice Chair to serve for the remainder of the elected Committee Vice Chair's term. Such election shall occur at the Committee meeting following the Committee Vice Chair's departure from the position of Committee Vice Chair.

No Committee Vice Chair shall be elected to more than three consecutive full terms.

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### **Section 4.7 Committee Officers**

Except as otherwise provided in these Bylaws or by Board resolution, Committee Members may, in their discretion, elect such other officer(s) for the committee as they shall determine from time to time.

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### **Section 4.8 Committee Governance**

The term "Board," when used in any provision of these Bylaws relating to the organization or procedures of, or the manner of taking action by, the Board, shall be construed to include and refer to any committee of the Board. Any provision of these Bylaws relating or referring to action to be taken by the Board or the procedure required therefor shall be satisfied by the taking of corresponding action by a committee of the Board to the extent authority to take the action has been delegated to such committee pursuant a resolution of the Board, committee charter or these Bylaws.

## **ARTICLE V: BOARD OFFICERS**

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### **Section 5.1 Powers and Duties of the Chairperson**

The Board shall have a Chair who each year shall be elected by the Board members at the organizational meeting of the Board specified in Section 3.8 hereof. The Chair shall serve until the organizational meeting in the succeeding year and until his or her successor is duly elected and qualified, until he or

she resigns or is removed from office, or (in the case of an elective member of the Board) until his or her term of office as a member expires, whichever occurs first.

The Chair shall preside at all meetings of the Board and shall have such other powers and duties as are provided by these Bylaws or by resolution of the Board to the extent not inconsistent with the Public School Employees' Retirement Code and other applicable law.

The Board shall have a Vice Chair who each year shall be elected at the organizational meeting and shall serve on the same terms as apply to the Chair.

The Vice Chair shall preside at all meetings of the Board in the absence or inability of the Chair to act and shall have such other powers and duties as may be provided by resolution of the Board to the extent not inconsistent with the Public School Employees' Retirement Code and other applicable law.

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### **Section 5.2 Vacancies.**

In the event of the Chair's death, inability to discharge the duties of Board membership, or removal or resignation from office, the Vice Chair shall serve as Acting Chair until the Board shall elect from among its members a successor Chair to serve for the unexpired portion of the former Chair's term.

In the event of the Vice Chair's death, inability to discharge the duties of Board membership, or removal or resignation from office, the Board shall, as soon thereafter as practicable, elect from among its members a successor Vice Chair to serve for the unexpired portion of the former Vice Chair's term.

In the event that the terms of office of both the Chair and Vice Chair expire at the end of the same calendar year, the Board may designate a temporary Chair from among its members to serve in that capacity until a permanent Chair is elected in the following calendar year as specified in this Section 5.2 hereof.

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### **Section 5.3 Chairperson Term Limits and Succession**

Reserved.

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### **Section 5.4 Powers and Duties of the Secretary/ Executive Director and Treasurer**

a. Secretary. The Executive Director of the System shall act as Secretary of the Board, and in that capacity shall in general have and exercise those powers and duties which pertain to secretaries of business corporations organized under the Pennsylvania Business Corporation Law of 1988. Without limiting the generality of the foregoing, the Secretary shall keep or, through one or more assistant secretaries as the Secretary may designate, see to the keeping of the minutes of meetings of the Board and of its committees; shall maintain such minutes and other records of all of the Board's proceedings;

shall give notices of meetings as required by law or by these Bylaws; and shall have such other powers and duties as may be prescribed by resolution of the Board.

b. Treasurer. The State Treasurer is the custodian of the Fund. All payments from the Fund shall be made by the State Treasurer in accordance with requisitions signed by the Secretary of the Board, or his or her designee, and ratified by resolution of the Board. The State Treasurer has such other powers and duties as may pertain to the Fund as are provided in the Constitution and laws of the Commonwealth.

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### **Section 5.5: Legal Counsel**

The Board will employ such chief counsel and outside counsel as the Board deems necessary. The chief counsel appointed by the Board or his or her designee shall attend all meetings of the Board, supervise and administer the legal services provided by assistant or outside counsel, and perform such other duties as may be requested by the Board or the Executive Director.

## **ARTICLE VI: STANDARDS OF CONDUCT**

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### **Section 6.1: Public Official and Employee Ethics Act**

The Public Official and Employee Ethics Act is applicable to the Board and to the members thereof in accordance with its terms.

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### **Section 6.2: Governor's Code of Conduct.**

The Governor's Code of Conduct is applicable to the Board and to the members thereof, excepting the State Treasurer and legislative members and any designees thereof, in accordance with its terms.

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### **Section 6.3: Political Activity**

Any member of the Board who has received a Political Contribution of \$250 or more within the past two years from an individual or an officer or director of a corporation or other business entity shall disclose the fact of the contribution and recuse themselves from participation in any matter pending before the Board that involves the business entity or the individual. For purposes of this Section 6.3(a), a Political Contribution shall be defined as any payment, gift, subscription, assessment, contract, payment for services, dues, loan, forbearance, advance or deposit of money or any valuable thing, to a candidate or political committee made for the purpose of influencing any election in this Commonwealth or for paying debts incurred by or for a candidate or committee before or after any election. This shall also include the purchase of tickets for events such as dinners, luncheons, rallies and all other fund-raising events; the granting of discounts or rebates not available to the general public; or the granting of discounts or rebates by television and radio stations and newspapers not extended on an equal basis to all candidates for the same office; and any payments provided for the benefit of any candidate, including

any payments for the services of any person serving as an agent of a candidate or committee by a person other than the candidate or committee or a person whose expenditures the candidate or committee must report under this act. The word "contribution" includes any receipt or use of anything of value received by a political committee from another political committee and also includes any return on investments by a political committee.

