

NOTICES OF CONNECTICUT STATE AGENCIES

CONNECTICUT RETIREMENT SECURITY AUTHORITY

Notice of Intent to Adopt Procedures

In accordance with Section 1-121(a) of the Connecticut General Statutes, notice is hereby given that the Connecticut Retirement Security Authority (the "Authority") is proposing to adopt the operating procedures outlined below for the purpose of operating the Authority pursuant to Section 31-417(j) and Section 3-13j(b) of the Connecticut General Statutes. The procedures include: (a) Adoption of Annual Budget and Plan of Operations; (b) Compensation and Benefits; (c) Hiring and Promotion; Discipline and Termination; (d) Equal Employment Opportunity and Affirmative Action; (e) Using Surplus Funds; (f) Making Modifications to the Program; and (g) Disclosure of Third Party Fees by Persons or Entities Providing Investment Services.

Interested persons wishing to present their views on these procedures are invited to do so in writing within thirty (30) days following publication of this notice. Comments can be submitted electronically to the Authority at maryfaycrsa@gmail.com (please include "Operating Procedures" in the subject line). Comments can also be mailed to Connecticut Retirement Security Authority, Attn: Operating Procedures, P.O. Box 270684, West Hartford, CT 06127.

The proposed procedures are available by sending an email to the Authority at maryfaycrsa@gmail.com (please include "Operating Procedures" in the subject line).

CONNECTICUT RETIREMENT SECURITY AUTHORITY

Policy: ADOPTION OF ANNUAL BUDGET AND PLAN OF OPERATIONS

Prior to the close of each fiscal year, the Executive Director of the Authority shall cause to be prepared a suggested Annual Budget for the upcoming fiscal year. Each suggested Annual Budget shall include or be accompanied by a suggested Plan of Operations for the upcoming fiscal year. The suggested Annual Budget and Plan of Operations shall be presented to the Board of Directors, modified, if necessary, and approved by the Board by the end of the then-current fiscal year.

Any expenditure for real or personal property or personal services in excess of \$5,000 which is not included in the Annual Budget shall require the approval of the Board of Directors.

CONNECTICUT RETIREMENT SECURITY AUTHORITY

Policy: COMPENSATION AND BENEFITS

The Board of Directors shall establish, and may from time to time modify, reasonable employee compensation and benefits programs and policies as the Board deems necessary or appropriate to attract and retain qualified employees. Such programs and policies may include:

- A. A compensation plan consisting of sufficient salary grades to provide compensation rates necessary or desirable for all job classifications within the Authority, which may include incentive compensation;
- B. An employee benefits program, which may include vacation time, sick days, group health, life and disability insurance and other benefits, including eligibility criteria and benefit levels;
- C. A performance evaluation system, which may be used to determine merit increases in salary and incentive compensation levels;
- D. Policies regarding business and travel reimbursement; and
- E. Policies regarding compensatory time, flex-time and telecommuting; severance pay and benefits; and any other employee compensation and benefits programs aimed at attracting and retaining qualified personnel. No payment in excess of \$50,000 may be made to an employee who is resigning or retiring from employment for purposes of avoiding costs associated with potential litigation or pursuant to a non-disparagement agreement. No non-disparagement agreement or settlement agreement may prohibit an employee from making a complaint or providing information in accordance with §4-61dd of the Connecticut General Statutes.

The Board shall review the Authority's employee compensation and benefits programs on at least an annual basis.

CONNECTICUT RETIREMENT SECURITY AUTHORITY

Policy: HIRING AND PROMOTION; DISCIPLINE AND TERMINATION

Hiring and Promotion. At least annually, the Board of Directors shall establish and approve a schedule of positions and the total staffing level for the Authority. The Board must approve the creation of any new position or the filling of a vacancy. The Executive Director may from time to time fill positions and vacancies if approved by the Board.

New positions or vacancies shall be publicly advertised in a manner reasonably designed to reach wide range of possible applicants.

Notwithstanding any other provision of this policy or any other personnel policies of the Authority, any appointment to the position of Executive Director, the manner of the conduct of any search for qualified applicants for such position, and terms and conditions of employment for such position, shall be in the discretion and subject to the approval of the Board.

All hiring and promotion decisions will be made in keeping with the goals established in the Authority's Affirmative Action Policy and applicable statutes.

Discipline; Termination. Except pursuant to a written agreement authorized by the Board and signed by the Executive Director on behalf of the Authority, employment with the Authority is at will, which means that either the employee or the Authority may terminate the employment relationship at any time and for any reason, with or without cause. Subject to applicable law and without altering the Authority's at-will employment policy, the Executive Director has the authority to impose any level of discipline, up to and including employment termination, based upon the severity of the offense requiring discipline and the employee's past work record.

