



STATE OF WISCONSIN
Department of Employee Trust Funds
 Robert J. Conlin
 SECRETARY

Wisconsin Department
 of Employee Trust Funds
 PO Box 7931
 Madison WI 53707-7931
 1-877-533-5020 (toll free)
 Fax 608-267-4549
 etf.wi.gov

Correspondence Memorandum

Date: August 22, 2018

To: Employee Trust Funds Board
 Teachers Retirement Board
 Wisconsin Retirement Board

From: Lucas Strelow, Policy Advisor, Office of Policy, Privacy & Compliance
 Laura Patterson, Policy Analyst, Office of Policy, Privacy & Compliance

Subject: Non-Substantive Changes to Existing Board Policies

This memorandum is for informational purposes only. No Board action is required.

ETF has made minor updates to the attached Board policies after a recent review for compliance, errors and consistency. Changes include: 1) formatting; 2) minor text changes, and; 3) updates to hyperlinks and cited statutes. ETF will continue to periodically review Board policies and will apprise the Boards of any changes. The amended policies include:

Board Member Compensation and Reimbursement Policy (Attachment 1)

This policy describes the allowable compensation and expenses related to attending Board meetings. The policy outlines covered expenses and submission of expenses to ETF.


Board Member Qualification Policy and Resignation Procedure (Attachments 2 and 3)

These two documents are about Board membership. The Qualification Policy requires Board members to promptly notify their respective Board and ETF if they no longer meet their seat qualifications. The Resignation Procedure describes how to end membership if a member can no longer fulfill fiduciary duties.

- Attachment 1: Board Member Compensation and Reimbursement Policy
- Attachment 2: Board Member Qualification Policy
- Attachment 3: Board Member Resignation Procedure

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

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



Electronically Signed 9/4/18

Board	Mtg Date	Item #
JM	9.20.18	4C1



**EMPLOYEE TRUST FUNDS BOARD,
TEACHERS RETIREMENT BOARD,
WISCONSIN RETIREMENT BOARD**

Adopted: December 11, 2014

BOARD MEMBER COMPENSATION AND REIMBURSEMENT POLICY

Purpose

This compensation and reimbursement policy is intended to ensure that Bboard members ~~have an understanding of~~understand the compensation and expenses that will be allowed for attending Bboard meetings. This policy pertains to members of the Employee Trust Funds Board, Wisconsin Retirement Board, ~~and~~ 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 source is the Pocket Travel Guide July 1, 2015, prepared by the Office of State Employment Relations Department of Administration Division of Personal Management which outlines state travel guidelines). Expenses incurred ~~in order to~~ attend Bboard 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 Bboard meetings. If a Bboard member has additional guests, it is the responsibility of the Bboard member to notify the hotel and pay all amounts ~~in excess of~~ more than the State rate. If a Bboard 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 Bboard 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~~ Bboard member should discuss the matter with the Bboard 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
12/11/2014			

*Individual board policies may vary.



**EMPLOYEE TRUST FUNDS BOARD,
TEACHERS RETIREMENT BOARD,
WISCONSIN RETIREMENT BOARD**

Adopted: December 11, 2014

BOARD MEMBER QUALIFICATION POLICY

Purpose

This ~~board member qualification~~ policy is intended to ensure that ~~B~~board members ~~have an understanding of~~understand the requirements applicable to membership on the Employee Trust Funds Board, Wisconsin Retirement Board, and Teachers Retirement Board (Boards).

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 Employee Trust Funds Board (ETF Board, 15.16 (1)), Teachers Retirement Board (TR Board, 15.165 (3) (a)), Wisconsin Retirement Board (WR Board, 15.165 (3) (b)).

~~Goals of this policy~~**Policy Goals**

The primary goals of this policy are to ensure that the broad membership required by the foregoing statutes and the purposes of that requirement are maintained for ~~each board~~the Boards.

Broad ~~R~~representation ~~on each retirement board~~

A careful review of the applicable statutes indicates that a principal emphasis is to provide for broad representation on each of the ~~Boards~~retirement boards (see the attached summary of the statutes). It also is evident that a primary purpose of the statutes is to have ~~B~~boards consisting of persons who bring a wide variety of skill sets, career and life experiences, and viewpoints to their participation on those ~~B~~boards.

The WR Board has 9 members and the membership is drawn from 9 distinct backgrounds, including members of government bodies with specified skill sets, local and state employees, and a public member who is not a participant or beneficiary of the Wisconsin Retirement System (WRS). The TR Board has 13 members and the membership is comprised of public school teachers in various specified areas, an administrator, a school board member, and an annuitant. The ETF Board ~~, the board with statutory oversight of the Department of Employee Trust Funds,~~ has 13 members, ~~including of whom~~ 4 members are appointed by the WR Board, 4 members appointed by the TR Board, 1 ~~is a~~ public member who is not a participant or beneficiary of the WRSS, 1 ~~is an~~ annuitant, 1 ~~is a~~ participant in the WRS who is a non-teacher, and the Governor and Director of the Office of State Employment Relations or their designees.

Maintaining ~~S~~such ~~B~~broad ~~R~~representation

~~In order to~~To comply with the above statutory requirements and the goals of broad representation on each ~~B~~board, this policy directs candidates for membership on a ~~B~~board to consider which of the specified qualifications they satisfy at the time they

seek election or appointment. In addition, this policy encourages candidates to consider whether they will be able to maintain that qualification during their entire term of office. Only those candidates who believe they will be able to maintain the qualifications for a particular seat on the Bboard for the entire length of the specified term are encouraged to seek election or appointment to the Bboard.

