



Administrative Policy Manual

Nevada Public Employees' Deferred Compensation Program

Updated June 2019

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Definitions

The same definitions apply in this Administrative Manual as are designated in the *Plan Document* for the State of Nevada Public Employees Deferred Compensation Program and in Nevada Revised Statutes (NRS) 287.250 et seq.

Article I Mission and Goals

1.1 - Mission

The Nevada Public Employees Deferred Compensation Program (NDC or Program), a voluntary tax-deferred supplemental savings plan created pursuant to section 457(b) of the Internal Revenue Code, provides participants and their beneficiaries with a supplement to their retirement savings. The Program operates solely in the interest of plan participants and beneficiaries. The Committee, appointed by the Governor pursuant to NRS 287.325, oversees the Program investment management and Plan design governance and strives to provide quality investment options at minimal costs while maintaining high standards of customer service. The Committee and State Department of Administration appointed Executive Officer, Administrative Staff, or designee monitor the NDC contracted Recordkeeper, communicate the importance of supplemental savings through seminars, group meetings, workshops, newsletters, maintaining the Division and other informational efforts, and administer the Program in accordance with state and federal guidelines. All Program expenses are paid by the Plan participants by revenue generated from the Plans adopted cost structure.

1.2 - Primary Goals

(a) Exercise functions solely in the interest of the participants and beneficiaries, and be responsive and flexible to meet participants' needs, within the overall best interest of the participant base as a whole;

(b) Promote the collective best interests of the participants in the Program (Section 1(b) of NRS 287.330);

(c) Provide a selection of investment options in accordance with the Program's Statement of Investment Policy and ensure that the options represent a reasonable choice as to investment risk, return, style, cost and asset class; and

(d) Ensure that the NDC Program Administrative staff and contracted Recordkeeper provides quality service and education to the participants.

1.3 - FICA-Alternative/3121 Plan Mission

Part-time, seasonal, and temporary employees of the State of Nevada or the Nevada System of Higher Education are required to participate in the Nevada FICA Alternative Deferred Compensation Plan, if hired on or after January 1, 2004 (State Government) or July 1, 2005 (Higher Education).

FICA is the Federal Insurance Contributions Act, and Section 3121 refers to the section under Title 26, Chapter 21 of the Internal Revenue Code. This is an alternative to Social Security coverage as permitted by the federal Omnibus Budget Reconciliation Act of 1990 (OBRA). By participating in the Plan, Participants are not subject to tax on compensation under the Old Age, Survivors and Disability Income portion of FICA. Participants are subject to the Medicare portion of FICA.

1.4 – Goals of FICA-Alternative Plan

The goal of this plan is to assist participants with maintaining an account for the purpose of capital preservation during their employment with the State of Nevada, the Nevada System of Higher Education and/or approved participating political subdivision.

1.5 - Program Rules and Regulations

The Program's Rules and Regulations are adopted by the State of Nevada Deferred Compensation Committee, and are designated in the Program's *Plan Documents*, the FICA Alternative Plan Document, and in the Nevada Revised Statutes (NRS) 287.250 et seq.

Article II Legal and Procedural

2.1 - Federal Law

Nevada's Deferred Compensation Program plans are established under and intended to operate as a Section 457(b) plan under the Internal Revenue Code and related regulations and any amendments.

2.2 - State Law

The enabling statutes for the Plans are found in NRS 287.250 through 287.370.

2.3- Committee Documents

The Committee shall maintain and periodically review all plan documents in accordance with Section 457(b) of the Internal Revenue Code to establish and operate the Plans. The NDC Executive Officer, Administrative Staff, or designee shall have the authority to implement any Committee approved changes to the adopted plan documents.

The Committee shall maintain and periodically review a Statement of Investment Policy to identify guidelines and procedures used by the Committee to review and evaluate the various investment options offered in the Program. The NDC Executive Officer, Administrative Staff, or designee shall have the authority to implement any Committee approved changes to the adopted Investment Policy Statement.

