

APPENDIX F

**COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM**

SERS #16-010
PO # 4300517835

**CONTRACT FOR ACTUARIAL AND
PENSION PLAN CONSULTING SERVICES**

This Contract made as of July 11, 2016, by and between the **COMMONWEALTH OF PENNSYLVANIA STATE EMPLOYEES' RETIREMENT SYSTEM** (herein "SERS") and Korn Ferry Hay Group, Inc., a Delaware corporation, with its principal office and place of business at 33 South Sixth Street, Suite 4900, Minneapolis, MN 55402 (herein "ACTUARY"),

WITNESSETH:

WHEREAS, SERS requires actuarial and pension plan consulting services to assist it in the proper performance of its administrative duties under the State Employees' Retirement Code, 71 Pa.C.S.A. Section 5101, *et seq.* (herein "Retirement Code"); and

WHEREAS, pursuant to Section 5902(b) of the Retirement Code, SERS is authorized to engage the services of an actuary and other professional personnel as it deems advisable; and

WHEREAS, SERS has made known its requirements for actuarial and pension plan consulting services through issuance of RFP# SERS 2015-028, Request for Proposal for Actuarial Services and Pension Plan Consulting Services, issued December 4, 2015, a copy of which is attached hereto, made a part hereof, and marked as Exhibit A; and

WHEREAS, ACTUARY has represented and made known to SERS, through submission of its proposal dated January 8, 2016, that ACTUARY possesses expertise and professional knowledge and experience in actuarial science and pension plan consulting, and shall make

available to SERS qualified personnel, facilities, materials and other services to fulfill its obligations to SERS in accordance with the terms and conditions hereinafter set forth. A copy of ACTUARY's proposal is attached hereto, made a part hereof, and marked Exhibit B,

NOW THEREFORE, in consideration of the foregoing recitals which are incorporated herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be bound hereby, the parties hereto agree as follows:

1. Engagement. SERS hereby engages ACTUARY and ACTUARY hereby accepts SERS' engagement to serve as an actuary and pension plan consultant for and on behalf of SERS in accordance with the terms and conditions of this Contract and such other policies and directives as may be communicated to ACTUARY from time to time.

2. ACTUARY's Services. Section 5902(j) of the Retirement Code requires SERS to obtain an actuarial investigation and experience analysis every five years and an annual actuarial valuation of the State Employees' Retirement Fund and the various accounts of which it is comprised (herein "Fund"). ACTUARY, thereafter, shall recommend to SERS the adoption of such tables and practices as are necessary for calculation of contributions, annuities and benefits. In addition to the foregoing services, ACTUARY shall provide actuarial advice and pension plan consulting services as more particularly described below.

The SERS Executive Director or a designee thereof shall serve as SERS' primary contact for ACTUARY and, in such capacity, shall be the conduit for all reports, clarifications of assignments and other communications between the parties. The Supervising Actuary (as defined below) and his/her staff shall be reasonably accessible to the SERS Executive Director or a designee thereof. ACTUARY agrees to use reasonable efforts to respond to electronic and telephonic inquiries within one (1) business day and to be available for meetings within five (5) business days of SERS' request. ACTUARY, in consultation with SERS, shall furnish all qualified personnel, facilities, materials, software, and other services to perform the actuarial and pension plan consulting services described below and in Exhibits A and B hereto.

All actuarial services shall be performed under the direct supervision of an employee of ACTUARY who is an Enrolled Actuary holding the FSA designation and otherwise meets or exceeds industry standards as a supervising actuary (herein "Supervising Actuary"). Such individual shall be acceptable to SERS in its sole and absolute discretion. All pricing certificates, final reports, presentations of assumptions and similar technical documentation produced by ACTUARY hereunder shall be approved by the Supervising Actuary and signed thereby as evidence of such approval.