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#### **Section 6.4: Other solicitations**

No member of the Board shall solicit or lend his or her name to any solicitation from any person who is a State consultant (or who may reasonably be considered a prospective State consultant) to the Board for any other purpose, including educational or charitable endeavors, under circumstances which the recipient of such a solicitation could regard as coercive or which in any other way could raise a legitimate question about the member's ability to fairly, impartially, and prudently perform his or her duties on the Board.

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#### **Section 6.5: Expenses of official business**

No member of the Board shall solicit or accept reimbursement, or permit payment to be made in his or her behalf, for the expenses of travel, accommodations, subsistence, and incidentals while on official Board business by any person other than the Board itself or other agency of the Commonwealth, it being the policy of the Board that members be reimbursed by the Board for the reasonable and necessary expenses of attending to Board business. Nothing in this subsection shall preclude (i) reimbursement or payment of Costs, as defined in the Board's Travel and Education Policy, by the approved pension industry organizations identified in the Board's Travel and Education Policy, (ii) the acceptance of food, refreshments, and/or recreational opportunities which are included as part of an educational conference or other officially approved meeting for which an inclusive registration fee is charged and is payable or reimbursable by the Board subject to any required Commonwealth approvals, regardless of whether the sponsorship of such conference or meeting may include, directly or indirectly, current or prospective State consultants, or (iii) other acceptance of food and refreshments of nominal value in the ordinary course of a luncheon or dinner meeting or other meeting; provided, however, that members of the Board may not accept any such benefit or thing of monetary value under circumstances which could raise a legitimate question about their ability to fairly, impartially, and prudently perform their duties on the Board.

### **ARTICLE VII: INDEMNIFICATION**

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#### **Section 7.1 Indemnification and Insurance**

- a. Indemnification of Board Members, Designees, Officers and Employees.
  - i. For purposes of this Article VII,

- A. “Proceeding” shall mean any threatened, pending, or completed action, suit or proceeding (including, without limitation, an action, suit or proceeding by or in the right of the System), whether civil, criminal, administrative, investigative, or through arbitration; and
  - B. “Indemnatee” shall mean each current or former Board member, former or current duly-appointed designee of a Board member, officer, or employee (including, without limitation, the attorneys in the System’s Office of Chief Counsel) of the System who was or is a party to, or is threatened to be made a party to, or is otherwise involved in, any Proceeding, by reason of the fact that such person is or was a Board member, designee of a Board member, officer, or employee of the System or is or was serving in any capacity at the request or for the benefit of the System as a director, officer, employee, agent, partner, or fiduciary of, or in any other capacity, for any corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise.
- ii. Each Indemnatee shall be indemnified and held harmless by the System for all actions taken by such Indemnatee and for all failures to take action (including in either such case a breach of responsibility, obligation, or duty imposed upon or imputed to an Indemnatee under 24 Pa.C.S. §8521 or under any other provision of the Public School Employees’ Retirement Code, 24 Pa.C.S. §§8101-9102, under statutory or common law of the Commonwealth of Pennsylvania, or under federal law imposing or imputing responsibilities, obligations or duties upon an Indemnatee and any negligent act, negligent error or negligent omission of an Indemnatee, or that is imputed to an Indemnatee, taking place in the course of the administration of the System) to the fullest extent permitted by Pennsylvania law against all expense, liability, and loss (including, without limitation, attorneys' fees, judgments, fines, taxes, penalties, and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Indemnatee in connection with any Proceeding. No indemnification pursuant to this Article VII shall be made, however, in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court of competent jurisdiction to have constituted criminal conduct, willful misconduct, or self dealing.
- iii. The right to indemnification provided in this Article VII shall include the right to have the expenses reasonably incurred by the Indemnatee in defending any Proceeding paid by the System in advance of the final disposition of the Proceeding upon the receipt by the System of a written agreement by the Indemnatee to refund the amounts so advanced if it is ultimately determined that the Indemnatee is not entitled to indemnification under this Article VII.
- iv. Indemnification pursuant to this Article VII shall continue as to an Indemnatee who has ceased to be a Board member, designee of a Board member, officer, or employee of the System and shall inure to the benefit of such person's legal representatives, heirs, executors, and administrators.
- b. Defense of Proceedings. Two or more law firms (“Standing Counsel”) shall be duly appointed in accordance with the Commonwealth Attorneys Act, 71 P.S. §§732 101 - 732-506, (i) to provide

advice on coverage under this Article VII, and (ii) to defend claims covered by this Article VII. Standing Counsel shall be in place and available for assignment at all times. Upon an Indemnatee's receipt of notice of the commencement of any Proceeding for which such Indemnatee intends to seek indemnification under this Article VII, such Indemnatee shall give prompt written notice to the System (to the attention of the Executive Director) and shall submit a copy of the claim and every demand, notice, summons or other process received by such Indemnatee or such Indemnatee's representative, whereupon the System shall (i) assume the defense of such Proceeding and shall advise such Indemnatee of the identity of Standing Counsel appointed to represent the Indemnatee, or (ii) issue a written denial of coverage under this Article VII, which shall state the reasons for denial. If the System does not respond to the Indemnatee within thirty (30) days after receipt of a notice of Proceeding from the Indemnatee, an Indemnatee may retain counsel at reasonable prevailing market rates and the System shall advance the fees and expenses of such counsel. If the System does appoint Standing Counsel to represent an Indemnatee, the Indemnatee may engage other counsel to participate in the defense of such Proceeding, but the fees and expenses of such other counsel shall be paid solely by the Indemnatee and shall not be reimbursed by the System unless the System shall otherwise agree. The System shall have authority to settle any claim involving only monetary relief to be paid solely by the System. The System shall not settle any other claim without the prior written consent of the Indemnatee. No Indemnatee may settle a claim for which coverage is sought under this Article VII without the System's prior written approval of such settlement. The Indemnatee shall reasonably cooperate with the System and, upon the System's request, assist in making settlements, in the conduct of suits, and in enforcing any right of contribution or indemnity against any person or organization that may be liable to the Indemnatee because of actions or failure to take actions covered by this Article VII.