Member Ceases to Mmeet the Applicable Qualifications

There is no law specifying that a vacancy is created if ~~an ETF Board, TR Board, or WR~~a Board member, during his or her term of office, ceases to meet the qualifications applicable at the time of appointment or election. [Wis. Stat. § 15.165 \(1\) \(a\)](#) specifies that a member who ceases to meet the qualifications applicable at the time of appointment or election ceases to be a member of the Bboard upon election or appointment of a qualified successor.

However, ~~this policy provides that~~ if a member no longer meets the qualifications for his or her specific seat the member shall notify the applicable Board Chairperson, or the highest-ranking Board member, and the Secretary of ETF of such fact, in writing. In doing so, the member shall indicate whether he or she can continue to meet his or her fiduciary duty and whether his or her continued service on the Board is inconsistent with the qualifications for his or her specific seat. If such member determines that he or she is unable to fulfill his or her fiduciary duty or that his or her continued service on the Board is inconsistent with the qualification for his or her specific seat, the member is encouraged to resign from the Board ([See Board Member Resignation Procedure](#)). Such action by a member will ensure the Bboard will be able to meet the goals of broad representation.

If a term expires for a member that no longer meets the applicable qualifications and a call for nominations returns no candidates, then the seat must be filled via another election or remain vacant ~~until such time as~~until an election may be held.

Oath of Office

[Wis. Stat. § 15.07 \(7\)](#) requires each member of a Bboard 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. Accordingly, ~~if a member~~s of the TR Board ~~and~~or the WR Board ~~is~~ appointed to the ETF Board, ~~that member~~ must take and file an oath of office for ~~each board~~the ETF Board.

The oath of office is filed with the Secretary of State ([Wis. Stat. § 19.01 \(4\) \(a\) 9.](#)). Past practice has been for ETF to file the oaths for elected and ex officio members and for the Governor's office to file the oaths for Governor appointees.

ETF Board, TR Board, WR Board
Board Member Qualification Policy
September 2018

Effective date and Applicability

This policy is effective on the date it is adopted by the Boards ~~by each of the above three boards and applies to board members elected or appointed after that date.~~

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
12/11/2014	N/A	5/16/2018	12/11/2014

*Individual board policies may vary.



**EMPLOYEE TRUST FUNDS BOARD,
TEACHERS RETIREMENT BOARD,
WISCONSIN RETIREMENT BOARD**

PROCEDURES FOR BOARD MEMBER RESIGNATION

Purpose

The [Board Member Qualification Policy](#) provides that [aEmployee Trust Funds, Teachers Retirement and Wisconsin Retirement Board \(Board\) members](#) should resign if [they are the board member is](#) unable to continue fulfilling fiduciary duties or if the member's continued service is inconsistent with the qualification for the [Bboard](#) member's seat. The [Conflict of Interest Policy](#) specifies recusal for temporary conflicts, but requires resignation for failure to disclose a substantial conflict of interest or if a substantial conflict is continuing, irreconcilable and impedes the exercise of fiduciary duty.

Wisconsin law provides different ways that one can become [aa Bboard](#) member. The resignation process varies according to how the member gained their [Bboard](#) seat. Some [Bboard](#) members are elected by those whom they represent on the [Bboard](#) (e.g., public school teachers, WRS annuitants). Some [Bboard](#) positions are appointed by the Governor, others are appointed by advisory [Bboards](#). In addition, some [Bboard](#) members occupy a [Bboard](#) seat by virtue of the title or office held by the member. This is known as an ex officio [Bboard](#) seat. For example, Wisconsin law specifies an ex officio position on the Wisconsin Retirement Board that must be either the Commissioner of Insurance or an experienced actuary in the office of the Commissioner, who is designated by the Commissioner.

Any [Bboard](#) member who intends to resign should abide by the following process, as applicable:

Elected Members and Advisory Board Appointees

- In writing, notify the Chairperson of the [Bboard](#) on which you serve, [or the highest-ranking Board member](#), and the Secretary (via the Board Liaison). Include the reason for resignation if possible, and the expected effective date of the resignation.

Appointed by the Governor

- -In writing, [notify the Chairperson of the Board on which you serve, or the highest-ranking Board member, notify the applicable board Chairperson](#) and the ETF Secretary (via the Board Liaison). Include the reason for resignation if possible, and the expected effective date of the resignation.
- In writing, notify the Governor's Office, with a courtesy copy to the Board Chairperson and the ETF Secretary.

ETF Board, TR Board, WR Board
Board Member Resignation Procedure
September 2018

- If applicable, inform your appointing body, such as the Executive Committee of the Wisconsin Counties Association or the Board of Directors of the League of Wisconsin Municipalities. These appointing bodies are responsible for providing names of potential Bboard members to the Governor.

Ex Officio

Qualification for an ex officio Bboard seat is by virtue of title or position. If you no longer hold the qualifying title or position, you must resign. However, if you still hold the qualifying title or position, but cannot continue to sit on the Bboard for any reason, you should inform the Chairperson of the Board on which you serve, or the highest-ranking member, ~~board Chairperson~~ and the ETF Secretary of the name of your designee.

If resignation is required:

- In writing, notify the bBoard Chairperson, or the highest-ranking Board member, and the ETF Secretary (via the Board Liaison). Include the reason for resignation if possible, and the expected effective date of the resignation.

For ETF internal use:

Presented*	Deferred Compensation Board Reviewed or Revised	Group Insurance Board Reviewed or Revised	Retirement Boards (ETF, TR, WR) Reviewed or Revised
12/10/2015	6/14/2018	5/16/2018	12/10/2015

*Individual board procedures may vary.