A. Actuarial Services Included in Flat Fee. ACTUARY shall:

(i) Prepare an annual actuarial valuation of the Fund as of December 31 of each year during the term hereof based on data for each member, annuitant and survivor annuitant. Such report(s) shall also be provided in electronic format.

(a) ACTUARY shall deliver 250 bound printed copies and 50 copies on compact disc of each annual actuarial valuation report of the Fund to SERS within the later of eight (8) weeks after SERS delivers its data to ACTUARY or eight (8) weeks after SERS adopts the actuarial assumptions for the valuation. Such data, as are available in the records and files of SERS, shall be furnished to ACTUARY by SERS in such computerized format as shall be mutually agreeable to the parties. In the year in which the Five Year Experience Analysis (as defined below) is performed, the annual actuarial valuation report shall be delivered to SERS within eight (8) weeks after SERS adopts the actuarial assumptions for the valuation.

(b) ACTUARY shall employ the same actuarial assumptions used for the prior year's valuation of the Fund, unless an intervening Five Year Experience Analysis was performed, in which case ACTUARY shall prepare the annual actuarial valuation using the actuarial assumptions generated by the Five Year Experience Analysis. In any event, if analysis of current data suggests material variations from actuarial assumptions, ACTUARY shall consider and discuss in its report of the annual actuarial valuation the expected effect of such variations on the normal cost and/or unfunded accrued liability of SERS.

(c) Annual actuarial valuation reports of the Fund shall include ACTUARY's recommendation for so-called "going concern" contribution rates and supplemental calculations computed on a "termination" basis, including, but not limited to, calculations complying with Governmental Accounting Standards Board (GASB) Statements 67 and 68 (or appropriate successor accounting and financial reporting standards).

(d) Annual actuarial valuation reports of the Fund shall contain a glossary of terms and sufficient explanatory text to facilitate reasonable understanding of the actuarial assumptions, cost methods and conclusions by recipients of the reports, *e.g.*, SERS' Board members, legislators and government administrators. Such reports, therefore, shall include, *inter alia*, a summary of the plan, a description of actuarial assumptions and cost methods, graphic display of age groups and service matrices for active members, and graphic display of retired lives by age group and type of benefit.

(ii) Prepare an annual recommendation and periodic updates of the employer contribution rate for the Fund, to be stated as a percentage of total compensation of all active members. Such employer contribution rate shall consist of the normal contribution rate, the accrued liability contribution rate, and the supplemental annuity contribution rate.

(iii) Conduct an actuarial investigation and experience analysis of the Fund for the five year period commencing January 1, 2016 and ending December 31, 2020 (herein "Five Year Experience Analysis"). Such analysis shall also be provided in electronic format.

(a) ACTUARY shall prepare and deliver to SERS, on or before January 15, 2021, 100 copies of a comprehensive report of the Five Year Experience Analysis. The report shall describe in language designed to facilitate reasonable understanding by recipients of the report, *e.g.*, SERS' Board members, legislators and government administrators, pay increase assumptions, the rationale for changes in contribution rates from year to year and a comparison of actual changes in

liabilities from one year to the next with projected changes for each actuarial assumption.

(b) ACTUARY shall also analyze non-economic assumptions in the report including, but not limited to, rates of terminations, service retirement rates, mortality before and after retirement, disability and returns and terminations from disability.

(c) The report shall include assumption ranges and recommendations for the succeeding five years.

(d) The Five Year Experience Analysis shall include development of standard tables and factors for use by SERS such as mortality tables, present value factors, option factors and survivor benefit factors;

(iv) Attend SERS Board meetings, an annual meeting with the Pennsylvania Public Employees Retirement Commission, and meetings with SERS' staff in Harrisburg, Pennsylvania or elsewhere as reasonably requested by SERS. ACTUARY shall prepare suitable minutes or other appropriate documentation of ideas and issues raised during such meetings. The number of such meetings shall not exceed six in any given calendar year.

(v) Prepare an annual actuarial valuation for the Benefits Completion Plan (BCP) as of December 31 of each year during the term of this Contract. This valuation is to be based on data for each BCP Participant. Such report(s) shall also be provided in electronic format.