- c. Claims for Indemnification and Advancement of Expenses. To the extent that an Indemnatee has been successful on the merits or otherwise in defense of any Proceeding or in defense of any claim, issue, or matter therein, the System shall indemnify such person against expenses (including attorneys' fees, but subject to the limitation in subsection (b) above) actually and reasonably incurred by such person in connection therewith. If indemnification under this Article VII or advancement of expenses are not made or paid by the System, or on its behalf, within 90 days after a written claim for indemnification or a request for an advancement of expenses by an Indemnatee has been received by the System, such Indemnatee may, at any time thereafter, bring suit against the System to recover the unpaid amount of the claim and/or the advancement of expenses. The right to indemnification and advancement of expenses provided hereunder shall be enforceable by an Indemnatee in the Board of Claims, and if indemnification and/or advancement of expenses is obtained by an Indemnatee in whole or in part, the expenses reasonably incurred by such Indemnatee in connection with obtaining such indemnification and/or advancement of expenses shall also be indemnified by the System. No action shall lie against the System unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this Article VII (including, without limitation, the notice requirements) and, in the case of an action for indemnification, the amount of the Indemnatee's obligation to pay shall have been finally determined either by judgment against the Indemnatee



or by written agreement of the Indemnitee, the claimant, and the System. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Article VII to the extent of the coverage afforded by this Article VII. No person or organization shall have any right under this Article VII to join the System as a party to any action against the Indemnitee to determine the Indemnitee's liability, nor shall the System be impleaded by the Indemnitee or his or her legal representative. Bankruptcy or insolvency of the Indemnitee or of the Indemnitee's estate shall not relieve the System of any of its obligations hereunder.

- d. Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses provided in this Article VII shall not be exclusive of any other rights that any person may have or hereafter may acquire under any statute, regulation, management directive, or otherwise.
- e. Insurance. The System may self insure or purchase and maintain insurance, at its expense, for the benefit of any person on behalf of whom insurance is permitted to be purchased by Pennsylvania law against any expense, liability or loss, in whole or in part, whether or not the System would have the power to indemnify such person under Pennsylvania law. The System may also self insure or purchase and maintain insurance to insure its indemnification obligations whether arising hereunder or otherwise.
- f. Fund for Payment of Indemnification Obligations. To the extent permitted by law, the System may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise may secure in any manner its indemnification obligations under this Article VII.
- g. Limitations on Indemnification. Notwithstanding the foregoing provisions:
  - i. the total amount of indemnification for any one calendar year or for any one claim or series of related claims based on the same action or failure to take action shall be limited to forty million dollars (\$40,000,000) or such other amount as may be designated from time to time by resolution of the Board,
  - ii. the limit of liability under this Article VII and the limit of liability under a self insurance plan that the Board may establish shall be a single, combined limit of forty million dollars (\$40,000,000) or such other amount as may be designated from time to time by resolution of the Board,
  - iii. no indemnification shall be provided to the extent an Indemnitee receives reimbursement under insurance policies or a self-insurance program established by the Commonwealth (other than a self-insured plan established by the System),
  - iv. in the event that a such claim is covered under an insurance policy maintained by the System or a self-insurance program established by the Commonwealth (other than a self-insurance plan established by PSERS,) the forty-million dollar (\$40,000,000) limit of indemnification stated in this Section 7.1(g)(i) shall be applied to cover any liability that is in excess of the limit of liability of such insurance policy or self- insurance program, and
  - v. in the event of any payment under this Article VII on behalf of an Indemnitee, the System shall be subrogated to all of such Indemnitee's rights of recovery against any person or organization, and such Indemnitee shall execute and deliver all instruments and papers required and shall do whatever else is reasonably requested by the System

to secure such rights, including, without limitation, the execution of such documents necessary to enable the System effectively to bring suit in the name of such Indemnitee. The System shall not subrogate against any other person who is an Indemnitee hereunder unless such other person is guilty of criminal conduct, willful misconduct, or self dealing under Subsection (a)(i) of Article VII.

- h. Reservation of Immunities. The System reserves all immunities, defenses, rights, or actions arising out of its sovereign status or from the Eleventh Amendment to the United States Constitution. No provision of this Article VII shall be construed as a waiver of any such immunities, defenses, rights, or actions.

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## Section 7.2 Amendment

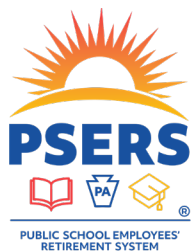
The provisions of this Article VII shall constitute a contract between the System and each Indemnitee that may be modified as to any Indemnitee only with that person's consent or as specifically provided in this Section 7.2. This Article VII may be repealed or amended without the consent of an Indemnitee for whom such repeal or amendment is adverse so long as such repeal or amendment applies to such Indemnitee only on a prospective basis and does not limit the rights of such Indemnitee to indemnification or to the advancement of expenses with respect to any action or failure to act occurring prior to the time of such repeal or amendment.

## ARTICLE VIII: AMENDMENTS

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### Section 8.1 Amendments

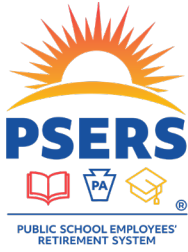
The Board (but not a committee thereof) shall have the power to modify, amend and repeal these Bylaws or any committee charter by a two thirds (2/3) vote of the Members present and voting at any open meeting at which a quorum is present after 15 days advance written notice to all Members. Such notice shall set forth the proposed modifications or amendments or specify the provisions proposed to be repealed. The text of each modification, amendment or repeal of the Bylaws or committee charter shall be attached to the Bylaws or committee charter (as appropriate) with a notation of the date of such modification, amendment, or repeal. At any time and from time to time, the Chairperson may direct the Executive Director/Secretary to certify and publish a restatement of these Bylaws or any committee charter, as amended as of the date of such certification.



