

**Supplemental Retirement Plans  
Cost Allocation Plan  
June 6, 2012**

**Subcommittee Recommendation**

Background

Currently, many Department of State Treasurer staff provide support to the Supplemental Retirement Plans. However, only a few of these employees are financially supported by Plans. Since these employees are receipt supported by the defined benefit plans, the pension is subsidizing work completed on behalf of the Supplemental Retirement Plans.

At the March 7, 2012 meeting of the Supplemental Retirement Board of Trustees, staff presented a Cost Allocation Plan proposal that reflected estimated support provided to the Supplemental Plans by Department staff. The proposal also estimated the costs of providing financial support to the positions serving the Plans. The Board moved to create a Subcommittee to further review the proposal.

Based on the results from the April 25, 2012 meeting, the Subcommittee and staff agreed upon the following modifications to the proposed Cost Allocation Plan.

<b><u>Position</u></b>	<b><u>Proposal Allocation</u></b>	<b><u>New Allocation</u></b>	<b><u>% Change</u></b>	<b><u>Estimated Annual Cost to the Plans</u></b>
RSD Director	25.00%	20.00%	-5.00%	\$32,260
Chief Investment Officer	5.00%	0.00%	-5.00%	\$0
Global Equity Director	10.00%	5.00%	-5.00%	\$13,675
Portfolio Manager	10.00%	5.00%	-5.00%	\$5,961
Deputy Director, Communications	10.00%	10.00%	0.00%	\$6,868
Assistant General Counsel	15.00%	10.00%	-5.00%	\$10,337
Chief Finance Officer	5.00%	5.00%	0.00%	\$7,577
Deputy Director, Accounting	10.00%	10.00%	0.00%	\$9,508
Accounting Supervisor	15.00%	15.00%	0.00%	\$9,644
<b><u>Total Estimated Cost</u></b>				<b><u>\$95,832</u></b>

Recommendation

The Subcommittee recommends that the Cost Allocation Plan with the revised allocations presented above be approved. New allocations will become effective July 1, 2012.