



**THE STRATEGIC PLAN OF THE
INDIANA PUBLIC RETIREMENT SYSTEM
FOR FISCAL YEARS**

2023-2025



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INTRODUCTION

REINFORCED COMMITMENT AND COLLABORATION

The Indiana Public Retirement System (INPRS) is proud to introduce the organization's 2023–2025 strategic plan, offering a refreshed design and clear strategy encapsulating our vision for the future of INPRS and the members and employers we serve.

Our strategic plan is the product of more than a year of extensive peer and institutional research, benchmarking, SWOT (strengths, weaknesses, opportunities, and threats) analysis, stakeholder surveys, federal and state legislative and business trends and insightful discussions between INPRS's executive staff and the INPRS Board of Trustees. This plan reflects not only our passion and commitment, but further accelerates work already underway in helping our members realize and secure their retirement dreams.

Our 2022–2024 strategic plan was dedicated to initiatives that assessed our technology capabilities, asset management, and operational efficiencies to provide better service to our members and employers.

The INPRS team continues to deliver top-tier service levels year-over-year as measured and reported by CEM Benchmarking, Inc. This independent research firm ranks pension plan performance in various service and cost categories. Last year, INPRS achieved the highest service score in our pension plan peer group.

The INPRS 2023-2025 strategic plan reinforces our commitment to maintain the trust our members and stakeholders have placed in us. The executive and leadership staff will develop and implement strategic initiatives to accomplish the defined goals and objectives outlined in this plan. Our teams will collaborate to achieve these objectives, while leveraging innovative technologies and assessing the organization for operational efficiencies. Additionally, intentional focus is being placed on cultivating our internal talent and defining and promoting our workplace culture. Collectively, our efforts aim to enhance the long-term value add to our members and employers.

OUR VISION

Engaged members able to realize their retirement dreams.

OUR MISSION

As fiduciaries, educate stakeholders, collect necessary contributions, and prudently manage member assets to deliver promised DB and DC benefits and services.

INTRODUCTION

OUR VALUES

INPRS BELIEVES

People are the foundation of our success. It takes people with different backgrounds, ideas, and strengths to be successful.

Our people are...

- Models of Integrity - hold themselves accountable to the highest standards of ethical and professional behavior.
- Team Players – encourage and support others for the success of the team breaking down silos and connecting with our shared vision.
- Candid - believe in direct, respectful, and honest communication.
- Continuous Learners – eager to improve while having an open-mind to feedback and new ideas.
- Diligent – well-researched, risk aware, and transparent.

Success is built upon...

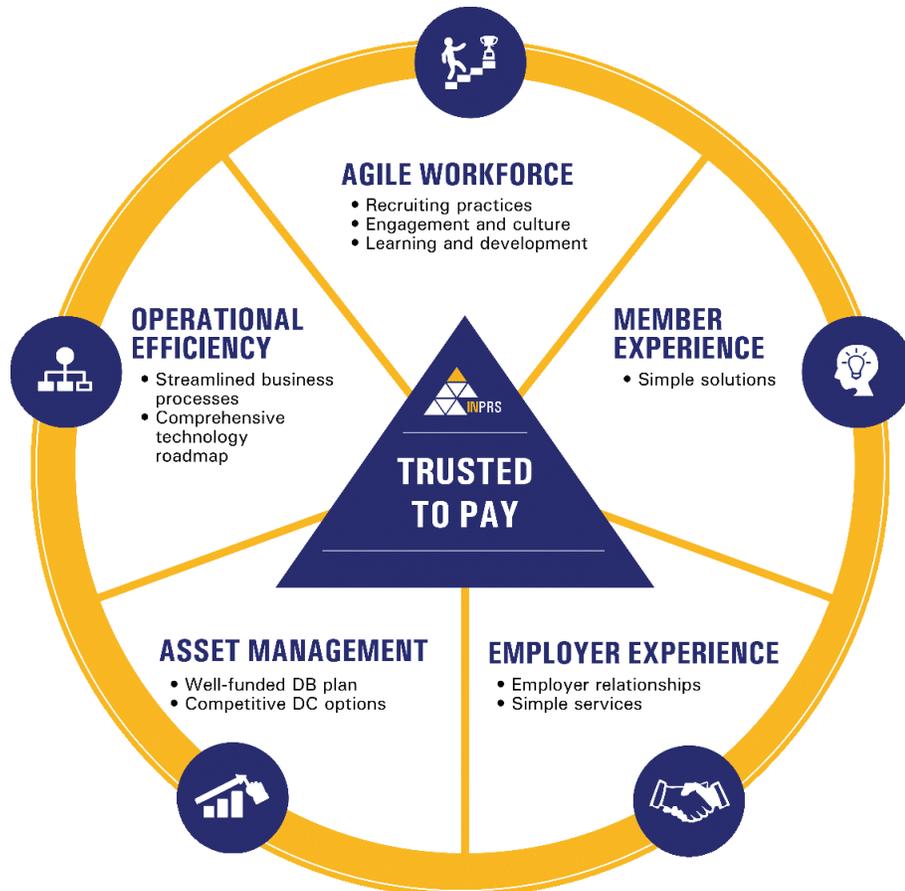
- Trust - empowering our people to successfully fulfill their duties while providing them with training, support, and mentorship.
- Constructive Conflict - encouraging debate around ideas to arrive at the best solution.
- Commitment – dedicated to decisions and action plans.
- Accountability - setting clear expectations for people, roles, and teams and holding ourselves and each other accountable for results.