(a) ACTUARY shall deliver twenty (25) copies of each annual BCP actuarial valuation report to SERS within the later of eight (8) weeks after SERS delivers its data to ACTUARY or eight (8) weeks after SERS adopts the actuarial assumptions for the valuation. Such data, as are available in the records and files of SERS, shall be furnished to ACTUARY by SERS in such computerized format as shall be mutually agreeable to the parties. In the year in which the Five Year Experience Analysis is performed, the annual BCP actuarial valuation report shall be

delivered to SERS within eight (8) weeks after SERS adopts the actuarial assumptions for the valuation.

(b) Annual BCP actuarial valuation reports shall include, but not be limited to, ACTUARY's recommendation for the so-called "going concern" contribution rate, projected fund balances, and an analysis of current and potential participants.

(c) Annual BCP actuarial valuation reports shall contain a glossary of terms and sufficient explanatory text and examples to facilitate reasonable understanding of the actuarial assumptions, cost methods and conclusions by recipients of the reports, *e.g.*, SERS' Board members, legislators and government administrators.

(vi) Furnish notice of legislative and regulatory developments regarding financing, benefits, vesting, fiduciary responsibility, disclosure, federal tax qualification and other issues of interest and concern to SERS.

(vii) Calculate reserve transfers for State Police (members of Class C) and other special classes as requested by SERS staff.

(viii) Develop standard mortality tables, present value factors, option factors and survivor benefit factors.

(ix) Advise SERS on pension accounting standards (*e.g.*, GASB) and changes thereto.

(x) Advise and assist SERS staff to prepare an annual financial report (SERS Comprehensive Annual Financial Report) to the Governor of Pennsylvania and the Pennsylvania General Assembly.

B. Actuarial Advice Available on a Separately Billed Basis. ACTUARY shall as requested from time to time by SERS:

(i) Provide actuarial advice and support by means of electronic media, telephone, facsimile and correspondence as the circumstances may dictate on any technical, policy, legal or administrative issues arising during the course of SERS' administration and management of the Fund (unrelated to the actuarial services described in Section 2(A) above), including, but not limited to:

(a) development of special mortality tables, present value factors, option factors and survivor benefit factors; and

(b) recommendations for changes in the financing structure of the Fund in recognition of developments and advances in the retirement industry.

(ii) Review the computation procedures used to calculate benefits and contributions, and prepare and submit to the SERS appropriate reports and recommendations.

(iii) Analyze retirement legislation proposed and/or enacted by the Pennsylvania General Assembly, prepare actuarial cost studies, and prepare and furnish to SERS written reports thereof.

(iv) Assist SERS staff to prepare regulations and draft legislation.

(v) Review the form and content of SERS' data files and assist SERS staff to establish specifications for SERS' data collection and retention to assure maintenance of data needed for legislative cost analyses, actuarial studies, experience analyses and annual actuarial valuations.

(vi) Attend conferences, conduct training seminars, meet with SERS staff, participate in legislative hearings to explain actuarial standards and principles used in the establishment of contribution rates, funding requirements and cost analysis of proposed legislation, and attend other meetings.

(vii) Certify optional periodic benefits as requested under Option 4.

(viii) Analyze retirement legislation proposed and/or enacted by the U. S. Congress and prepare and furnish to the SERS written reports thereof.

C. Pension Plan Consulting Services Available on a Separately Billed Basis. As requested from time to time by SERS, ACTUARY shall provide pension plan consulting services to, *inter alia*, enhance SERS communications with members; improve retirement plan design; and facilitate strategic planning, as more particularly described below:

(i) Provide SERS staff with support and consultation during the course of preparing SERS' strategic plan and refinements thereof.