Governance Manual of the Public School Employees' Retirement Board

## TAB 3

### Board Committee Charters



## TAB 3

# Board Committee Charters

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ACR Program Charters

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Enterprise Risk Management Program Charter

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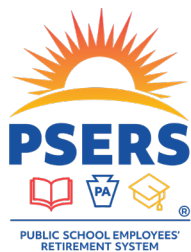
##### Board Governance and Administration Committee

##### Defined Contribution Committee

##### Finance and Actuarial Committee

##### Health Care Committee

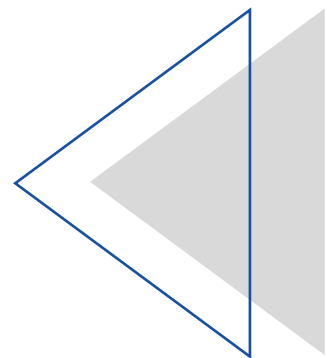
##### Investment Committee

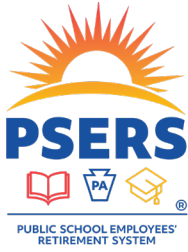


Governance Manual of the Public School Employees' Retirement Board

## TAB 4

# Board Position Descriptions





## TAB 4

# Board Position Descriptions

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#### BOARD POSITION DESCRIPTIONS

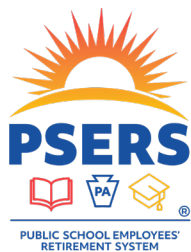
Board Member Position Description

Board Chair Position Description

Board Vice Chair Position Description

Committee Chair Position Description

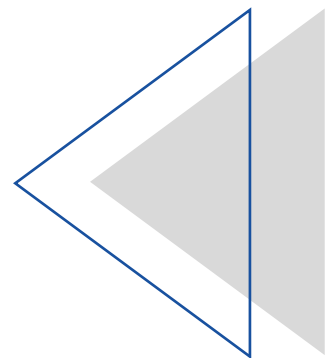
Committee Vice Chair Position Description

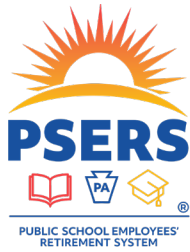


Governance Manual of the Public School Employees' Retirement Board

## TAB 5

### Board Policies





## TAB 5

# Board Policies

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Investment Policy Statement, Objectives and Guidelines (DB Plan)

Investment Policy Statement, Objectives and Guidelines of DC Plan

Investment Transparency Policy

Liquidity Policy

Oral Argument Policy

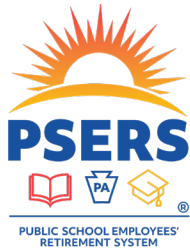
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## TAB 5

### Board Policies

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Public Information Policy

Public Markets Asset Class Policy

Public Participation and Attendance in Open Meetings Policy

Qualified Independent Representative (QIR) Policy

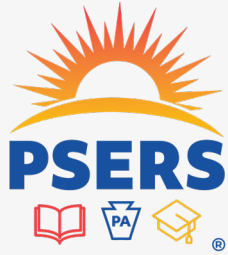
Securities Lending Policy

Securities Litigation Policy

Strategic Planning Policy

Tail Risk Mitigation Strategy Policy

Withdrawal Liability Collections Policy



## CONTACT



[pa.gov/PSERS](https://pa.gov/PSERS)



1.888.773.7748



5 N 5th Street

Harrisburg, PA 17101-1905

## FOLLOW US



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***Ethics Policy***  
***of***  
***the Commonwealth of Pennsylvania***  
***Public School Employees' Retirement Board***

As adopted by  
the Board of Trustees  
on Effective

Date Last Reviewed by Chief Counsel: January 19, 2017  
PSERB Ethics Policy, Edition:

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**Public School Employees' Retirement Board**  
**Ethics Policy**

**PREAMBLE**

**WHEREAS**, the Public School Employees' Retirement System (PSERS) provides pension and other benefits to public school employees in accordance with the Public School Employees' Retirement Code (Retirement Code);<sup>1</sup> and

**WHEREAS**, the Public School Employees' Retirement Board (PSERB) is empowered by the Retirement Code with the exclusive control and management of PSERS;<sup>2</sup> and

**WHEREAS**, the Trustees of the PSERB stand in a Fiduciary relationship to the members of PSERS with respect, *inter alia*, to the disbursement of any moneys from the Fund;<sup>3</sup> and

**WHEREAS**, as fiduciaries, the Trustees of the PSERB have the duty to invest and manage the funds of the PSERS for the exclusive benefit of the members of the PSERS;<sup>4</sup> and

**WHEREAS**, as fiduciaries, the Trustees of the PSERB also have a duty to invest and manage the funds of the PSERS with the care, skill and caution that a prudent investor would exercise under similar circumstances;<sup>5</sup> and

**WHEREAS**, central to the fulfillment of their Fiduciary duties, is the obligation of the Trustees of the PSERB to maintain the highest ethical and Fiduciary standards as it serves the members of the System, including not only avoidance of actual impropriety, but also the perception of impropriety;

**NOW THEREFORE**, the Trustees of the PSERB establish the following Ethics Policy (Policy) to govern their conduct as more particularly set forth herein:

**1. DEFINITIONS**

---

<sup>1</sup> 24 Pa.C.S. §8101 *et. seq.*

<sup>2</sup> 24 Pa.C.S. §8521(a).

<sup>3</sup> 24 Pa.C.S. §8521(e).

<sup>4</sup> Rest. 3rd, Trusts (Duty of Loyalty) §170.

<sup>5</sup> 24 Pa.C.S. §8521(a). Rest. 3rd, Trusts (Prudent Investor Rule) §227.

