



MEMORANDUM

To: Human Resources and Governance (HR&G) Committee
From: Diane M. Williams, ERCOT Vice President of Human Resources
Date: March 27, 2017
Re: Item 4 – Benefits Update

For this agenda item, the Annual Status Report from the Retirement Plan Committee (Agenda Item 4.1) and a Benefits Review (Agenda Item 4.2) will be provided to the HR&G Committee.

Annual Status Report from the Retirement Plan Committee (Agenda Item 4.1)

For the HR&G Committee's review and consideration, the *Electric Reliability Council of Texas, Inc. Annual Status Report to the Board of Directors Concerning Activities of the Retirement Plan Committee*, dated as of December 31, 2016, is being provided with the Committee's meeting materials for Agenda Item 4.1.

By way of background, you may recall that last year the Board of Directors (Board) approved the modification to the Benefits Committee Charter to change the scope of the Benefits Committee to focus exclusively on ERCOT's retirement plan (rather than retirement plan and health benefit plans) and consequently changed the name of the "Benefits Committee" to "Retirement Plan Committee", effective January 1, 2016.

HR&G Committee Charter Requires Annual Review of Such Committee Status Report

The HR&G Committee Charter, effective February 13, 2017 (Charter), includes the following Committee duty and responsibility:

Review the ERCOT Retirement Plan Committee annual status report and performance of the duties delegated to it by the Board, including the design, operation and maintenance of the employee retirement benefit plan.¹

The Charter further provides for such review at a minimum frequency of "as needed, but no less than annually". The Charter does not require that the Committee or the Board of Directors approve or accept this Annual Status Report from the Retirement Plan Committee.

Benefits Review (Agenda Item 4.2)

For the HR&G Committee's information, ERCOT's current employee health and welfare benefit offerings are included in the *2017 Benefit Highlights*, on the ERCOT website, at:

¹ Section 1.b.(3) [*Human Resources Matters – Benefits Strategy*] of the Charter.

http://www.ercot.com/content/wcm/landing_pages/88833/2017RecruitingBenefitsBooklet.pdf. I will provide a review of the most significant health and welfare benefits activities from January 1, 2016, through December 31, 2016, at the Committee meeting.

I look forward to answering any questions you may have at the Committee meeting.