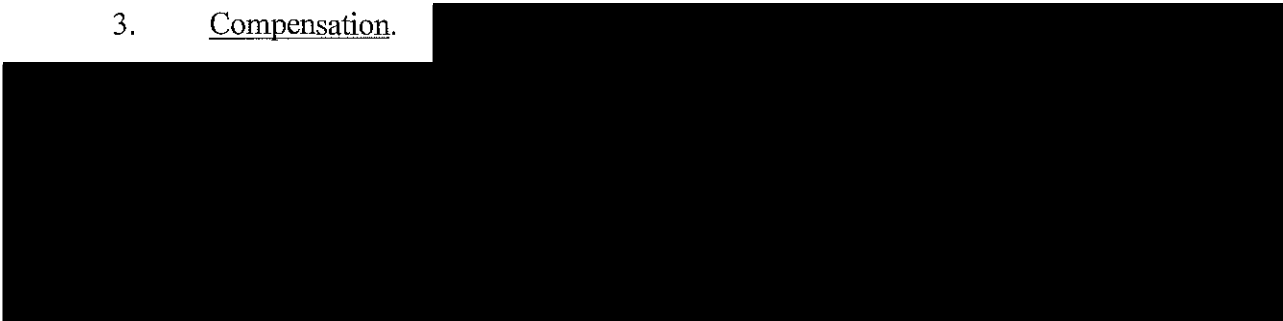
(ii) Assist SERS staff to clarify policy and overcome administrative impediments to implementing new legislative and regulatory initiatives.

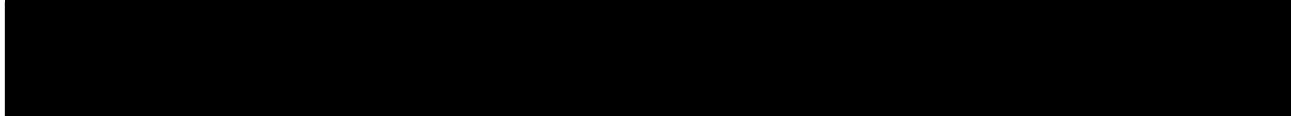
(iii) Guide SERS in developing interactive communication programs and customizing benefits communications between SERS and its members.

(iv) Provide other consultation and advice pertaining to the operation and management of a public pension plan.

D. Conduct of Work. In determining whether ACTUARY has performed its services hereunder to an appropriate level of skill and within the anticipated scope and range, it is understood and agreed by the parties hereto that the quality and quantity of ACTUARY's performance shall be measured against the representations included in ACTUARY's proposal.

3. Compensation.





4. Non-Appropriation. Any payment obligation of SERS or any portion thereof created by this Contract is conditioned upon the availability of Commonwealth funds appropriated or allocated for the payment of such obligation or any portion thereof. SERS shall notify ACTUARY at the earliest practicable opportunity in the event Commonwealth funds will not be available to support this Contract, whereupon this Contract shall terminate. No penalty shall accrue to SERS in this eventuality, and SERS shall not be obligated or liable for any future payments due or for any damages resulting from such termination.

5. Representations of ACTUARY.

(a) *Fiduciary Status.* To the extent permitted by Department of Labor (DOL) rulings and opinions, ACTUARY acknowledges it is a “fiduciary” with respect to SERS and the Fund as such term is defined in Section 3(21)(A) of the Employee Retirement Income Security Act of 1974 (“ERISA”) and is not subject to any of the disqualifications described in Section 411 of ERISA, irrespective of the scope of ERISA application to SERS and the Fund.

(b) *Substantial Experience.* ACTUARY represents that it has substantial experience and expertise in providing the services contemplated by this Contract.

(c) *Reaffirmation.* ACTUARY hereby reaffirms the reliability and accuracy of the written and oral representations made to SERS in the solicitation of this Contract.

