



Meeting Minutes | Board of Directors Meeting

Wednesday, March 12, 2025 | 2:00 p.m.

202 Arbor Lake Dr., Columbia, SC 29223 | First Floor Conference Room

Minutes Approved June 5, 2025

Board Members Present for All or a Portion of the Meeting: Ms. Jennifer Blumenthal, Mr. Calvin Elam, Mr. Steve Heisler, Sheriff Steve Mueller, Ms. Paige Lewis, Chairman Joe “Rocky” Pearce, Mr. Alex Shissias, and Mr. Ed Walton.

Board Members Present for All or a Portion of the Meeting Via Virtual Means: Ms. Amanda Blankenship

Board Members Absent: Mr. Steve Matthews and Mr. John Sowards

Others Present for All or a Portion of the Meeting: Lee Allen, Peggy Boykin, Ashley Brindle, Robby Brown, Jennifer Dolder, George Hazin, Heather Muller, Rob Tester, Travis Turner, Justin Werner, Christine Wylie, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Geoff Berg, Kara Brurok, and Mike Hitchcock from the South Carolina Retirement System Investment Commission; Nancy Ornduff from Empower; Robert Gauss from Ice Miller; and Will Kenney from The Mullikin Law Firm.

Others Present for All or a Portion of the Meeting Via Virtual Means: Angie Warren from PEBA

I. Call to Order

Chairman Rocky Pearce called the PEBA Board of Director’s (Board) meeting to order at 2:00 p.m. and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

II. Approval of Meeting Minutes- December 4, 2024

Ms. Paige Lewis made a motion, which was seconded by Mr. Alex Shissias, and passed unanimously, to approve the minutes from the December 4, 2024, Board meeting.

III. Retirement Systems Investment Commission Update

Mr. Mike Hitchcock, Chief Executive Officer, from the South Carolina Retirement System Investment Commission reviewed the 2024 fiscal year-end performance, and stated that there was an approximate 10.50 percent positive return for the fiscal year ending June 30, 2024.

IV. Employer Services Update

Ms. Jennifer Dolder, Employer Services Director, provided a presentation regarding the responsibilities of Employer Services and their role in supporting PEBA-participating employers. Ms. Dolder stated that PEBA Employer Services provides education and support to over 850 participating employers by hosting online training sessions, providing quality education and training resources, and promoting PEBA benefits. Employer Services also host an Employer Advisor Group which

provides educational support to employers and gives them an opportunity to share feedback with PEBA. Ms. Dolder stated that Employer Services also assists employers who are interested in becoming a participating employer, and educates entities on the conditions and requirements for participation.

V. Fiduciary Training

Mr. Justin Werner, General Counsel, introduced Mr. Robert Gauss, Partner, from Ice Miller, to provide the Board's annual fiduciary training. Mr. Gauss advised that fiduciary training is important to help fiduciaries understand their responsibilities and manage liabilities from a legal and compliance perspective.

Mr. Gauss stated that fiduciaries can be defined according to their function and designation. For example, functions include discretionary, administrative, or investment decisions related to the plan. Designations include being named in a plan, trust document, or statute as a fiduciary. Trustees are fiduciaries both by function and designation. Mr. Gauss added that good fiduciary and ethical practices should follow the applicable South Carolina Code of Laws; the State Ethics Act; and the PEBA Board's Ethics Policy.

Mr. Gauss advised that South Carolina state law names the PEBA Board as one of multiple fiduciaries for the South Carolina Retirement Systems, and shares responsibility with the South Carolina Retirement System Investment Commission and the State Treasurer. The Board is also a fiduciary for the State Health Insurance and OPEB trust Funds; the State Optional Retirement Program; and the South Carolina Deferred Compensation Program.

Mr. Gauss discussed several sources of fiduciary principles including the Internal Revenue Code; the Employee Retirement Income Security Act (ERISA) (which only applies to private plans but is an excellent resource); the Uniform Management of Public Retirement Systems Act (UMPERSA); and Plan related documents and statutes.

Mr. Gauss detailed the overall fiduciary principles – Duty of Loyalty, Duty of Prudence, and Duty to Follow Plan Documents, which includes the Board's Conflict of Interest Policy.

In conclusion, Mr. Gauss reviewed typical fiduciary activities, the Board's role with regards to benefits and investments, and provided guidance on how to manage fiduciary liability and risk, particularly with cybersecurity and artificial intelligence.