Unless the context clearly indicates otherwise, the following words and terms when used herein shall have the respective meanings defined as follows:

- a. Agent.** A Person, other than an Employee, who is authorized to act for another (the Agent's principal) through employment, by contract, or apparent authority, and receives compensation therefor.
- b. Board.** The Board of Trustees of the Public School Employees' Retirement System.
- c. Referral Policy.** The Board Policy on Referrals of Investment Opportunities and Service Provider Candidates.
- d. Broker.** A Person who provides assistance in the buying or selling of stocks, bonds, commodities, options, and other securities, including related analysis or research, *e.g.*, on a security, company, industry, or sector, and receives compensation therefor. If any question exists regarding who constitutes a Broker for purposes of this Policy, the Office of the Executive Director shall make that determination.
- e. Commonwealth.** The Commonwealth of Pennsylvania.
- f. Conflict or Conflict of Interest.** Exists when a Trustee, acting in the capacity as a Trustee, cannot meet the Trustee's duty of loyalty to the beneficiaries of the applicable trust they oversee. It includes use by a Trustee of the authority of the Trustee's office or of any confidential information received through the Trustee's office for the private pecuniary benefit of the Trustee, a member of the Trustee's Immediate Family or a business with which the Trustee or a member of his Immediate Family is associated. The term does not include an action having a De Minimis Economic Impact or Value which affects to the same degree a class consisting of the general public or a subclass consisting of an industry, occupation or other group that includes the public official, a member of the Trustee's Immediate Family or a business with which the Trustee or a member of the Trustee's Immediate Family is associated.
- g. Consultant.** A Person, other than an Employee or Trustee who provides advice to PSERS and receives compensation therefor.
- h. Contractor.** A collective term that includes Agents, Brokers, Consultants, and Service Providers, as each separate term is defined herein and who provide goods and/or services to PSERS and receive compensation in exchange therefor.
- i. De Minimis Economic Impact or Value.** An economic consequence that is insignificant in its effect or is no greater than that which accrues to a large class or the general public.

**j. Employee.** A Person working for PSERS in an employer-employee relationship and not in an independent Contractor capacity, and includes both permanent and temporary salaried and wage positions.

**k. Ethics Act.** Pennsylvania Ethics Act, 65 Pa. C.S. §1101, et seq.,

**l. Fiduciary.** Of, relating to, or involving one that holds something in trust for another and who is charged with the duties of prudence and loyalty to the beneficiaries of the trust.

**m. Fund.** The Public School Employees' Retirement Fund.

**n. Gift.** Any payment, thing or other benefit provided to a Trustee for which the Trustee did not provide goods or services of equal or greater value, including a discount or a rebate that is not available to the general public or widely available to a large group of persons outside of PSERS Trustees and/or staff such as a discount to all public school teachers or public employees. Gifts may consist in the form of money, gift certificates, services, loans, travel, gratuity, favor, Honoraria, entertainment, or hospitality. A Gift does not include goods or services which are of De Minimis Economic Value.

**o. Honorarium/Honoraria.** Payment(s) made in recognition of published works, appearances, speeches and presentations and which is not intended as consideration for the value of such services. The term does not include tokens presented or provided which are of De Minimis Economic Value.

**p. Immediate Family.** A parent, spouse, child, brother, or sister.

**q. Kickbacks.** Transactions where Persons seeking to do business with PSERS provide some personal benefit to a Trustee to influence a decision.

**r. Office of the Executive Director.** The Executive Director of PSERS, his immediate subordinates, (excluding his administrative staff) and designee(s) for performing specific duties under this Policy.

**s. Person.** A business, governmental body, individual, corporation, union, association, firm, partnership, limited liability company, committee, club, group of Persons or any other organization existing under the laws of any jurisdiction.

**t. Policy.** This Ethics Policy.

**u. Political Contribution.** Any payment, gift, subscription, assessment, contract, payment for services, dues, loan, forbearance, advance or deposit of money or any valuable thing, to a candidate or political committee made for the purpose of influencing any election in this Commonwealth or for paying debts incurred by or for a candidate or committee before or after any election. This shall also include the purchase of tickets for events such as dinners, luncheons, rallies and all other fund-raising events; the granting of discounts or rebates not available to the general public; or the granting of

discounts or rebates by television and radio stations and newspapers not extended on an equal basis to all candidates for the same office; and any payments provided for the benefit of any candidate, including any payments for the services of any person serving as an agent of a candidate or committee by a person other than the candidate or committee or a person whose expenditures the candidate or committee must report under this act. The word "contribution" includes any receipt or use of anything of value received by a political committee from another political committee and also includes any return on investments by a political committee.

**v. PSERS.** The Public School Employees' Retirement System.

**w. Related Parties.** Related Parties to Trustees include any child, step-child, foster child, grandchild, parent, step-parent, grandparent, spouse, brother, sister, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, and any member of the household, whether or not related. A Person adopted into a family is considered a relative on the same basis as a natural born family member.

**x. Retirement Code.** The Public School Employees' Retirement Code, 24 Pa.C.S. sections 8101-9102.

**y. Service Provider.** A Person, other than an Employee or Trustee who receives compensation in exchange for work performed for PSERS.

**z. Trustee.** A member of the Board and his or her designee(s).

**aa. Waste.** Any conduct or omission that results in substantial abuse, misuse, destruction, or loss of funds or resources belonging to or derived from the Commonwealth or PSERS.

## **2. SCOPE OF POLICY**

This Policy provides a framework for the ethical conduct of Trustees and a basis for the evaluation of that conduct. This Policy, however, should not be relied upon as an exclusive or comprehensive list of applicable legal, ethical or Fiduciary requirements of conduct for Trustees. This Policy is a guide, not a complete statement of all Fiduciary responsibilities; therefore, compliance with this Policy does not necessarily ensure compliance with all Fiduciary requirements. It does not attempt to specify every possible activity that might be inappropriate or prohibited under applicable laws and regulations. Nothing in this Policy shall exempt any Trustee from any federal or Commonwealth law, regulation or policy. The standards of conduct set forth in this Policy are designed to supplement such laws, regulations or policies.

