Letter from the CHAIR
Philip Y. Brown

Over the course of the past year, one topic seems to be top of mind: artificial intelligence (AI). Whether you are anxious that AI is going to displace jobs, are concerned about AI's environmental impact, or have benefitted from AI's abilities to organize and present data, one thing is certain, AI will be a cause for uncertainty over the next few years.

While AI is a tool that can potentially be used for all of us to do our jobs better, ultimately, the skill and judgment of those in the retirement community cannot be replicated or replaced by AI. PERAC's duties to Retirement Boards and the people of the Commonwealth or the fiduciary duties retirement board members have to their membership cannot be outsourced to AI. To help board members meet their fiduciary duties, members are required to attend 18 hours of training throughout their 3-year term. Recognizing the impact that AI and changing technology can have on board members who are doing their best to meet their fiduciary duties, PERAC has tried to provide more training in these areas.

As an example, PERAC's IT Director, Dan Boyle, presented at three Administrator Training Sessions that focused on the various cybercrimes and scams that bad actors often use to retrieve personal information, and the best ways to avoid falling victim to those scams. PERAC also has made numerous efforts to retain outside experts to perform training sessions to educate and update retirement board members and staff on topics related to technology. In addition, during a virtual training session, PERAC hosted experts to discuss Cyber Insurance and Cyber Risk Management. Currently, PERAC plans to give a joint presentation with additional Cyber Security and AI experts at its next Emerging Issues conference.

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PERAC staff realizes that the world is changing fast and that we in the retirement field must educate ourselves so we can properly utilize the benefits of AI and defend against cybercrimes. To accomplish this goal, PERAC staff will continue to educate themselves on these issues and retain experts to augment our knowledge. PERAC will remain vigilant concerning any known cybersecurity threats, and will alert the retirement boards of such threats, so that you all can meet the duties you owe to your membership.

Letter from the Chair (continued)

We also appreciate that the laws and regulations surrounding Chapter 32 are complicated. And, while PERAC remains a regulatory agency, we believe that it is our job to help retirement board members, executive directors, and board staff to comply with the law by being available to answer questions and provide guidance. To that end, we encourage you to take advantage of PERAC resources because, again, that is part of the process of fulfilling your fiduciary duties.

I want to thank all the staff at PERAC for the hard work they put in every day, but especially those who work behind the scenes. I also want to thank our fellow Commission members for the dedication, wisdom, and judgment they bring.

As you may know each Commissioner volunteers their time and energy because they believe in the importance of maintaining the retirement system. Finally, I want to thank all the Executive Directors, their staff, retirement board members, and PRIM members and staff for making the Commonwealth's retirement system well-managed, and well-positioned for the future. It is an honor to be a part of this system. ■

Sincerely,

Philip Y. Brown
Chair

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Above: Emerging Issues Forum

PERAC Chair, Phil Brown, delivers the opening remarks at the 2025 Forum.