

Position Specification
Teachers' Retirement System of the State of Illinois
Deputy Director & Chief Operating Officer



Illinois TRS, with \$63.7 billion in assets, is searching for a *Deputy Director & COO*, a newly created position, to join this statewide public retirement system. Located in Springfield, IL, TRS is one of the 30 largest public pension plans in the country.

The Deputy Director is an integral member of the executive cabinet, and will be involved in oversight of administrative and operational areas. As the position is newly created, there is flexibility in determining the functional responsibilities assigned so they best align to the candidate's skill set and experience.

System Overview

TRS was established in 1939 and is celebrating its 81st year in operation. Serving over 427,000 members with 990 employers, TRS provides retirement, disability and death benefits to teachers employed by Illinois public elementary and secondary schools outside the city of Chicago.

TRS's mission is to "continually deliver the retirement security promised to our members by maintaining the highest and most efficient level of service and by living our values: Put the best interests of others first, Diversity, Teamwork, and Continuous improvement."

The System is governed by a 15-member Board of Trustees. Trustees include the state superintendent of education, seven trustees appointed by the governor, five trustees elected by contributing members, and two trustees elected by TRS annuitants. The governor selects the Board president from among the trustees. The annual administrative budget, \$38.9 million for FY 2022, is funded by the trust fund and approved by the Board.

TRS is highly regarded for its service quality and cost effectiveness delivering member services. A 2020 CEM Benchmarking study highlighted that TRS's service quality score was equal to the peer median while its total pension administration cost was below the peer average. For the past seven years, TRS's total pension administration costs increased 0.3% compared to 1.0% per annum for peers. During this same period, TRS experienced almost a 20% improvement in the total service score, with the biggest impact being improved service in the call center.

Financial Highlights

The defined benefit plan continues to meet its obligations to its members and beneficiaries. The System ended FY 2021 with \$63.9 billion in assets and the funded ratio improved compared to the previous year.

The COVID-19 pandemic affected TRS and created challenges requiring an aggressive response from an operational standpoint. The top priority was to continue paying all benefits as usual to

retirees and beneficiaries. TRS was designated an “essential” state service because of the monthly economic impact of TRS benefits to its members and communities across Illinois.

TRS staff fulfilled the System’s priority functions remotely by establishing a work-from-home platform. The response was possible because over the last 10 years, TRS’s management had prepared contingencies for any emergency by creating and testing a detailed Business Continuity Plan, investing in technology that enabled staff to work remotely, leveraging cloud services, testing critical systems to confirm functionality, and developing an internal “message tree” enabling communication between management and staff. Online member services were also improved to electronically upload documents.

During the pandemic, according to their investment consultant, RVK, TRS ranked in the top 25 percent of public pension funds in its ability to preserve assets. For FY 2021, TRS’s 25.5% investment return, net of fees, exceeded benchmark by 5.18%. The System has outperformed its 7.0% discount rate over all reporting periods.

Currently, the member retirement contribution rate is 9.0% (comprising 7.5% toward the cost of the retirement annuity, 0.5% toward the automatic annual increase in the retirement annuity, and 1.0% for survivor benefits).

TRS members have always contributed their share. However, a long history of statutory funding that has been actuarially inadequate has resulted in TRS being significantly underfunded. Legislation passed in 1994, 2003, and most recently in 2017 was enacted to ensure a consistent funding stream for the plan to achieve 90% funding by 2045. For additional information, visit www.trsil.org/financial/financial-reports.

Deputy Director Responsibilities

The Deputy Director reports to the Executive Director & Chief Investment Officer. Stan Rupnik, Chief Investment Officer for the past 17 years, was appointed to lead the System in the dual role in June 2021.

As mentioned, the Deputy Director is a member of the executive cabinet, and will be involved in oversight of administrative and operational areas. There is flexibility in determining the responsibilities assigned so they best align to the candidate’s skill set and experience.