(d) *No Finder’s, Solicitor’s or Similar Fee.* Neither ACTUARY nor any affiliate, nor any of their respective partners, directors, officers, or employees have employed or retained any company or person, other than a bona fide employee working solely for ACTUARY, to solicit or secure this Contract, and none of the aforementioned parties have paid or agreed to pay, and shall not pay, any company or person, other than a bona fide employee working solely for ACTUARY, any fee, commission, percentage, brokerage fee, gift, or any other compensation contingent upon or resulting from the award or making of this Contract, except where: (A)

ACTUARY has disclosed, in writing to SERS, that it has engaged such a company or person other than a bona fide employee to secure this Contract, and (B) the cost of such engagement is not charged to SERS under the terms of compensation under this Contract or any subsequent agreement. For breach or violation of this representation, SERS shall have the right to void this Contract without liability, entitling SERS to recover all monies paid hereunder, and ACTUARY shall not make claim for, or be entitled to recover, any sum or sums due under this Contract or for any services which it may have provided under this Contract. This remedy, if effected, shall not constitute the sole remedy afforded to SERS for such breach or violation, nor shall it constitute a waiver of SERS' rights to claim damages or to take any other action provided for by law or pursuant to this Contract.

(e) *Reliance.* ACTUARY acknowledges that SERS has relied and will continue to rely upon ACTUARY's representations, warranties, confirmations and agreements in this Contract.

(f) *Notice of Change.* ACTUARY shall promptly notify SERS in the event any of the foregoing acknowledgments, representations, warranties or agreements herein shall no longer be true.

(g) *Compliance with Laws.* ACTUARY's conduct and actions for and on behalf of SERS shall at all times be in compliance with all applicable federal and state laws and regulations.

6. ACTUARY's Insurance. ACTUARY has and shall maintain during the term of this Contract (1) an errors and omissions insurance policy in the amount of at least \$2 million (excess liability will be covered by ACTUARY's Commercial General Liability policy in the amount of \$5,000,000, and (2) Worker's Compensation Insurance for all of the ACTUARY's employees engaged in performing services in accordance with the Worker's Compensation Act of 1915 and any supplements or amendments thereof. ACTUARY shall assure that no cancellation or diminution of such insurance coverage shall occur without prior written notice to SERS. ACTUARY represents and warrants that the insurance coverage submitted to SERS (in the form of a certificate of insurance) prior to execution of this Contract is in full force and effect and is unmodified and that such representation and warranty shall survive execution of this Contract.

ACTUARY shall thereafter submit a certificate of insurance for the above insurance coverage to SERS within thirty (30) days after renewal of the coverage.

7. Certification of Taxpayer Identification Number. Execution of this Contract constitutes certification by the Contractor that:

(a.) The number appearing on the Contract is the Contractor's correct taxpayer identification number (if no number is present, Contractor is waiting for a number to be issued), and

(b.) Contractor is not subject to backup withholding because: (i) Contractor is exempt from backup withholding, or (ii) Contractor has not been notified by the I.R.S. that it is subject to backup withholding as result of a failure to report all interest or dividends, or (iii) the I.R.S. has notified Contractor that it is no longer subject to backup withholding.

8. Changes in ACTUARY's Status. ACTUARY shall immediately notify SERS in writing in the event of any actual or proposed material change in ACTUARY's status, including without limitation, (a) change in or departure of directors, officers, partners, employees or affiliates who provide any material advice, or actuarial or consulting services under this Contract or change in such employees' status with regard to credentials or certifications, (b) material modification of corporate or partnership structure, (c) change in actual control, ownership or management of ACTUARY to the extent permitted by law, (d) material change in any government or private registration, accreditation or licensing requirements affecting ACTUARY, (e) governmental or regulatory inquiries or investigations, actual litigation or administrative action, or similar proceeding, involving or alleging potential or actual violations by ACTUARY, any affiliate, or any of their respective partners, directors, officers, or employees, of any federal or state law related to its provision of actuarial, auditing or consulting services, including but not limited to, the terms and conditions under which such persons provide such services, (f) material deterioration in financial condition, including, but not limited to, the filing of a petition in bankruptcy, (g) ACTUARY's awareness that its representations and warranties herein cease to be true, and (h) written allegations or litigation alleging negligence, fraud or breach of contract by ACTUARY, any affiliate, or any of their respective partners, directors, officers, or employees.