VI. Committee Reports

A. Health Care Policy Committee

Committee Vice-Chairman Steve Heisler reported that the Health Care Policy Committee met in the morning and Mr. Rob Tester, Insurance Policy Director, presented the SHP benchmarking review in which key SHP measures are compared with peer and national benchmarks, and advised that the SHP continues to compare favorably to other public and private employers, regionally and nationally.

Vice-Chairman Heisler stated that the Committee received a presentation from Virta (a telehealth provider that is clinically proven to reverse type 2 diabetes) in which clinical outcomes and observations of the program were discussed.

Vice-Chairman Heisler advised that Dr. Tripp Jennings from BlueCross BlueShield of South Carolina presented an overview of artificial intelligence (AI) in health care.

Vice-Chairman Heisler also noted that the Committee reviewed the current Health Care Policy Committee Charter, and did not have any recommended changes to the Charter.

B. Finance, Administration, Audit and Compliance (FAAC) Committee

Committee Chairman Jennifer Blumenthal reported that the FAAC Committee met in the morning, and Ms. Lee Allen, Director of Internal Audit, presented the 2025 PEBA Internal Audit Plan to the Committee for approval. Chairman Blumenthal advised that the Committee approved the PEBA 2025 Internal Audit Plan as presented.

Chairman Blumenthal noted that the Committee reviewed the current FAAC Committee Charter, and did not have any recommended changes to the Charter.

Mr. Justin Werner, General Counsel, stated that staff and the FAAC Committee reviewed the Board's governance documents and recommended amending Paragraphs VII(B) and VII(E) of the Bylaws to accommodate the timing of the Board Chair and Vice-Chair elections to the Board's quarterly meeting schedule; amend Paragraph Three of the Continuing Education Policy to clarify the educational training that will be provided by PEBA; and amend Paragraph Five of the Continuing Education Policy to conform to the amendment made to the Bylaws in August regarding meeting attendance reports.

Chairman Blumenthal stated that the FAAC Committee moves that the PEBA Board amend the Board's Bylaws and Continuing Education Policy as presented. Chairman Pearce reminded the Board that a Committee motion does not require a second. The motion passed unanimously.

C. Retirement Policy Committee

Committee Chairman Paige Lewis reported that the Retirement Policy Committee met that morning, and Ms. Nancy Ornduff, from Empower, presented the fourth quarter of 2024 Deferred Comp quarterly plan summary to the Committee.

Chairman Lewis advised that Mr. David Rowe, Ms. Elke De La Cruz, and Ms. Audrey Bailey, from Corebridge Financial, presented a service overview of the State ORP administered through Corebridge. It was noted that Corebridge is one of four service providers for the State ORP.

Chairman Lewis added that CAPTRUST presented the South Carolina Defined Contribution Plans Quarterly Investment Performance Report for the quarter ended December 31, 2024.

Mr. Werner advised that the Retirement Policy Committee reviewed the current Committee Charter and recommended a proposed amendment to add language to Paragraphs (E)(2) and (E)(4) of the Charter to reflect the regular administrative and operational reporting the Committee receives from the service providers for the State's defined contribution retirement plans, in addition to investment reports.

Chairman Lewis reported that the Committee made a motion to recommend that the PEBA Board amend the Committee's Charter as presented. Chairman Pearce reminded the Board that a Committee motion does not require a second. The motion passed unanimously.

VII. Old Business

Director's Report

Ms. Peggy Boykin, Executive Director, provided the Director's Report and advised that the House of Representatives completed their budget yesterday. Ms. Boykin stated that the House version of the budget includes PEBA's request to increase the operating budget, but they were not able to fully fund the State Health Plan (which is approximately \$112 million), and have proposed an increase in the 2026 premiums for active employees. Ms. Boykin advised that Mr. Tester will provide additional information relative to changes in co-payments and deductibles to Senate Finance when they begin their budget deliberations, and staff will keep the Committee informed throughout the budget process.

Ms. Boykin stated that she will be working with each Committee Chairmen to determine which educational sessions would be best suited for the full Board meeting, rather than presented at the Committee level, so that all Board members will benefit from the educational sessions.

Roundtable Discussion

Chairman Pearce provided an opportunity for a roundtable discussion for members of the PEBA Board. Mr. Heisler stated that he is appreciative of how well the PEBA Board works together to collaboratively serve PEBA's members. Ms. Lewis provided accolades to Ms. Dolder for her excellent presentation regarding PEBA's Employer Services department.

VIII. Adjournment

There being no further business, and upon a motion by Mr. Heisler, which was seconded by Mr. Calvin Elam, and approved unanimously, the Board meeting adjourned at 3:40 p.m.