This Administrative Manual is intended to outline other established policies and procedures of the Committee and Administrative Staff for Program administration.

2.4 - Committee Election Procedure

In accordance with NRS 287.330, the Committee at its first meeting each year shall designate one of its members to serve as Chair and may also select one to serve as Vice-Chair of the Committee for a term of one year or until a successor has been designated.

2.5 –National Association of Government Defined Contribution Administrators (NAGDCA)

The Program will maintain membership and participation in the National Association of Government Defined Contribution Administrators (NAGDCA), including attendance at designated meetings, conferences, and training opportunities as appropriate and as funds are available.

Article III Coordination of Audits

The Program will routinely have audits conducted. Audits will include an annual financial audit conducted by an independent third party and a Program compliance audit performed typically every three to five years, but may be performed as often the Committee deems necessary for proper Plan governance. The Compliance Audit may be provided as a requirement of the Investment Consultant contract.

3.1 - Audit Objectives – Audits are performed for different purposes. Common audit objectives are:

(a) To ensure compliance with federal and state laws, standards, rules and regulations.

(b) To evaluate Program efficiency and effectiveness, including investment providers, fund managers, and payroll centers processes and procedures.

(c) To attest to the validity of financial information, recordkeeping, and accounting.

(d) To ensure appropriate management and internal control systems are in place.

i. On January 2017 The NDC Administration developed and executed the following internal control per the Counsel provided by the State of Nevada's Internal Audits Division:

a. Monthly, Staff receives a report that illustrates contributions submitted by each participating pay center in each Plan.

b. Staff verifies a random sampling of confirmations directly with the pay center to ensure balancing for the month and document confirmations monthly.

c. Should a discrepancy arise, the Executive Officer will address the discrepancy as soon as admiratively possible with all parties and document the resolution. Discrepancies will be managed in

accordance to the existing service guarantees within the contract and reflected in the contractor regular evaluation and/or reviewed with the Pay Center amending their processes to meet compliance.

3.2 - Audit Process – The audit process normally consists of the following elements:

(a) Audit Assignment – The point at which it has been determined that an audit will be undertaken.

(b) Initial Meeting – Staff meets with auditors and selected entities payroll and Human Resources administrative personnel to discuss audit process, scope of work, audit timeline, expected participation requirements, and audit objectives.

(c) Field Work – The auditors’ procedures for obtaining audit evidence and developing findings and recommendations. The type and extent of field work will vary according to the objectives of the audit. For example, field work may entail detailed Recordkeeper transaction-by-transaction review, payroll center(s) contribution review or may only consist of a review of the processes and procedures.

(d) Closing – Auditors formally present findings to the NDC Executive Officer, Administrative Staff or designee.

(e) Response – The opportunity for the NDC contracted Recordkeeper and payroll centers to respond to the auditor’s findings and recommendations.

(f) Follow-Up – Staff and auditors follow the progress toward resolution of any audit exceptions, significant deficiencies, or material weaknesses.

Staff and/or auditors will present a final report, including action steps for appropriate solutions or need to develop and maintain internal controls to resolve any noted significant deficiencies or material weaknesses, to the Committee.

Article IV Records Retention

The NDC Administrative Staff will meet the requirements on the General Records Retention and Disposition Schedules (NRS 239.080). The most current version is available through the Records Management Program and at:

<http://nsla.nevadaculture.org/dmdocuments/generalschedules.pdf>

Article V Committee Operation

5.1 - Meeting Schedule

The Committee will endeavor to meet quarterly, to review the status of investment offerings and conduct other business of the Program. Special meetings may be called

by the Committee Chair or NDC Executive Officer, Administrative Staff, or designee as necessary.