## **3. ETHICAL STANDARDS**

### **a. General Rules**



Trustees shall not engage in any employment, activity, or enterprise for compensation that is inconsistent with their Fiduciary duties or where the performance of their duties will be subject to improper influence or control by any other Person.

**b. Personal Interest in PSERS' Activities**

Trustees may not have a financial or personal interest in PSERS' activities that conflicts with PSERS' interests or affects or appears to affect their independence, objectivity, or loyalty to PSERS. They cannot take any official action on matters that will result in a benefit to themselves, Immediate Family, or their business associates, unless such benefit is no greater than that which accrues to a large class, such as across-the-board retirement benefit increases.

**c. Personal Interest in Outside Activities/Employment**

Trustees may not have a financial or personal interest in activities outside of PSERS that conflicts with PSERS' interests or affects or appears to affect their independence, objectivity, or loyalty to PSERS. Trustees may not knowingly engage in outside employment with Contractors. Further, neither Trustees, their Immediate Family, nor their business associates may sell or provide goods or services to PSERS.

**d. Financial Interests**

Trustees shall abide by those provisions of the Governor's Code of Conduct, the Public Official and Employee Ethics Act, the Legislative Code of Ethics, and the Commonwealth Adverse Interest Act that are applicable to them and that prohibit Trustees from making, participating in making, or using their positions to influence Board and PSERS decisions in which they have a financial interest.

In addition, Trustees shall abide by the disclosure provisions of the Public Official and Employees Ethics Act and as applicable, the Governor's Code of Conduct.

**e. Nepotism**

To prevent Related Party Conflicts of Interest or the appearance of a Conflict of Interest, PSERS shall not employ a Person who is a Related Party to a Trustee. This rule shall not prevent the continued employment of a Person who has been employed by PSERS for thirty consecutive days prior to the date that a Trustee acquired his or her position, or the Related Party became a Related Party.

**f. Hiring Contractors**

Decisions made by the Board are to be free from improper influence. From time to time, in the ordinary course of business, PSERS will issue requests for proposals, information or qualifications (RFPs, RFIs, and RFQs) for goods and services. If the

request is one that involves a decision by the Board or a recommendation of a Board Committee, communications with potential vendors relating to PSERS is subject to the Referral Policy.

#### **g. Employment Negotiations and Post Employment Restrictions**

A Trustee must disclose any employment negotiations with a Person that the Trustee is aware is a Contractor. Employment negotiations means participating in an employment interview, discussing an offer of employment, or accepting an offer of employment, even if precise terms of employment are not yet defined.

A Trustee, for one year after termination of his or her service on the Board, shall not appear before the Board in relation to any business dealing with PSERS. A Trustee shall not appear before the Board at any time in relation to any case, proceeding, determination or any other matter upon which he or she took any discretionary action during his or her term on the Board or employment with PSERS.

#### **h. Gifts**

Trustees shall comply with the provisions contained in §1103. Restricted Activities of the Public Official and Employee Ethics Act.

Trustees subject to the Governor's Code of Conduct shall comply with the provisions contained in Part 1, Paragraph 3.

Trustees subject to the Legislative Code of Ethics shall comply with the provisions of §143.5. Prohibitions.

Trustees shall not accept a Gift which was given based on any understanding of the Trustee that the vote, official action, or judgment of the Trustee would be influenced thereby. In addition, a Trustee shall not accept a Gift which constitutes a violation of the Trustee's Fiduciary duty or otherwise impairs the Trustee's ability to carry out the Trustee's responsibilities.

#### **~~i. Political Contributions [REMOVED 2019]~~**

#### **i. Honoraria**

Trustees shall comply with the provisions of the Public Official and Employee Ethics Act, Section 1103 (d) and as applicable, the Governor's Code of Conduct, Part 1, Paragraph 7, prohibiting the acceptance of Honoraria.

[

#### **~~k. Travel and Incidental Reimbursements~~**

~~Trustees should be reimbursed consistent with Commonwealth travel guidelines for expenses that meet the “actual,” “reasonable” and “necessary” tests.~~

~~Actual expenses are those expenses that were paid by Trustees and not reimbursed by another entity.~~

~~Reasonable expenses include the costs of travel or supplies that enable the Trustee to achieve their objectives in an efficient, safe and cost-effective manner. Trustees should locate and secure accommodations at moderately priced hotels. Hotels generally may be chosen in part to facilitate efficient conduct of business and to minimize daily travel time while at the business site, when reasonable costs are obtainable. Trustees attending conferences may stay at the hotel hosting the conference.~~

~~Necessary expenses are those that are required to achieve the goals of PSERS. With the communication methodologies available today, however, the need for travel should be carefully evaluated. When travel is deemed necessary, efforts should be made to keep the trip as short as possible.~~

.

#### **j. Use of Commonwealth Assets**

Commonwealth property or resources should be used only to achieve the business purposes of the Commonwealth or PSERS and not for personal interest, pleasure or profit.

Certain exceptions are commonly made for items of nominal value, and as provided for in Commonwealth policies.

Trustees are required to diligently protect Commonwealth assets, including data, from theft or Waste.

#### **k. Confidentiality**

Although PSERS is a public entity that fosters accountability and transparency to its stakeholders and the general public, PSERS is also entrusted with confidential information including but not limited to:

- Nonpublic, individually identifiable information of its members and Employees,
- Privileged information developed through the attorney-client relationship or other legally recognized privileges,
- PSERS' security information,

- PSERS' specific investment transactions, or
- Protected Health Information as provided by the Health Insurance Portability and Accountability Act (HIPAA).

Trustees may not access, disclose, or use confidential information acquired in their positions without proper authorization or as may be required by applicable law.

Trustees shall not access, disclose, or use confidential information for any purpose other than in the performance of lawful PSERS duties and responsibilities.

Trustees shall not accept employment or engage in any business or professional activity that will require them to disclose confidential information that they have gained by reason of their official position with PSERS.