Balance in life is important. We strive to create a flexible and supportive environment while not sacrificing service to our members.

INTRODUCTION

INPRS STRATEGY MAP

The INPRS Strategy Map is a pictorial representation of Strategic Goals outlined to achieve the INPRS vision and mission.



STRATEGIC GOALS

Driven by the INPRS Vision and Mission statements, this year's goals and objectives of the strategic plan are straightforward and more tightly centered on improving our engagement and overall services to our members and employers. The goals include:

Goal 1: Promote an engaged, high-performing, and agile workforce.

Goal 2: Deliver a quality member experience.

Goal 3: Deliver a quality employer experience.

Goal 4: Manage a financially secure retirement system.

Goal 5: Reduce complexity and optimize operational efficiency across the enterprise.



INTRODUCTION

AGILE WORKFORCE

Having shared values, goals and beliefs drives organizations forward, but what truly contributes to their success is a healthy organizational culture. In FY2022, we continued the journey in fostering a robust culture of beliefs and norms. At INPRS, we encourage a workplace culture based on partnership and teamwork. Cross-functional teams inspire employees to develop connections across the organization; these interactions provide the setting where core values can be demonstrated and acknowledged.

As we look to the future, a high-performing team is not only able to connect to shared talents and perspectives but increase productivity and efficiency across all departments. INPRS is committed to cultivating internal talent by providing staff with essential resources and learning opportunities necessary to grow professionally while concurrently enhancing services to our members, employers, and stakeholders.

MEMBER AND EMPLOYER EXPERIENCE

Today, we are reimagining both the member and employer experience. We started with a member and employer experience roadmap that leverages resources and technology in a more strategic way. These roadmaps support and complement business functions throughout the organization. Additionally, we have identified structural changes to business operations within the organization to operate more effectively and efficiently with and for the benefit of our members and employers.

Our 2023-2025 Strategic Plan reflects a continued focus on improving our engagement and overall service to our members and employers through effective communication channels, education opportunities, and collaborative relationships.

ASSET MANAGEMENT

The INPRS investments team is responsible for the prudent investment and management of approximately \$47 billion in assets across defined benefit (DB) and defined contribution (DC) plans. In FY2022, the CIO and investment staff successfully transitioned public markets asset classes within the DB plan to the new asset allocation. This change was approved by the Board of Trustees in Q4 of FY2021 and continued the multi-year transition of certain illiquid asset classes. As an outgrowth of last year's strategic plan, the investments team also established an infrastructure portfolio as well as a custom risk parity implementation.

As the investments team works to achieve its objectives in a complex market environment, this year's strategic plan will emphasize the team's efforts to optimize its alpha pursuits across the DB and DC plans. Additional DC-specific focus areas include exploring additional inflation-protection investment options.

INTRODUCTION



OPERATIONAL EFFICIENCY

Over the past year, team members across the organization have assessed numerous workflows and processes, evaluated user and member feedback, and embarked upon technological initiatives to improve operational performance, reduce risk and complexity, and improve the member and employer experience.

As we reimagine technology and data assets, the importance of strategic technology investments grows. This year INPRS implemented several solutions that improved our ability to monitor activities within our systems, improve responsiveness to business needs and provide better visibility into data integrity within our systems. Proactively evaluating potential risks and developing risk mitigation strategies allow us to best protect the data of members and employers, which is paramount to us.

