



## Maryland State Retirement and Pension System Charter for the Executive Director

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### **DUTIES AND RESPONSIBILITIES**

The Executive Director's duties shall include, but not be limited to, the following:

#### **Leadership and Accountability**

1. The Executive Director shall provide executive leadership to the Agency and shall assist and support the Board in the pursuit of the System's mission, goals and objectives.
2. Though the Executive Director is the executive ultimately responsible for the operations of the System, he or she shall ensure proper delegation of duties throughout the Agency so as to maximize the efficiency and effectiveness of the operations. The Chief Investment Officer is responsible for the management of the Investment Division and investment performance.

#### **Policy Analysis**

3. The Executive Director shall provide all necessary support to the Board and its committees in establishing and revising all policies of the Board. This will involve working with the Board and its committees to continually identify risks and issues requiring board policy, conducting the necessary analysis of such risks and issues, and providing clear and well-supported policy recommendations for the Board's consideration. Policy areas to be covered include, but are not limited to:
  - a. Governance and board operations;
  - b. Investment operations;
  - c. Benefits administration;
  - d. Information technology;
  - e. Agency operations;

- f. Actuarial and accounting practices;
- g. Human resources; and
- h. Communications.

## **Governance and Board Operations**

- 4. The Executive Director shall:
  - a. If elected, serve as secretary to the Board and carry out the following duties:
    - i. Coordinate meetings, agendas, schedules and presentations for both Board and committee meetings in accordance with the “Open Meetings Act” and any other applicable laws;
    - ii. Prepare and maintain minutes of Board and committee meetings;
    - iii. Sign the minutes of Board meetings upon the approval of the Board; and
    - iv. Ensure adequate staff support for all Board committees;
  - b. Recommend to the Board the mission of the Agency;
  - c. Recommend to the Board any governance policies necessary to ensure effective Board governance practices;
  - d. Coordinate the implementation of the Board Education Policy, including developing an orientation session for new trustees, and reviewing and updating trustee education materials;
  - e. Conduct ordinary correspondence of the Board; and
  - f. Analyze and evaluate, in consultation with staff and legal counsel, existing laws and proposed legislation and provide recommendations consistent with the mission of the Agency.

## **Investment Operations**

- 5. Subject to the restrictions set forth in SPP Article §21-118.1, the Executive Director, along with the Investment Committee, shall recommend to the Board the qualifications and appointment, as well as compensation and leave, for the

Chief Investment Officer.

6. The Executive Director shall monitor the performance of the Chief Investment Officer. The Executive Director or the Investment Committee may recommend to the Board the termination of the Chief Investment Officer. On receiving an affirmative vote from the majority of the Board, the Executive Director shall terminate the appointment of the Chief Investment Officer.
7. On the recommendation of the Chief Investment Officer, the Executive Director shall recommend to the Investment Committee for recommendation to the Board an annual operating budget for the personnel and operational expenses of the Investment Division of the Agency, and any modifications thereto, to be paid from the accumulation fund of each State System on a pro rata basis.
8. In consultation with the Chief Investment Officer and other professional investment staff, the Executive Director shall execute contracts for investment management services in accordance with SPP Article § 21-118(e).

### **Benefits Administration**

9. The Executive Director shall:
  - a. Ensure the accurate and timely delivery of benefits to all participants of the System in accordance with applicable laws;
  - b. Recommend to the Board appropriate service quality goals and standards;
  - c. Ensure delivery of consistently high standards of service quality to participants in accordance with the goals and objectives established by the Board;
  - d. Ensure that participants disputing any benefit-related decisions of the System are accorded an internal review, provided an official decision in writing, and informed of their right to appeal;
  - e. Ensure timely distribution of the annual Personal Statement of Benefits;
  - f. Ensure administrative errors made by the Board, Agency employees, or the Executive Director are corrected in a timely manner; and
  - g. Ensure the appropriate recovery of any benefits paid to ineligible benefit recipients.