## **I. Criminal Conduct**

No Trustee may engage in or condone any conduct that is in violation of a criminal law arising in the course of or from the performance of an official duty or function; including but not limited to, violations of law constituting misfeasance or malfeasance in office. No Trustee may engage in activities involving dishonesty, fraud, deceit or misrepresentation in connection with the performance of their official duties.

## **m. Investments**

All Trustees are obligated to conduct their personal securities transactions in a manner that does not conflict with PSERS' business and their Fiduciary responsibilities, interfere with PSERS' portfolio transactions or create an actual or potential Conflict of Interest with PSERS. No Trustee shall become an endorser, surety, or obligor on, or have any personal interest, direct or indirect, in the making of any investment for the Board, or in the gains or profits accruing therefrom. Trustees shall not share insider information or use that information to benefit either themselves, PSERS or the Fund. Trustees are to place the interests of PSERS above their own, so that PSERS' execution of trades must take priority over personal trades.

## **n. Board Interaction with Outside Parties and PSERS Members**

Communications with Contractors and Other Non-PSERS Persons and Entities:

A Trustee shall not correspond with a non-PSERS Person or entity using PSERS' letterhead unless the communication is authorized by the Board and processed through the Office of the Executive Director. The Office of the Executive Director shall make available a copy of all such written communications to all Trustees.

A copy of any written communication (other than purely personal or social correspondence, routine announcements, generally distributed newsletters, and the like) received by a Trustee from a current or potential Contractor, or Person related to a current Contractor, shall be forwarded to the Office of the Executive Director for subsequent distribution to all Trustees. Unless authorized by the Board, no Trustee shall disseminate or otherwise disclose any information obtained as a result of membership on the Board, which has not been released, announced, or otherwise made available publicly.

No Trustee may speak in an official capacity for PSERS and/or the Board without prior Board authorization. If a Trustee other than the authorized spokesman makes a statement without authorization, orally or in writing, the Trustee must explicitly acknowledge that it is not an authorized PSERS or Board statement.

A Trustee shall be respectful of the Board and its decisions in all external communications, even if he or she disagrees with such decision.

To mitigate the risk of miscommunication with PSERS members, Trustees will refrain from providing explicit advice or counsel, with respect to retirement plan provisions, policies or benefits, and will refer inquiries in this area to appropriate PSERS Employees through the Office of the Executive Director.

#### **o. Board Oversight of PSERS' Management and Staff**

##### **(1) Collective Authority**

The Board collectively is empowered to direct Employees on all matters of its operations. The orderly conduct of PSERS' operations requires that Board directives be implemented through the Office of the Executive Director. If the Board determines that the Office of the Executive Director's ability to faithfully serve PSERS' interests has been compromised, the Board may initiate corrective actions that temporarily circumvent the compromised individual(s) in the Office of the Executive Director.

##### **(2) Individual Authority**

Except as set forth in other policies of the Board, each Trustee shares in the Board's oversight responsibility, but may issue directives to Employees only in conjunction with the full Board or one of its committees.

Nothing in this Policy prohibits a Trustee from interacting with any Employees in a non-managerial function.

#### **4. ADMINISTRATION OF POLICY**

##### **a. Ethics Policy Questions**

Questions on this Policy should be referred to the Office of the Executive Director or his or her designee. Written opinions concerning the interpretation of this Policy will be provided to Trustees who file a written request. Copies of all opinions concerning a Trustee or the Office of the Executive Director will be furnished to the Board. All other opinions will be furnished to the Board upon its request. The Office of the Executive Director may use whatever resources are reasonably needed to provide the opinion. All Trustees may rely on such opinions to apply this Policy.

**b. Addressing Conflicts of Interest**

Any Trustee who would be required to vote on a matter that would result in a Conflict of Interest shall recuse oneself pursuant to the requirements set forth in Section 3.12 of the Statement of Organization Bylaws, and Other Procedures and shall not participate in discussions or access confidential information regarding such matter.

**c. Incident Reporting**

The Board is responsible for governing the conduct of its individual Trustee members. In adopting this Policy, the Board seeks to promote the orderly, ethical and professional resolution of disputes, as well as alleged Trustee misconduct. Misconduct by a Trustee shall be addressed in accordance with the Board's Fraud, Waste, and Abuse Reporting and Investigation Policy by the full Board. Appropriate actions include, but are not limited to:

- resolving the matter within the current or future meetings of the Board,
- referring the matter to an existing or ad-hoc Board or agency committee for further action,
- appointing appropriate staff or outside Consultants for further action, or
- referring the matter to outside agencies, such as the State Ethics Commission or the Attorney General.

**d. Enforcement** The Board is responsible for the enforcement of this Policy with respect to violations by individual Trustees through resolutions of reprimand, censure, or other appropriate parliamentary measures, including requests for resignation. Enforcement actions may include removing the offender from the position of Chair or Vice-Chair of the Board, or from any other assignment on behalf of the Board. The Board may also pursue all of its legal remedies against any Trustee who violates the provisions of this Policy.

**e. Assessment of Program- Internal Audit Department**

An effective organizational ethics program should establish basic policies, regularly communicate them to Trustees, provide a means for Trustees to confidentially ask questions and express concerns, monitor transactions that are high risk, resolve any identified problems and make adjustments to both Policy and process as needed. As such, the Internal Audit Office will assess, every five years, the effectiveness of the Policy and recommend any needed revisions thereto.

A report on the assessment will be provided to the Board for consideration of recommended changes, if any.

**f. Acknowledgement of Policy**

All Trustees shall agree in writing to comply with this Policy at the commencement of their service with PSERS as a Trustee and annually thereafter. This acknowledgement will be kept on file with the Board Liaison. A copy of the required acknowledgement is attached as Exhibit A.

**g. Effective Date**

This Policy shall become effective June 13, 2025 and shall remain in effect until amended.

