

**PUBLIC SCHOOL RETIREMENT SYSTEM
OF THE CITY OF ST. LOUIS
CODE OF ETHICS POLICY – June 19, 2017**

The Uniform Management of Public Employee Retirement Systems Act (UMPERSA) defines a trustee as a person having ultimate authority to manage a retirement system or to invest or manage its assets. Section 7 of the Act describes General Fiduciary Duties as follows:

“A trustee or other fiduciary shall discharge duties with respect to a retirement system:

- (1) solely in the interest of the participants and beneficiaries;
- (2) for the exclusive purpose of providing benefits to participants and beneficiaries and paying reasonable expenses of administering the system;
- (3) with the care, skill and caution under the circumstances then prevailing which a prudent person acting in like capacity and familiar with those matters would use in the conduct of an activity of like character and purpose;
- (4) impartially, taking into account any differing interests of participants and beneficiaries;
- (5) incurring only costs that are appropriate and reasonable; and
- (6) in accordance with a good-faith interpretation of the law governing the retirement program and system.”

It is a trustee’s duties of loyalty and care to the participants and beneficiaries of the System that create standards prohibiting conflicts of interest and requiring trustees and employees to act with the highest level of ethical responsibility in the performance of their duties. This Code of Ethics Policy addresses conflicts of interest and situations that can appear to be conflicts of interest from two perspectives: (a) as they relate directly to trustees and employees of the System, and (b) as they relate to the professionals employed by the System, such as investment consultants, money managers, brokerage firms, insurance brokers, attorneys, auditors, actuaries, custodians, etc.

☞ ***Trustees and Employees***

Trustees and employees, by their conduct, shall not create a reasonable basis for the impression or perception that any person, organization or firm can influence them in the performance of their official acts or actions. In this regard, any trustee/employee relationship or association with a current or prospective vendor must be directly beneficial to the System, or must be reasonably expected to provide the trustee or employee with educational assistance that will be immediately relevant to his/her duties to the System. A trustee’s duty of loyalty also includes the obligation not to be influenced by the interest of any third party, including an obligation to subjugate the interests of the party who appointed the trustee, for example, the union or plan sponsor, to the interests of the participants and beneficiaries of the System.

➤ **Gifts and Gratuities**

- ◆ Trustees and employees shall not solicit or accept contributions or gifts (to include lodging, transportation, or invitations to social/sporting events) from any single current or prospective vendor which exceed a value totaling \$50 in any calendar year. Trustees and employees shall disclose on the Annual Disclosure Statement any and all contributions or gifts (to include lodging, transportation, or invitations to social/sporting events) that were extended to a relative, spouse or guest of the Trustee or employee. However, the limitation on gifts does not apply:
 - a) to business meals/receptions where a representative of the vendor is present for the purpose of conducting business or providing education,
 - b) to seminars/conferences sponsored by a vendor or prospective vendor where attendance is approved by the Board of Trustees or the System’s Travel Policy,

- c) to participation in recreational or social events while attending a seminar/conference, provided said events are available to a majority of the seminar/conference attendees,
 - d) to participation in recreational or social events sponsored by a vendor or prospective vendor provided attendance is expected to benefit the System and provided attendance is reported on the trustee's/employee's Annual Disclosure Statement.
- ♦ Trustees and employees shall not solicit or accept contributions or gifts from current or prospective vendors for their own personal benefit or in behalf of any third party.
 - ♦ Trustees and employees shall not solicit or accept contributions or gifts from current or prospective vendors if they know, or reasonably should know, that such contributions or gifts are intended to influence their actions or decisions with respect to the System.
 - ♦ If a trustee or employee receives an unsolicited, prohibited contribution or gift, he/she should return such contribution or gift to the source; however, if returning the contribution or gift is not possible or feasible, the contribution or gift should be donated to a charitable organization.
- Personal Investments/Obligations
- Trustees and employees shall not make personal investments, engage in transactions or professional activities, or incur obligations of any nature which would create, or which the trustee or employee should reasonably foresee would create, a substantial interest in a business, contract, property, or investment that would result in a significant or continuing conflict of interest, or the appearance of a conflict of interest, with the System.
- Confidential Information
- Trustees and employees shall not use confidential information pertaining to the System, or confidential information obtained by reason of their position with the System, for the purpose of personal gain or gain for a third party, nor, except as may be required by law, shall they disclose confidential information pertaining to the System to any person not authorized by the Board to receive such confidential information.
- Nepotism
- On the basis of objective qualifications and competitive cost, the System may elect to hire or retain the relative of a trustee or employee; however, it will be incumbent upon the trustee or employee to disclose such a relationship to the Board as early in the evaluation and selection process as is reasonably possible.
- Annual Disclosure Statement
- ♦ No later than January 31st each year, every trustee and employee of the System shall complete an Annual Disclosure Statement (sample attached) which will be received by and maintained in the Retirement Office for a period of at least five (5) years.
 - ♦ The Executive Director will include information on Trustees and employees that are in noncompliance with the Annual Disclosure Statement at the first regularly scheduled meeting of the Board each year, usually in February, under the Report of the Executive Director.
 - ♦ A trustee or employee who fails to file an Annual Disclosure Statement by January 31st, or who violates the System's Code of Ethics Policy, will be subject to sanctions, at the discretion of the Board, up to and including removal from office or employment termination.

Vendors

At the time a vendor is hired/retained, and thereafter, on or about November 1st each year, every vendor who conducts business with the System will receive a copy of the System's Code of Ethics Policy. Vendor copies will contain a form to be returned to the System on which vendors will acknowledge receipt and acceptance of the System's Policy. If the System learns that a vendor has violated the Code of Ethics Policy without a prior written waiver from the Board, the vendor's contract will be terminated and the vendor will not be eligible to do business with the System for a period of at least two (2) years.