9. Key Personnel. ACTUARY's personnel identified in its proposal (Exhibit B attached hereto) are essential to the work to be performed hereunder. Any personnel substitutions, additions or deletions (only deletions being proposed for reasons within the control of ACTUARY) may only occur with the prior written consent of the Executive Director of SERS, which consent shall not be unreasonably withheld or delayed. Furthermore, in the event personnel substitutions or additions are proposed, ACTUARY shall furnish to the Executive Director of SERS advance written notice of the circumstances giving rise to the substitution or addition, together with the resume of the person or persons ACTUARY proposes to substitute or add. The Executive Director of SERS shall promptly review and consider ACTUARY's proposal and consent to or reject such proposal in writing. In the event of a rejection the parties shall cooperate to identify other appropriate and qualified personnel that may be substituted for or added to the personnel identified in Exhibit B.

10. Indemnification of SERS. ACTUARY shall indemnify and forever hold harmless the Commonwealth of Pennsylvania, the Fund, SERS and its Board members, officers, agents and employees, from and against any and all third party claims, demands, actions, or liability of any nature, including, but not limited to, attorneys' fees, expenses and court costs, based upon, arising out of or in connection with the negligent, reckless, willfully improper or illegal performance of services by ACTUARY, an affiliate, their respective partners, directors, officers, employees and agents selected by them and performing services under this Contract for or on behalf of SERS. At SERS' option and in its sole discretion, ACTUARY shall defend at its expense third party actions brought against the Commonwealth of Pennsylvania, the Fund, SERS and its Board members, officers, agents and employees arising out of or in connection with any services performed or the failure to perform services, or other breach of this Agreement, by ACTUARY, an affiliate, their respective partners, directors, officers, employees and agents selected by them and performing services for or on behalf of SERS, and the costs of such defense shall be borne by ACTUARY, and shall not constitute an expense of, and shall not be paid out of, SERS' assets.

11. Limitation of Liability.

- a. Except for fraud, gross negligence or willful misconduct, under no circumstances shall either party be liable to the other party, its agents, successors or assigns, for any lost

revenue, lost profits, or any incidental, indirect, punitive, or consequential damages, even if that party has been advised of the possibility of such damages, regardless of the theory of recovery.

- b. Except for fraud, gross negligence or willful misconduct, under no circumstances shall ACTUARY be liable: 1) in the aggregate to SERS, its agents, successors, or assigns for any damages of any kind (including attorneys' fees) in excess of the greater of five million dollars (\$5,000,000) or the aggregate amount actually paid to ACTUARY under this Agreement, for any action performed by ACTUARY pertaining to contemplating or in regards to individual calculations, or 2) in the aggregate to SERS, its agents, successors, or assigns for any damages of any kind (including attorneys' fees) in excess of the greater of ten million dollars (\$10,000,000) or the aggregate amount actually paid to ACTUARY under this Agreement. for any other action performed by ACTUARY not contemplated by 1) above.
- c. No action, regardless of form, arising out of or in connection with this Agreement, may be brought by either party more than two (2) years after SERS knew or should have known the cause of such action has arisen. This limitation will apply, regardless of the form of action, whether in contract, in tort, including negligence, or otherwise.
- d. The foregoing subparagraphs (a), (b), and (c) are separable, essential provisions of this Agreement, and shall be effective even if any remedy shall be deemed to fail of its essential purpose. This is an agreement for services and all services are provided AS IS, WITHOUT WARRANTY OF ANY KIND, EVEN THE IMPLIED WARRANTY OF MERCHANTABILITY. If the services ACTUARY provides to SERS fail to conform to the requirements of this agreement, then SERS agrees to permit ACTUARY to correct or re-perform the affected services.