EXHIBIT A

Public School Employees' Retirement System  
Ethics Policy

Acknowledgement

I hereby certify to the Chairman of the Board of Trustees of the Commonwealth of Pennsylvania Public School Employees' Retirement System that I have reviewed and understand the Ethics Policy of the Public School Employees' Retirement Board. I agree to comply with the provisions of the Policy, including the applicable statutes, rules, guidelines, and policies referred to and discussed within.

Name: \_\_\_\_\_ Date: \_\_\_\_\_

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







# Commonwealth of Pennsylvania

## Public School Employees' Retirement Board

<b>Policy Name:</b>	<b>Non-Investment Contracts and Political Contributions</b>
<b>Policy Number:</b>	<Policy Number>
<b>Effective Date:</b>	<Effective Date>
<b>Last Reviewed Date:</b>	<Reviewed Date>
<b>Executive Staff Contact:</b>	Deputy Executive Director for Administration

### I. Purpose

To promote transparency and fairness in the procurement of goods and services, the Public School Employees' Retirement Board ("Board") adopts this Policy, which sets forth political contribution reporting requirements for non-investment contractors and review of same for Board Members.

### II. Definitions

1. Political Contribution shall have the same meaning ascribed to "CONTRIBUTION" in the Pennsylvania Election Code (25 P.S. § 3241(b)).
2. Vendor - any individual or business entity, including but not limited to a corporation, company, association, partnership or sole proprietorship, seeking to or receiving an award of a contract from PSERS or other Commonwealth entity.
3. Immediate Family - a person's spouse and any unemancipated child.
4. Non-Investment Contract - any contract not covered by the "Pay-to-Play" Rule Compliance and Reporting Policy that is evaluated and/or approved by the Board.

### III. Scope

This policy applies to all Non-Investment Contracts that may be evaluated by Board Members and/or approved by the Board.

### IV. Objectives

1. To establish Political Contribution reporting requirements for Non-Investment Contract Vendors.
2. To improve visibility of Political Contributions made by potential Non-Investment Contract Vendors for Board Member consideration.

## V. Policy

1. The Public School Employees Retirement System (“PSERS”) through its Bureau of Administration shall identify all Non-Investment Contracts requiring Board Member evaluation and/or Board approval during the procurement process and ensure the reporting requirements of this policy are incorporated into the procurement process.
  - A. For Non-Investment Contracts that may be evaluated by a Board Member, PSERS shall require all potential Vendors to file Political Contribution reports as part of the procurement process.
  - B. For Non-Investment Contracts requiring Board approval, PSERS shall require the Vendor to provide an updated report at the time of recommendation for selection.
  - C. PSERS shall develop, provide, and require Vendors to complete forms for the reporting of Political Contributions to ensure compliance with the requirements of this policy.
2. All Vendors that are identified by PSERS as required to file a report under this policy shall report to PSERS an itemized list of all Political Contributions known to the business entity by virtue of the knowledge possessed by every officer, director, associate, partner, limited partner or individual owner that has been made by:
  - A. any officer, director, associate, partner, limited partner, individual owner or members of their Immediate Family when the Political Contributions exceed an aggregate of one thousand dollars (\$1,000) by any individual during the 12-month period immediately preceding submission of the report; or
  - B. any employee or members of his Immediate Family whose Political Contribution exceeded one thousand dollars (\$1,000) during the 12-month period immediately preceding submission of the report.
  - C. If a Vendor does not have any Political Contributions to report, the Vendor shall so certify.
3. PSERS’ Chief Compliance Officer shall review all reports of Political Contributions from Vendor’s reported pursuant to this policy and shall notify individual Board Members of any individual Political Contribution to that Board Member that exceeds one thousand dollars (\$1,000).
4. Any Board Member who is notified of an individual Political Contribution exceeding one thousand dollars (\$1,000) pursuant to this policy shall review the matter and either:
  - A. abstain from participating in the evaluation or approval of the Non-Investment Contract in accordance with Section 3.12 (Voting Conflicts) of the Statement of Organization Bylaws, and Other Procedures; or
  - B. notify PSERS Chief Counsel, or the Chief Counsel’s designee, that the Political Contribution does not impact the Board Member’s ability to participate in the evaluation or approval of the Non-Investment Contract.
5. Board Members and their designees may confer with PSERS Chief Compliance Officer and PSERS Chief Counsel, or their designee, as needed. If PSERS Chief Counsel or the Board Member identifies a need for consultation with independent counsel, PSERS Chief Counsel may procure and provide independent conflicts counsel.

## VI. Related Policies/Issuances

Public Official and Employee Ethics Act, 65 Pa.C.S. §§ 1101-1113.

Pennsylvania Election Code, Act of Jun. 3, 1937, P.L. 1333, No. 320, ((25 P.S. Section 3260a) (Reports by business entities; publication by Secretary of the Commonwealth)) [Note: the reporting requirements of this policy are in addition to, and not in a replacement of, any reporting requirements under the Pennsylvania Election Code]

Statement of Organization Bylaws, and Other Procedures

PSERS Ethics Policy (Section 3.i)

PSERS “Pay-to-Play” Rule Compliance and Reporting Policy

## VII. Compliance

Where a Board Member or PSERS staff learns or has actual knowledge of any material matter of non-compliance with this policy, such individual shall report the matter to the Chief Compliance Officer as soon as practicable. All reported instances on non-compliance will be investigated.

## VIII. Responsible Committee and Frequency of Review

1. The Responsible Committee for this policy is the Governance and Administration Committee.
2. This policy shall be reviewed by the Governance and Administration Committee every three years and when there are changes in the Board’s strategic priorities and initiatives, risks or performance factors, legislation or regulation, actual or potential litigation, or recommendations from studies or audits that may impact the efficacy of the policy. The Governance and Administration Committee shall report the results of this review to the Board.

## Policy History:

### Summary of Changes:

Date	Version	Summary
00/00/0000	1.0	NEW Policy

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