## **Agency Operations**

10. The Executive Director or his or her designee shall:

- a. Recommend a long-range strategic plan to the Board for its consideration;
- b. Recommend an annual business plan to the Board for its consideration;
- c. Estimate each year the amount, not exceeding the cap established by the legislature (currently 0.22% of the payroll of members), necessary for the administrative and operational expenses of the Board and the Agency;
- d. Prepare an annual operating budget submission for the Agency, excluding amounts necessary for investment management services and the personnel and operational expenses of the Investment Division, but including budgeted staff positions, as well as any supplemental budgets that may be necessary for the Agency, and, following approval by the Board, submit the Board's approved budget submission;
- e. Make all necessary operational expenditures, consistent with the Operating Budget and internal controls approved by the Board;
- f. Execute contracts and other documents on behalf of the Board in accordance with State Personnel & Pensions Article § 21-118(e);
- g. Ensure the appropriate design, purchase, implementation, and maintenance of all technologies required to efficiently manage the data, information and records of the various retirement plans comprising the System;
- h. Recommend a disaster recovery plan and a business continuity plan to the Board for its consideration; and
- i. Recommend to the Board suitable office premises for the Agency's headquarters and any secondary offices.

## **Financial, Actuarial and Accounting Practices**

11. The Executive Director or his or her designee shall:

- a. Work to ensure the fiscal soundness of the individual State systems, anticipating future benefit and contribution levels and providing recommendations to the Board;

- b. Account for and deposit all receipts in a timely manner and account for all disbursements by the agency;
- c. Ensure the implementation of appropriate internal controls and procedures to safeguard the assets of the System;
- d. Ensure internal and external audits are performed, as appropriate, and findings are addressed; and
- e. Ensure the timely preparation of the Comprehensive Annual Financial Report.

## **Human Resources**

12. The Executive Director shall:

- a. Recommend to the Board human resource policies for the Agency as needed;
- b. Ensure appropriate job descriptions for all senior executives and staff of the Agency are established;
- c. Ensure appropriate human resource programs and procedures for Agency management and staff in accordance with the human resource policies, including appropriate education, training and development plans are developed;
- d. Recommend a chief internal auditor for appointment or termination by the Board;
- e. Select, hire, train, terminate and discipline all other Agency management and staff; and
- f. Recommend to the Administrative Committee, a management succession plan to ensure continuity in management and other critical positions within the System.

## **Communications**

13. The Executive Director or his or her designee shall:

- a. Serve as a primary spokesperson for the system, including representing the Board before the legislature, and the administrative branches of state government;

- b. Direct and review the preparation of position statements and press releases; and
- c. Deliver effective and timely communications to members and beneficiaries, employers, the legislature, and other constituents on matters relating to the operation and administration of the system.

## **Appointments**

14. The Executive Director shall:

- a. Appoint and may remove all service providers except key service providers; and
- b. Ensure all necessary due diligence is performed with respect to all service providers retained by the system.

## **MONITORING AND REPORTING**

15. The Executive Director or his or her designee shall:

- a. Ensure that the Board is provided with all relevant, appropriate and timely information to enable it to properly carry out its monitoring and oversight responsibilities;
- b. Monitor the Board, staff, and external service providers to ensure that they operate in accordance with Board policies and applicable laws and regulations;
- c. Monitor the funded status of the System;
- d. Monitor the investment performance of all asset categories in which the system invests and of all external and internal investment managers retained by the System;
- e. Submit a report, on or before December 15 of each year, to the Board about the operation and performance of the system for the preceding fiscal year, containing the information required by the State Personnel & Pensions Article and as prescribed by the Board;
- f. In cooperation with the Chief Investment Officer, timely submit all information and reports required to be provided by the Board, its committees, or the Agency under the SPP Article, including all reports required to be submitted to the Maryland General Assembly in accordance

with State Government Article § 2-1257;

- g. Monitor the quality of service provided to participants;
- h. Monitor and evaluate the activities and performance of staff and external service providers;
- i. Monitor the accuracy and timeliness of monies owed to the System and the accuracy and timeliness of disbursements made by the Agency;
- j. Monitor the implementation and maintenance of technologies to efficiently manage the data, information, and records of the various retirement plans which comprise the System;
- k. Monitor business and other risks faced by the System; and
- l. Monitor external trends and legislation that may have a significant impact on the System and report to the Board as appropriate.

## Document Properties

- a. Document Owner: SPRS Board of Trustees
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- c. Summary of Changes:

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