



Board Member Responsibilities and Elections Guide



SERS Board Room at 300 E Broad

Thank you for your interest in becoming a SERS Board member. The contents of this guide are meant to help you gain an understanding of the responsibilities of being a Board member and the requirements that must be met to be eligible for an election.

The SERS Retirement Board consists of nine members: four elected employee members, two elected retiree members, and three appointed investment expert members. One investment expert is appointed by the governor, a second one by the treasurer of state, and the third one jointly by the speaker of the House and president of the Senate.

Board members receive no compensation for serving on the Board; however, they receive reimbursement for necessary expenses such as gas and overnight lodging. SERS also pays the employer for the time elected employee or retiree Board members spend at these meetings.

Board members represent all participants and beneficiaries of the Retirement System. Because Board members are fiduciaries, they must act solely in the best interests of the participants and beneficiaries.

Board Responsibilities

As SERS' governing body, the Retirement Board is responsible for the administration and management of the System. Among its duties, the Board:

- reviews and adopts policies concerning investments, audit plans, SERS members, contributors, benefit recipients, employers, and staff
- adopts administrative rules
- conducts membership determination hearings
- approves disability and retirement applications
- adopts an annual administrative budget
- determines and certifies employer and employee contribution rates
- monitors the actuarial and financial status of the System by reviewing annual actuarial reports and the financial audit
- administers and determines the plan design and level of benefits for the discretionary SERS retiree health care program

Board Member Commitments

The SERS Retirement Board meets in Columbus one to two days a month, usually on the third Thursday and Friday. The Board does not meet in January or August. Dates may be changed by Board action. In addition to its monthly meetings, the Board may call special meetings, and has audit, compensation, and technology committees that meet on a regular or as-needed basis.

Board members receive relevant memoranda, reports, resolutions, and other vital information at least one week in advance of the meeting. Board

members are expected to review these materials prior to the meeting.

On average, a Board member can expect to spend approximately 30 working days each year involved in attending and preparing for regular, special, committee, or seminar meetings for Board business, education, planning, or training.

There are additional time commitments required of Board members other than preparing for and attending meetings. A new Board member must complete an orientation program within 90 days of beginning the term of office. Board members who have served one year or longer must attend at least two additional educational programs a year. Additionally, the Board may conduct an annual strategic planning session over a one- or two-day period.

Ohio law requires that, with few exceptions, all Board business be conducted in an open forum. SERS' counsel and the Ohio Assistant Attorney General assigned to SERS will advise the Board members of public meeting requirements.

Fiduciary and Ethical Duties

The System's assets are held in trust for its participants. Board members act as trustees in administering the System and must exercise the highest standard of conduct. They must avoid conflicts of interest and balance the interests of all participants as they act in an informed manner on all System business.

As a fiduciary, a Board member is to act with loyalty, prudence, skill, care, and diligence. By SERS statute, a Board member must act:

- Solely in the interest of the participants and beneficiaries
- For the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the Retirement System
- With such care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims
- To diversify the investments of the System so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so

A Board member is also subject to Ohio's ethics laws. A member must file financial disclosure statements with the Ohio Ethics Commission (OEC), and adhere to Ohio ethics laws.

Under Ohio's general ethics laws, a Board member:

- Shall not use his or her official position to secure, solicit, or accept anything of value from anyone doing, or seeking to do, business with SERS, regulated by SERS, or interested in matters before SERS. In addition, a Board member is specifically prohibited from soliciting or accepting any payments of actual travel expenses including expenses for lodging, meals, food, and beverages.
- Shall not take action on behalf of SERS that will result in a benefit to themselves, their family members, or their business associates.
- Shall not have any interest in the profits of, or receive any benefit from, any contract entered into or investment made by SERS.
- Shall not take any action to purchase goods or services or acquire property on behalf of SERS when they, their family members, or their business associates have a financial interest in the goods, services, or property.



- May not accept any form of compensation for personal services rendered before, or sell any goods or services to, any state agency, unless the Board member involved qualifies for the exception and files the statement described in the ethics law.
- May not, during SERS service and for one year after leaving SERS, represent any person, in any fashion, before any public agency, with respect to any matters in which the Board member personally participated while on the Board.
- Shall not disclose or use confidential

information, except as authorized to perform their duties. There is no time limit to this restriction.

- Shall not accept compensation or honoraria from any other person or entity for performing their SERS-related duties and responsibilities.
- Shall not be paid or accept any form of compensation for personal services rendered on a matter before SERS.
- No candidate who is running for a position on the Board shall solicit or accept campaign contributions from any person or entity that the person knows or has reason to know: (1) has a contract related to investment of the System's funds; (2) is marketing or otherwise attempting to secure business involving the System's funds; or (3) is an agent or acting on behalf of any person or entity described in (1) or (2). Campaign contributions include contributions made to a campaign committee, political party, legislative campaign fund, political action committee, or political contributing entity on behalf of the candidate.

There are criminal penalties for violating any of these laws.

Under SERS' own statutes, a Board member:

- Is prohibited from using assets of the System for his or her own interests
- May not act on behalf of a party whose interests are adverse to SERS, even if the SERS Board member receives no personal gain
- May not have any direct or indirect interest in the gains or profits of any Board investment
- Shall not engage in any activity that would give rise to a conflict of interest or constitute prohibited self-dealing or dealing with a party in interest

In addition, SERS cannot make investments through or purchases from, or otherwise do any business with a former SERS Board member or with a business that is owned or controlled by a former SERS Board member, for a period of three (3) years after the Board member leaves SERS.

