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Correspondence Memorandum

Date: February 11, 2019
To: Deferred Compensation Board
From: Laura Patterson, Policy Analyst
Office of Policy, Privacy & Compliance
Subject: New Board Policies

The Deferred Compensation Board (Board) is asked to approve the following new policies for incorporation into the Board Governance Manual.

ETF will periodically present policies to the Board to continue to enhance the Board's governance foundation. Copies of the new policies are attached.

Board Member Compensation and Reimbursement Policy (Attachment 1)

This policy describes the allowable compensation and expenses related to attending Board meetings.

Board Member Qualification Policy (Attachment 2)

The Qualification Policy requires Board members to promptly notify the Board and ETF if they are no longer able to meet the fiduciary duties of Board membership.

Staff will be at the Board meeting to answer any questions.

Attachment 1: Board Member Compensation and Reimbursement Policy

Attachment 2: Board Member Qualification Policy

Reviewed and approved by Steve Hurley, Director, Office of
Policy, Privacy, and Compliance

Electronically Signed 2/26/19

Board	Mtg Date	Item #
DC	3.7.19	8A



DEFERRED COMPENSATION BOARD

Adopted:

BOARD MEMBER COMPENSATION AND REIMBURSEMENT POLICY

Purpose

This compensation and reimbursement policy is intended to ensure that Board members understand the compensation and expenses that will be allowed for attending Board meetings. This policy pertains to members of the Employee Trust Funds Board, Wisconsin Retirement Board, Teachers Retirement Board, the Group Insurance Board and the Deferred Compensation Board.

Applicable Law

General

[Wis. Stat. § 15.07 \(5\)](#) provides: “. . . the members of each board shall be reimbursed for their actual and necessary expenses incurred in the performance of their duties, such reimbursement in the case of an officer or employee of this state who represents an agency as a member of a board to be paid by the agency which pays the member’s salary. The members shall receive no compensation for their services, except that the following members of boards, except full-time state officers or employees, also shall be paid the per diem stated below for each day on which they were actually and necessarily engaged in the performance of their duties [.]”

Per Diem

[Wis. Stat. § 15.07 \(5\) \(f\)](#) provides: “Members of the teachers retirement board, appointive members of the Wisconsin retirement board, appointive members of the group insurance board, members of the deferred compensation board and members of the employee trust funds board, \$25 per day.”

Expenses

[Wis. Stat. § 20.916 \(1\)](#) provides in pertinent part that “[s]tate officers and employees shall be reimbursed for actual, reasonable, and necessary traveling expenses incurred in the discharge of their duties in accordance with sub. (9).” [Paragraphs 20.916 \(9\) \(b\), \(c\), \(d\) and \(f\)](#) refer to lodging, meals, other allowable travel expenses, and transportation, respectively.”

Reimbursing Certain Travel Expenses

This policy adopts the lodging, meals, and mileage (personal vehicle) expense rates for expenses incurred in Wisconsin identified in the Travel Schedule Amounts (TSAs) within the state’s Compensation Plan (Attached as a reference is the [Pocket Travel Guide 2013-15](#) prepared by the Department of Administration Division of Personnel Management which outlines state travel guidelines). Expenses incurred to attend Board meetings are limited to allowable in-state travel. Any exceptions must first be approved by the Secretary, upon consultation with the Board Chairperson.

Lodging Expenses

Single occupancy hotel rooms are reserved the night before Board meetings. If a Board member has additional guests, it is the responsibility of the Board member to notify the hotel and pay all amounts more than the State rate. If a Board member pays for the hotel room personally, the State rate can be added to the travel voucher document along with a copy of the hotel receipt for reimbursement. A tax-exempt document can be provided to Board members who make their own hotel arrangements.

Submitting Expenses to ETF

Reimbursement is allowed only when reimbursement has not been, and will not be, received from other sources. Board members shall submit their actual, reasonable and necessary travel expenses to the Board Liaison located at ETF within two weeks of completion of the travel. If circumstances arise that are not specifically covered in this policy, the Board member should discuss the matter with the Board liaison prior to incurring the expense.

For ETF internal use:

Adopted*	Deferred Compensation Board Reviewed or Revised	Group Insurance Board Reviewed or Revised	Retirement Boards (ETF, TR, WR) Reviewed or Revised
			6/21/2018

*Individual board policies may vary.



DEFERRED COMPENSATION BOARD

Adopted:

BOARD MEMBER QUALIFICATION POLICY

Purpose

This policy is intended to ensure that Board members understand the requirements applicable to membership on the Deferred Compensation (DC) Board.

Applicable Law

Wis. Stat. [§§ 15.07](#), [15.16](#) and [15.165](#) concern the membership and qualifications of boards in the State of Wisconsin, including the DC Board [Wis. Stat. § 15.165 \(4\)](#).

Member Ceases to Meet the Applicable Qualifications

DC Board members are appointed by the Governor, with Senate confirmation. There are no specific qualifications tied to the individual DC Board member seats. However, DC Board members must be able to meet the fiduciary duties associated to Board membership. If a Board member determines that he or she is unable to fulfill his or her fiduciary duty, the member is encouraged to resign from the Board (See Board Member Resignation Procedure).

Oath of Office

[Wis. Stat. § 15.07 \(7\)](#) requires each member of a Board to take and file the official oath prior to assuming office. The language of the official oath is prescribed in [Wis. Stat. § 19.01 \(1\)](#). That language includes the name of the specific office to which the person is being appointed. The oath of office is filed with the Secretary of State ([Wis. Stat. § 19.01 \(4\) \(a\) 9.](#)). Past practice has been for the Governor's office to file the oaths for Governor appointees.

Effective Date and Applicability

This policy is effective on the date it is adopted by the DC Board.

For ETF internal use:

Adopted*	Deferred Compensation Board Reviewed or Revised	Group Insurance Board Reviewed or Revised	Retirement Boards (ETF, TR, WR) Reviewed or Revised
		5/16/2018	9/20/2018

*Individual board policies may vary.