As an executive cabinet member, the Deputy Director is expected to engage and collaborate with colleagues. As a trusted advisor to the Executive Director & Chief Investment Officer, the Deputy Director is expected to offer sound professional advice and recommendations. Some of the other essential duties include:

Essential Duties

- Ensure operation of all departments in accordance with TRS’s mission, vision, and core values; state and federal law; and board policies.

- Ensure resources are sufficient and properly aligned to execute and accomplish the organization’s strategic plan and goals.
- Ensure the information technology infrastructure meets current and future needs and all System data is protected.
- Evaluate and implement best practices and improve systems and processes to improve member service and/or contain or reduce cost.
- Engage externally with stakeholders, as needed, and maintain effective relationships with plan sponsors, member groups, and other stakeholders.
- Assist with the System’s strategic planning and in establishing performance metrics.
- Foster a positive success-oriented and accountable culture to increase employee engagement.
- Develop, coach, mentor, and evaluate the performance of staff.
- Perform other duties as assigned.

Key Objectives

The following Key Objectives have been identified to measure, in part, the Deputy Director’s performance. A significant portion of the responsibilities is inward facing and focused on strengthening culture and the talent ecosystem, improving operational efficiencies, improving member satisfaction, and containing/reducing costs.

- Review the resource assignments to each department and, if necessary, adjust resources to ensure they align with the strategic plan.
- Work collaboratively with senior staff, IT staff, employers, and stakeholders with post implementation of the recently installed pension administration system to ensure it is functioning properly and that the necessary support services are in place to respond to issues, modifications, and updates.
- Work collaboratively with senior staff, IT staff, employers, and stakeholders with the development and implementation of the new auto enrollment Defined Contribution plan scheduled to go live in 2022.
- Establish positive and productive relationships with key stakeholder groups, such as the Illinois Education Association, Illinois Federation of Teachers, Illinois Retired Teachers Association, and others.

Qualifications and Experience

The System is seeking an experienced executive who has strong analytical, organizational, and communication skills. Other requirements and preferences include:

Minimum Requirements

- Bachelor’s Degree in Business Administration or related degree.
- Minimum of eight years of relevant operational experience in a senior management role.
- Demonstrated commitment to diversity and an inclusive working environment.

Other Preferences

- Advanced degree.
- Six Sigma certification.

- Project Management Professional (PMP) certification.
- Experience/Knowledge with enterprise information technology systems and implementations.
- Experience/Knowledge leading or overseeing benefits and claims administration.
- Working knowledge of federal and state pension laws.
- General knowledge of finance and actuarial matters.
- Track record of effectively working across stakeholder groups.
- Experience interacting with public boards.

Leadership Competencies and Characteristics

A commitment to serving others and the public service mission are core values desired in the Deputy Director. Being a team player and leading with an inclusive, participative, and collaborative style while setting high expectations supported by accountabilities are important to affecting change and achieving success across the organization.

The ideal candidate will have a strong leadership background and value professional development to build high performing teams and develop future organizational leaders. Other key leadership competencies and attributes include:

- Honest and ethical.
- Open and transparent.
- Confident, humble, and diplomatic.
- Inspiring, positive, and motivational.
- Effective building consensus and negotiating compromise.
- Objective and data driven decision making style.
- Emotional intelligence to drive solutions and affect positive change.
- Embraces innovation and values automation.
- Courage to make tough decisions and defend them.
- Proactive problem solver and idea person.

TRS is committed to diversity in the workplace, race and gender, work style, thought and communication, and the Deputy Director is expected to be a champion for workplace diversity. The Deputy Director must also understand and respect the requirements of operating in a public environment.

Compensation

The Deputy Director is an exempt position and an “at will” employee. Compensation is designed to attract the best-qualified executive and includes a base salary, retirement benefits, and attractive benefits package. TRS employees do not contribute to Social Security but are required to pay Medicare taxes. Relocation assistance is also provided.

For additional information or to submit an application, please contact Hudepohl & Associates, info@hudepohl.com or (614) 854-7300.