The INPRS FY2023 – 2025 strategic plan reflects our pathway forward in securing the financial future of the members we serve. Together, the goals and objectives outlined by this plan, we are confident that we will continue to achieve the mission of INPRS. As we start Fiscal Year 2023, we are eager to build upon the enthusiasm, dedication and teamwork of the entire staff while cultivating relationships and servicing our members and employers.



GOALS, OBJECTIVES & KEY OPERATIONAL REQUIREMENTS

Goal 1: Promote an engaged, high-performing, and agile workforce.

Strategic Objectives

- A. Enhance hiring practices to attract and hire high-quality and culturally fit talent to maintain an annual onboarding satisfaction score of 90% or greater
- B. Foster and maintain an engaged workforce and a positive workplace culture to increase the annual employee engagement score year over year
- C. Support employee skill expansion and leadership readiness by implementing a formal enterprise learning and development program and allocating 20 hours of training per fiscal year per employee

Key Operational Requirements

1. Continuously assess staffing needs and complete recruiting of the required staff
2. Complete an annual employee survey and create action plans to ensure employee engagement
3. Review and refresh the succession plan and position risk assessment to address retention and developmental plans

**GOALS, OBJECTIVES & KEY
OPERATIONAL REQUIREMENTS**



Goal 2: Deliver a quality member experience.

Strategic Objectives

- A. Develop simple solutions that provide an accurate and personalized member experience resulting in overall satisfaction score of 90% or greater

Key Operational Requirements

1.
 - a. Distribute timely and accurate payments to members
 - b. Monthly payroll
 - c. Weekly payroll
 - d. Retirements
 - e. Disability
 - f. Death
 - g. Defined Contribution Account
2. Distribute accurate 1099-R documents by January 31 of every year
3. Maintain ongoing Voice of Customer (VOC) surveys and research
4. Provide required reports to the Legislature including the Pension Management Oversight (PMO) Committee
5. Maintain a formal process to incorporate stakeholder insights into the strategic plan
6. Continue to adapt and deliver a financial and investment education strategy to enhance member retirement readiness as measured by member engagement metrics



GOALS, OBJECTIVES & KEY OPERATIONAL REQUIREMENTS

Goal 3: Deliver a quality employer experience.

Strategic Objectives

- A. Improve the employer policy decision maker plan awareness score year over year
- B. Deliver simple, timely and accurate services to employers to achieve an annual employer satisfaction score of 87% or greater

Key Operational Requirements

- 1. Request pension relief information from employers
- 2. Provide annual contribution rate notification to employers
- 3. Track and report the timeliness of employer contributions
- 4. Track employers that are habitually late and request the Auditor of State to intercept funds from these employers
- 5. Annually obtain actuarial valuation reports for the defined benefit plans
- 6. Establish annual employer contribution rates at or above the actuarially determined contribution (ADC) rates
- 7. Perform an experience study of the defined benefit plans to update the actuarial assumptions, and review the actuarial methods for any necessary changes

GOALS, OBJECTIVES & KEY OPERATIONAL REQUIREMENTS



Goal 4: Manage a financially secure retirement system.

Strategic Objectives

- A. Effectively manage and invest assets to ensure well-funded defined benefit plans by meeting or exceeding the approved DB Rate of Return and Actuarial Defined Contribution Rate for each plan
- B. Offer a simple and diversified menu of competitive investment options for the defined contribution plans that meet or exceed associated benchmarks

Key Operational Requirements

- 1. Achieve the DB investment metrics
- 2. Complete the annual Investment Policy Statement (IPS) Review
- 3. Conduct an annual review of DB investment management fees, including benchmarking fees as compared to other public pension funds
- 4. Complete and assess a short-term and long-term liquidity analysis of the DB portfolio
- 5. Ensure the DB allocation to each asset class is within the Board-approved range
- 6. Assess the most productive mix of passive and active management across the DB portfolio
- 7. Monitor securities litigation and opportunistically participate in domestic and/ or international cases to maximize INPRS's loss recovery
- 8. Achieve the DC investment metrics
- 9. Conduct an annual review of DC investment management fees, including benchmarking fees as compared to other public pension funds
- 10. Perform an annual review of DC investment options, including glide path (asset allocation) assumptions for the target date funds
- 11. Assess the most productive mix of passive and active management across the DC investment options
- 12. Complete quarterly reviews of the external annuity provider's performance, claims paying ability, creditworthiness, and fees charged