Board Eligibility and Election Guidelines

The term of the office for elected members is four years and begins on July 1.

A person must not have been convicted of or pled guilty to a felony, theft offense, or ethics law violation.



For one of the four member-elected Board positions, all SERS members, other than disability recipients, are eligible to run for the Retirement Board.

To be nominated for an open member-elected position, a candidate must gather the signatures of at least 500 SERS members on an Official Nominating Petition. As part of the 500 signatures, there must be at least 10 different counties of employment represented by 20 members' signatures each. Members must sign their name, print their name, provide the last four digits of their Social Security number or full SERS Member ID, and provide the name of their school district and county of employment. This information is necessary to verify that a member is eligible by law to have their signature counted on a Nominating Petition for a candidate. In addition, the candidate must complete a Certification Form and return the notarized form to SERS before the deadline date.

For one of the two retiree-elected Board positions, all SERS disability and service retirees who live in Ohio are eligible to run for the Retirement Board. An employee member of the Board who retires while a member of the Board is not eligible to hold a retiree-elected position for three years after retiring.

To be nominated for an open retiree-elected position, the candidate must gather the signatures of at least 150 SERS retirees on an Official Nominating Petition. As part of the 150 signatures, there must be at least 5 different counties of Ohio residence represented by 10 retirees' signatures each. Retirees must sign their name, print their name, provide the last four digits of their Social Security number or full SERS Member ID, and provide their county of residence. This information is necessary to verify that a retiree is eligible by law to have their signature counted on a Nominating Petition for a candidate. In addition, the candidate must complete a Certification Form and return the notarized form to SERS before the deadline date.

The Nominating Petition forms and the Certification Forms will be available on the SERS website in accordance with significant election process dates approved by the Board.

If the initial count shows a margin of less than one percent (1%) of the votes cast, there is an automatic recount. An unsuccessful candidate may request a recount within 30 days after the initial election count by written request and payment of \$100. If the candidate wins the recount, the \$100 is refunded.



James Haller Oath of Office, 2021

Removal from Office

Under certain circumstances a Board member's seat may be declared vacant, and for other situations the member can be removed through judicial action.

Declared Vacancy

An employee or retiree member's Board seat becomes vacant if he or she:

1. Fails to attend Board meetings for four or more months without being excused; or
2. Is convicted of or pleads guilty to a felony, a theft offense including theft-in-office, a violation of the ethics laws, or an offense against justice and public administration such as bribery, perjury, falsification, or obstructing official business.

In addition, a retiree member's Board seat becomes vacant if, as a result of changed circumstances, the retiree member would no longer qualify for membership on the Board as a retiree member.

Removal through Judicial Action

If a Board member breaches a fiduciary duty to SERS, they may be liable for any loss to the System. In addition, the Ohio attorney general may bring a civil lawsuit against the person for damages and removal.

Action also may be brought against a Board member who violates and ethics law, willfully and flagrantly exercises authority or power not authorized by law, refuses or willfully neglects to enforce the law or to perform any official duty imposed by law, or is guilty of gross neglect of duty, gross immorality, drunkenness, misfeasance, malfeasance, or nonfeasance.

To begin this action, a complaint is filed with the Court of Common Pleas where the Board member resides.

A complaint against an appointed Board member must be signed by the governor.

The governor can also file a complaint against elected Board members, or the electorate can file a complaint as follows:

1. A complaint against an employee Board member is valid if it is signed by 10% of the number of members who voted in that election if the member was elected, or if appointed due to a vacancy, by 10% of those who voted in the last election for that seat and have at least 20 members residing in each of five different counties.
2. A complaint against a retiree Board member is valid if it is signed by 10% of the number of retirees who voted in the most recent election for that position, whether the retiree was elected or appointed due to a vacancy to the Board, and have at least 20 retirees residing in each of five different counties.

A hearing must be held within 30 days of the filing of any complaint. If the court finds that any of the charges are true, it shall make a finding for the removal of the Board member. If there is a finding of removal, the Board member may appeal to the Court of Appeals.

A Board member who is removed is not eligible to fill an elected or appointed seat in the future.

Filling a Vacant Seat

Once a Board seat has been declared vacant, the remaining Board members go through a process to select a successor member who holds office until the next Board election that occurs more than 90 days after the person is selected, or until the end of the term for which the successor member was elected, whichever is sooner.

SERS' Board Rules of Engagement

- All members should feel free to ask questions at the meeting and should never be made uncomfortable by asking questions.
- Meetings start promptly at 8:30 a.m. and Board members should attend all portions of the Board meeting.
- Board chair can privately remind members of the rules of engagement.
- Board members are free to talk to staff at any time and can request information from staff. Requests requiring significant staff time or resources will be placed on the Board Matrix so all Board members are aware of the request.
- Board requests should be “board requests” – not individual requests. Staff is responsible for informing the executive director of all requests from Board members so such requests can be tracked.
- The Board establishes policy; staff implements policy.
- Be respectful of one another; do not talk over people; ask the Chair for permission to speak.
- Remember that Board meetings are public business meetings and all eyes are on the Board.
- Be aware that behaviors, such as consuming food, reading email, texting, reading newspapers, or personal hygiene are being observed.
- Be aware of public records and public meetings laws and how those laws apply during and outside Board meetings.



- Partisan matters should not be a part of Board meetings or discussions.
- The Board focuses on members, retirees, and employers, as well as interests of the System, and balances and aligns those interests.
- The Board keeps its focus on mission and fiduciary responsibilities.
- The Board will discuss its performance and expectations regarding performance at the annual Board retreat.