12. Confidentiality of Reports and Other Information. All reports and documents relating to SERS which ACTUARY may prepare and deliver hereunder, shall be confidential and shall become the property of SERS and shall not be published, circulated, or used in any manner by ACTUARY without SERS' prior written approval, except as required by law. All information relating to SERS, whether in written or spoken form, that SERS provides to

ACTUARY or that is learned by ACTUARY in connection with providing services to SERS, shall be confidential and shall not be disclosed, published, circulated, or used in any manner by ACTUARY without SERS' prior written approval, except as required by law. ACTUARY shall require its affiliates, and its and the affiliates' partners, directors, officers and employees to comply with the provisions of this Section 11 to the same extent as ACTUARY.

13. Conflict of Interest. ACTUARY covenants on behalf of itself, all affiliates, and their respective partners, directors, officers and employees, that none of the aforementioned parties has an interest and shall not acquire any interest, direct or indirect, that would conflict in any material manner or degree with the performance of its services hereunder. ACTUARY further covenants that in the performance of this Contract, that neither it nor any of the aforementioned parties will knowingly employ any person having any such conflicting interest.

14. Commonwealth Contract Provisions. In performing services hereunder, ACTUARY shall comply with the Commonwealth contract provisions attached hereto as Part V. Terms and Conditions of the RFP and incorporated herein. For purposes of those Terms and Conditions, ACTUARY shall be considered the "Contractor."

15. Recycled Content Products Provisions. The issuing office has determined that the recycled content products provisions normally required in all Commonwealth contracts are not applicable to this Contract due to the type of services being provided by this Contractor. This determination was based on the fact that no material type products included on the Department of General Services "List of Products and Procurement Guidelines" are being requested under this Contract.

16. Maintenance, Preservation and Review of Records. ACTUARY shall maintain and preserve such records, books and other documents generated in connection with its performance of services hereunder during the term of this Contract and any extension thereof and for four (4) years thereafter. During such period SERS, or any other department or representative of the Commonwealth of Pennsylvania, from time to time upon reasonable notice, shall have the right to inspect, duplicate and audit such records, books and other documents at

ACTUARY's office during normal business hours for all purposes authorized and permitted by law. ACTUARY may preserve such records, books and other documents in original form or on microfilm, magnetic tape, CD-ROM or any other generally recognized and accepted process.

17. Notices. Notice pursuant to Part V. 45 of the Terms and Conditions in the RFP shall be as follows:

SERS: Executive Director
COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM
30 North Third Street, Suite 150
Harrisburg, Pennsylvania 17101-1716
Facsimile: 717-783-7300

Copies to: Director, Office of Member Services
(Same address as directly above)
Facsimile: 717-783-7300
and
Chief Counsel
Facsimile: 717-787-5751

ACTUARY: Korn Ferry Hay Group, Inc.
33 South Sixth Street, Suite 4900
Minneapolis, MN 55402
Attn: Corporate Counsel

Facsimile: _____

18. Termination and Expiration.

(a) *Expiration.* This Contract shall expire on June 30, 2021, unless terminated earlier as provided herein.

(b) *Termination.* ACTUARY may terminate this Contract by furnishing written notice to SERS not less than one hundred twenty (120) days prior to the effective date of termination, and SERS reserves the right to terminate this Contract at any time (Part V.27a – Termination for Convenience, generally), for any reason, by furnishing written notice to ACTUARY, whereupon and in either of such events:

A. ACTUARY's fees for services under this Contract shall be prorated on the basis of work completed and fifty percent (50%) of such amount shall be paid upon termination.

B. ACTUARY shall deliver to SERS, in the manner and extent directed by the SERS Executive Director or designee, any partially completed reports, all of SERS' data and such other documentation as ACTUARY specifically produced or acquired for the performance of services hereunder. ACTUARY shall also furnish to SERS within thirty (30) days after the effective date of such termination, a final report on its actuarial and consulting activities.