GOALS, OBJECTIVES & KEY OPERATIONAL REQUIREMENTS

13. Conduct periodic meetings with business partners to benchmark our DC options and services
14. Set and communicate the DC administration fee
15. Obtain an annual unmodified opinion from the external auditor
16. Publish the INPRS ACFR annually by December month end and obtain the Government Finance Officers Association (GFOA) certification
17. Annually publish audited Government Accounting Standards Board (GASB) #68 related schedules for employers
18. As issued, determine if new GASB pronouncements have an impact on INPRS
19. Establish an operating budget to be approved by the Board no later than June 30 of each year
20. Report financial performance to the budget at every Board meeting
21. Monitor the compliance matrix for the Investment Policy Statement (IPS)
22. Complete an analysis of the actuarial-related risks faced by INPRS
23. Complete a peer review and replication of the actuarial valuation results

Goal 5: Reduce complexity and optimize operational efficiency across the enterprise.

Strategic Objectives

- A. Streamline business processes to improve employee experiences and productivity, operational efficiencies, and generate the highest value-to-cost ratio
- B. Define a comprehensive technology roadmap to transform business and service delivery, enhance data management and integrity and advance the information security infrastructure

GOALS, OBJECTIVES & KEY OPERATIONAL REQUIREMENTS



Key Operational Requirements

1. Maintain a strategic plan on a three-year time horizon to be updated annually (SWOT, Strategy Map, Strategic Plan)
2. Participate in the annual Cost Effectiveness Measurement (CEM) surveys (Administration Cost, DB Performance and Fee Structure, and DC Performance and Fee Structure). Coordinate all survey responses and follow the improvement process to develop and implement an INPRS cost and service improvement plan
3. Maintain a Balanced Scorecard that contains a comprehensive set of measures for senior executives to assess INPRS progress towards meeting its strategic goals. Reevaluate all measures and target performance levels on an annual basis (end of fiscal year)
4. Determine appropriate Board education and implement annually
5. Provide consistent guidelines and processes that define the creation, review, approval, distribution, tracking and updating of policies and procedures used by INPRS
6. Conduct performance reviews with business owners of vendors to ensure that key vendors are providing services according to expectations outlined in the contract
7. Complete an annual benchmarking assessment to be utilized in the strategic planning process
8. Conduct ongoing continuous improvement training to improve operational efficiencies across INPRS by fostering a culture of continuous improvement
9. Ensure that any audit findings or control issues identified in the annual external audit have action plans developed to correct the deficiency or material weakness within 30 days after the close of the audit
10. Complete a risk assessment of the strategic plan, prioritize risks, and development improvement plans for all risks above the approved thresholds
11. Ensure member, employer and staff security by performing IT security access control audits
12. Hold an IT disaster recovery test to validate capabilities for timely recovery of application systems



GOALS, OBJECTIVES & KEY OPERATIONAL REQUIREMENTS

13. Complete a risk assessment of the organization and develop an annual audit plan
14. Complete the biennial review of Board governance documents
15. Enhance the comprehensive INPRS compliance program to ensure compliance with all federal and state requirements
16. Maintain and improve information security through execution of the information security program
17. Conduct business continuity and disaster recovery (BCDR) tabletop exercise to ensure all critical processes are operating in accordance with the Business Continuity Plan (BCP)
18. Annually, provide actuarial review and OPEB reporting for the SOI OPEB plans (SPD, ISP, EG&C, Legislators)
19. Maintain and improve the INPRS' Enterprise Risk Management program
20. Maintain and improve information and data quality through execution of the information management program
21. Conduct a review of Indiana Code for changes needed to achieve INPRS' mission and strategic goals at least annually in advance of the Pension Management Oversight (PMO) Committee annual meetings
22. Provide all reports as required by Indiana Code to the Administrative and Legislative branches of Indiana State government
23. Complete a monthly review of the nature of member benefit appeals and complaints to assess the need for change to existing code, policies, processes and procedures
24. Respond to requests from the Legislative Services Agency (LSA) within timeframes mutually agreed upon between INPRS and LSA to enable appropriate review and response
25. Provide financial and actuarial support during the legislative sessions to INPRS staff for legislators and LSA