CONNECTICUT RETIREMENT SECURITY AUTHORITY

Policy: EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION

The Connecticut Retirement Security Authority (“Authority”) is an equal employment opportunity and affirmative action employer, dedicated to the policy of nondiscrimination in employment on any basis prohibited by law. The Authority is committed to providing equal employment and advancement opportunities without consideration of race; color; religious creed; age; sex; sexual orientation; gender identity or expression; marital status; national origin; ancestry; veteran status; present or past history of mental disability, intellectual disability, learning disability, physical disability, including, but not limited to, blindness; genetic information or other legally protected status. Additionally, the Authority will take affirmative action to ensure workplace equality, avoid all forms of discrimination, and develop a workforce that is representative of all segments of the population.

The Authority will use affirmative action measures at all stages of the employment process. With regard to recruitment and hiring, the Authority will notify recruiters, consultants, prospective candidates, and employees that “The Connecticut Retirement Security Authority is an ‘Affirmative Action/Equal Employment Opportunity Employer’” and will broadly disseminate this policy by posting it on its website, bulletin boards, and other locations accessible to employees and potential candidates for employment. The Authority will attempt through recruitment efforts to increase the number of highly qualified female and minority applicants who apply for each vacancy with the ultimate goal that the Authority’s workforce will mirror the diversity of the labor pool. Additionally, the Authority will attempt to reach a greater number of Hispanic, African-American, Asian/Pacific Islander and Native American potential applicants by contacting organizations and educational institutions that promote the interests of such individuals. The Authority also recognizes the hiring difficulties which are sometimes encountered by the physically disabled and older persons and will undertake measures to achieve the full and fair utilization of such persons in its work force.

The Authority is committed to equal opportunities for its employees in all of its employment practices, including, but not limited to, compensation, benefits, training, promotions and discipline. Consistent with its commitment to equal opportunity, the Authority expects all employees to adhere to its policy of nondiscrimination. The Authority is equally committed to ensuring nondiscrimination in all of its programs and initiatives.

Employees should bring any complaints regarding discrimination or any other violation of this policy to the immediate attention of the Executive Director who is the designated Equal Employment Opportunity (EEO) / Affirmative Action Officer. If a complaint involves the Executive Director, the employee should contact the Chairperson of the Authority’s Board of Directors. Alternatively, employees may submit discrimination complaints to their supervisor. The Executive Director may appoint a designee to serve as the EEO/Affirmative Action Officer after notice to the Board. Complaints brought under this policy will be promptly investigated. Any employee who violates this policy, or knowingly retaliates against an employee reporting or complaining of a violation of this policy, shall be subject to immediate disciplinary action, up to and including discharge.

The Authority is committed to ensuring that all contractors who do business with it also provide equal opportunities in employment. The participation of minority business enterprises who meet the qualifications established by applicable regulations will also be encouraged.

The EEO/Affirmative Action Officer shall monitor compliance with this policy, including but not limited to, maintaining data regarding the hiring and promotion of women and minorities, and shall regularly report on these matters to the Board of Directors. All managers shall be responsible for administering and complying with this policy within their respective departments. The Executive Director and the Board of Directors will provide any necessary guidance in carrying out this policy and any changes or modifications which may be necessary. In accordance with Connecticut General Statutes § 1-123, the Board of Directors' annual report to the Governor and Auditors of Public Accounts will include this affirmative action policy statement, a description of the Authority's work force by race, sex and occupation, and a description of affirmative action efforts.

CONNECTICUT RETIREMENT SECURITY AUTHORITY

Policy: **USING SURPLUS FUNDS**

For purposes of this Policy, “surplus funds” shall mean cash funds held by the Authority at the end of a fiscal year which remain after payment of or provision for liabilities (including without limitation, taxes, insurance and operating expenses).

Procedures:

Any surplus funds held by the Authority shall be used in the following ways, as determined by the Board of Directors of the Authority, to the extent such use is authorized under Conn. Gen. Stats. §§1-79(12), 1-120(1), 1-124, 1-125, 31-71e, 31-71j, 31-416 to 31-427, inclusive, and 31-429, Section 12 of Public Act 16-29, or other provisions of the Connecticut General Statutes:

- To pay back all or part of any amounts advanced to the Authority, including without limitation, advances disbursed to the Authority in accordance with Conn. Gen. Stats. §31-418a and working capital funds borrowed by the Authority in accordance with Conn. Gen. Stats. §31-418(a)(10);
- To apply toward any future budget(s) of the Authority;
- To augment the Program’s reserve accounts; and/or
- For any other lawful purpose of the Authority.

The Authority’s independent auditor shall certify to the Board the amount of any surplus funds prior to any action taken by the Authority to designate the use of such surplus funds.