C. Upon SERS' receipt and acceptance of ACTUARY's partially completed reports, SERS' data and other documentation, and ACTUARY's final report, the remaining fifty percent (50%) of the fees payable to ACTUARY shall be paid.

(c) *Liability.* Any such termination shall not relieve ACTUARY of any liability that may be incurred in connection with its actuarial or consulting activities under this Contract, which liability shall survive termination.

19. Reservation of Immunities. SERS reserves all immunities, defenses, rights or actions arising out of its status as an instrumentality of a sovereign state or entity, or under the Eleventh Amendment to the United States Constitution, and no waiver of any such immunities, defenses, rights or actions shall be implied or otherwise deemed to exist by its entry into this Contract, by any express or implied provision of this Contract or by any actions or omissions to act of SERS or any representative or agent of SERS, whether taken pursuant hereto, or prior to or after the entry by SERS into this Contract.

20. Counterparts. This Contract may be executed in any number of separate counterparts, each of which shall be deemed an original, but the several counterparts shall together constitute but one and the same instrument.

21. Severability. If any one or more of the covenants, agreements, provisions or terms of this Contract shall be held contrary to any express provision of law, or contrary to the policy of express law though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Contract and shall in no way affect the validity or enforceability of the remainder of this Contract or the rights of the parties hereto provided that this Contract, absent any such invalid or unenforceable provisions, would not materially differ from the intent of the parties.

22. Headings. The headings and captions in this Contract are for convenience of reference only and shall not be construed or deemed to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions hereof.

(Signature Page Immediately Follows this Page)

IN WITNESS WHEREOF, the parties hereto, each intending to be legally bound hereby, have caused this Contract for Actuarial and Pension Plan Consulting Services to be executed as of the date first above written.

ATTEST:

KORN FERRY HAY GROUP, INC.

Federal Tax Identification Number: [REDACTED]

BY: [Signature]
Name: Daniel Lowenthal
Title: Contracts Specialist
Date: 6/13/2016

BY: [Signature]
Name: James McPhlips
Title: Sr Client Partner
Date: 6/13/2016

COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT
SYSTEM

Federal Tax Identification Number: [REDACTED]

BY: _____
Name:
Title: Chairman
Date:

Approved for form and legality:

Approved:

BY: _____
NAME:
TITLE:
Office of Attorney General

BY: _____
NAME: _____ Date
SERS Counsel

BY: _____
NAME: _____ Date
TITLE:
Office of General Counsel

Comptroller Date

IN WITNESS WHEREOF, the parties hereto, each intending to be legally bound hereby, have caused this Contract for Actuarial and Pension Plan Consulting Services to be executed as of the date first above written.

ATTEST:

KORN FERRY HAY GROUP, INC.


Federal Tax Identification Number: [REDACTED]

BY: _____
Name:
Title:
Date:

BY: _____
Name:
Title:
Date:

**COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT
SYSTEM**

Federal Tax Identification Number: [REDACTED]

BY: 
Name: David R. Fillman
Title: Chairman
Date:

Approved for form and legality:

Approved:

Signature to be affixed electronically
Office of Attorney General

Signature to be affixed electronically
SERS Counsel

Signature to be affixed electronically
Office of General Counsel

Signature to be affixed electronically
Comptroller

Number Contract Type: Agency Contract Status Supplier: [372445 KORN FERRY HAY GROUP INC](#) Contract Owner: [779246 Dawn Miller](#)

nts Conditions **Approval** Tracking

Header Approval Note

Need updated CRP
(P00502992 07/07/2016 08:37:35 EST)

[Add Comment](#)

Status	Processor	Received On	Processed On
Approved	Barbara Kral		07/07/2016 12:29:43
Approved	Alison Hoke		07/07/2016 12:42:05
Approved	Nicholas Marcucci		07/07/2016 15:52:30
Approved	Elizabeth Pettis		07/08/2016 09:24:56
Approved	David Stover		07/11/2016 10:52:49