



PSERB Resolution 2025-68
Re: Premium Assistance Guidelines
October 23, 2025

RESOLVED, that the Public School Employees' Retirement Board accepts the recommendation of the Investment Committee and adopts the changes to the Premium Assistance Guidelines, attached:

- Premium Assistance Guidelines

**PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT POLICY STATEMENT, OBJECTIVES AND GUIDELINES
INTERNALLY MANAGED PREMIUM ASSISTANCE PROGRAM PORTFOLIO**

I. GENERAL

The Public School Employees' Retirement Board (the Board) is vested with and exercises exclusive control and management of the Health Insurance Premium Assistance Program (Program). The Program is a medical assistance program offered by the Board. The custodian of the Program's assets is the State Treasurer of the Commonwealth of Pennsylvania. The Board, as trustee for the Program, has exclusive investment control of the Program, and shall invest the moneys in the Program as authorized by the laws of the Commonwealth of Pennsylvania. Part of this responsibility includes development of investment policy, informed selection and retention of investment advisors, and ongoing monitoring of investment results.

II. OBJECTIVES

The assets will be actively managed in a short-term investment pool, which will consist of investments in short-term, high-quality, liquid fixed income securities, money market funds and cash/cash equivalents.

The objectives of this portfolio, in order of importance, are:

1. To preserve capital.
2. To maintain the Net Asset Value at \$1 per share.
3. To maintain liquidity by managing the portfolio such that;
 - a. 25% of the portfolio is convertible to cash within 24 hours.
 - b. 75% of the portfolio is convertible to cash within 72 hours.
 - c. 95% of the portfolio is convertible to cash within 7 calendar days.
 - d. 100% of the portfolio is convertible to cash within 30 calendar days.
4. To maintain portfolio volatility relative to the portfolio performance benchmark such that it is within $\pm 0.5\%$.
5. To generate positive annual returns in excess of the portfolio performance benchmark.
6. To maintain an information ratio of 0.30 or greater over a rolling 3-year period.

III. PORTFOLIO RISK MANAGEMENT

The objectives should be achieved under the following risk and portfolio parameters:

This portfolio is only permitted to hold units of PSERS Ultra-Short Duration portfolio. The risks of PSERS Ultra-Short Duration portfolio shall be addressed and monitored in the manager guidelines where applicable.

VI. MONITORING AND REPORTING

The Board receives information necessary to fulfill its fiduciary responsibility of monitoring and overseeing this Program. The following reflects the frequency and detail of the information reported to the Board by the Investment Professionals:

- Notification of any compliance exceptions to the guidelines.
- On a quarterly basis via Diligent, the Moneyline Report that presents the quarter-end net asset value for the Portfolio.
- On a quarterly basis, performance of this Portfolio.

VI. PREVIOUS GUIDELINES

Guidelines with effective dates beginning prior to the Board Approval Date are hereby null and void, except for Guideline Exceptions with approval dates prior to the Effective Date of these Guidelines. Guidelines are required to be signed by applicable Investment Office Professionals.

REVISIONS

- **06/22/2012** – Guideline established
- **06/12/2020** – Guideline updated including formatting and a reduction of spread duration from 0.75 to 0.50 years and credit rating defining measure from middle of the 3 primary agencies to the lowest. Both changes were made to be consistent with the PSERS Defined Benefit cash guidelines.
- **10/24/2025** – Guideline updated to limit investments to PSERS Ultra Short-Duration portfolio.