CONNECTICUT RETIREMENT SECURITY AUTHORITY

Policy: **MAKING MODIFICATIONS TO THE PROGRAM**

Procedures:

The Authority may make modifications to the Connecticut Retirement Security Exchange (the "Program") that it deems necessary to implement the provisions of Conn. Gen. Stats. §§31-71e, 31-417 through 427, inclusive, and section 12 of Public Act 16-29, consistent with federal rules and regulations in order to ensure that the Program meets all criteria for federal tax-deferred or tax-exempt benefits, and to prevent the Program from being treated as an employee benefit plan under the federal Employee Retirement Income Security Act of 1974, as amended from time to time ("ERISA").

Any such modifications shall be approved by the Authority's Board of Directors. If such changes require revisions to the Authority's enabling statute, the Authority shall request the General Assembly to make the appropriate statutory changes.

CONNECTICUT RETIREMENT SECURITY AUTHORITY

Policy: DISCLOSURE OF THIRD PARTY FEES BY PERSONS OR ENTITIES PROVIDING INVESTMENT SERVICES

Procedures:

If the Authority contracts for “investment services” within the meaning of Conn. Gen. Stats. §9-612, the Authority shall obtain from the provider of the investment services an affidavit (the “Affidavit”), whereby the provider shall disclose to the Authority all “third party fees” (as defined in Conn. Gen. Stats. §3-13j) attributable to such contract. The Affidavit shall be substantially in the form attached hereto as Exhibit A, which form may be amended from time to time as deemed necessary or appropriate by the Board of Directors. If any third party fees have been made or promised by a provider of investment services, the provider shall also provide the disclosures required in the Addendum to the Affidavit. If no such payments have been made or promised, the provider should write “None” in the first box of the table in the Affidavit and execute the Affidavit.

The provider of investment services has a continuing duty during the contract term to disclose third party fees, in writing, no later than thirty (30) days after the effective date of any change or addition to fees covered by a prior disclosure.

EXHIBIT A
AFFIDAVIT OF DISCLOSURE OF THIRD PARTY FEES

State of _____)
) SS:
 County of _____)

I, _____, a duly authorized officer and/or representative of
 _____ (firm name), being duly sworn, hereby depose and say that:

1. I am over eighteen (18) years of age and believe in the obligations of an oath.
2. _____ (firm name) seeks to enter into a contract (the "Contract") for investment services with the Connecticut Retirement Security Authority (the "Authority").
3. All third party fees¹ and agreements to pay third party fees attributable to the Contract are as follows (attach additional copies of this page as necessary):

Name of Third Party Payee	Date and Dollar Amount or Value of Non-Cash Compensation Paid or Attributable to Contract	Fee Arrangement	Specific Services Performed or To Be Performed By Third Party Payee ²

¹ "Third party fees" includes, but is not limited to, management fees, placement agent fees, solicitation fees, referral fees, promotion fees, introduction or matchmaker fees, and due diligence fees.

² Where a provider of investment services describes in its Affidavit the specific services performed by a third party payee, the provider of investment services shall disclose any and all contracts evidencing the terms of the fee arrangement and services, and such additional information regarding the third party payee and the actual services provided as the Authority may request in order to determine whether such payments are finder's fees. Please disclose such contracts on the attached Addendum.

4. The information set forth herein is true, complete and accurate to the best of my knowledge and belief under penalty of perjury.

Signed: _____

Name: _____

Title: _____

Subscribed and sworn to before me this _____ day of _____, 20 ____.

 Notary Public/Commissioner of the Superior Court

 Commission Expiration Date

Note: During the contract term for investment services, a provider of investment services has a continuing duty to disclose third party fees, in writing, no later than thirty (30) days after the effective date of any addition or change to fees covered by a prior disclosure.

ADDENDUM TO AFFIDAVIT OF DISCLOSURE OF THIRD PARTY FEES

- I. For each third party fee payment or agreement disclosed in the attached Affidavit, please explain how such payment or agreement falls within one or more of the following exceptions to the ban on finder's fees set forth in Conn. Gen. Stats. §3-131:
- (a) Compensation earned for the rendering of legal services when provided by an attorney while engaged in the ongoing practice of law;
 - (b) Compensation earned for the rendering of investment services, other than legal services, when provided by an investment professional while engaged in the ongoing business of providing investment services;
 - (c) Compensation for placement agent, due diligence or comparable tangible marketing services when paid to a person who is an investment professional: (i) engaged in the ongoing business of representing providers of investment services; or (ii) in connection with the issuance of bonds, notes or other evidence of indebtedness by a public agency;
 - (d) Compensation earned by a licensed real estate broker or real estate salesperson while engaging in the real estate business on an ongoing basis; or
 - (e) Payments for client solicitation activities meeting the requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940.

Attach additional pages as necessary.

- II. Where a provider of investment services describes in the Affidavit the specific services performed by a third party payee, the provider shall disclose any and all contracts evidencing the terms of the fee arrangement and services, and such additional information regarding the third party payee and the actual services provided as the Authority may request in order to determine whether such payments are finder's fees. Please disclose such contracts here (attach additional pages as necessary):