5.2 - Meeting Agenda

The meeting agenda will be drafted by the NDC Administrative Staff and circulated to the designated Committee Chair and to Committee members for input. The final agenda will be approved by the Committee Chair and posted by the NDC Administrative Staff in accordance with Nevada's Open Meeting Law (NRS 241.020(3)(a)), which requires that notice of a meeting be posted no later than 9:00 am on the third working day prior to the meeting.

5.3 - Committee Action

If a quorum (at least 3 members) is present at meetings, action can be taken by the Committee. Motions will be passed or voted down by a simple majority vote. The Committee Chair is eligible to vote on all motions. Committee members may participate at meetings via telephone, videoconference, or other appropriate electronic media approved by the Committee and shall be treated as present for the purpose of determining a quorum, voting on motions, and other lawful actions of the Committee. Meetings will be conducted in accordance with standard rules of order that the Committee may adopt from time to time.

5.4 - Meeting Record

Minutes shall be prepared by NDC Administrative Staff, formally approved by the NDC Committee, and maintained by NDC Administrative Staff pursuant to statutory guidelines (see NRS 241.035). Members of the public may request from the NDC Administrative Staff that their names be placed on the mailing or e-mail list for distribution of agendas. Documents provided to the Committee during meetings will be provided to members of the public upon request, as appropriate, or posted to the Program's website.

The Committee welcomes the participation of Plan participants and the public. There will be two comment periods allowing for three minutes of public comment with the first comment period allowing for public comment relative to items on the agenda for the meeting, and the second allowing for public comment on any item under the jurisdiction of the Committee.

5.5 - Budget Review and Approval

NDC Administrative Staff will meet with appropriate State of Nevada Department of Administration staff to develop a budget for submission to the Governor upon approval of the Department of Administration Director or designee, and the NDC Administrative Executive Officer will provide the Committee status updates of the Program budget during the quarterly meetings.

Article VI Plan Administration

6.1 - Activity reports

The NDC Administrative Staff will provide quarterly activity reports to the Committee, including, but not limited to reports on the overall Plan activities and evaluations of the NDC contracted Recordkeeper, making comparisons when appropriate concerning plan assets, enrollment analysis, program participation analysis, etc. NDC Administrative Staff will focus primarily on the administrative activities of the Program.

6.2 - Analysis of Investment Performance

An analysis of investment performance will be reviewed by the Committee at its quarterly meetings. The report prepared by the NDC contracted investment consultant (see definition in Article VII, Section 7.7) shall include investment option performance, in-depth economic market data, asset allocation, updates on the fund watch list, any recommendations from the NDC contracted investment consultant, and other information requested by the Committee or Executive Officer as necessary for proper monitoring.

6.3 - Quarterly Newsletter

The NDC Administrative Staff shall publish a quarterly newsletter for Participants. Newsletters shall be published as soon as administratively possible after the end of each quarter of the Calendar year.

6.4 - Fund Settlement Policy

All fund settlement amounts will be calculated based on the effected fund(s), shareholders and timeframe of the settlement. Identified shareholders will receive settlement monies in accordance with their proportionate share based on their account balances at the time of the settlement. Shareholders due less than \$10 will not receive payment, rather this amount will be returned back to the other eligible shareholders. If settlement amounts and calculations determine all shareholders are ineligible due to the \$10 di minimus then the amounts will be used for Plan expenses.

6.5 – Administrative Account Management and Distribution of Unused Plan Revenue; if any

The Committee has the authority to create and maintain an administrative account in which the Plan's generated revenue used to administer the Program will be managed within. NDC Administrative Staff will continually monitor and manage the Administrative Account along with managing all accounts payable and accounts receivable activities as it pertains to agency budget and revenue management. At regular intervals throughout each calendar year, NDC Administrative Staff will reconcile and manage the amount of revenue generated by fees collected through the Program. In the event that excess revenue is generated by the Plan, the Committee may direct NDC Administrative Staff

to credit the unused portion of Program revenue back to eligible participant accounts, or execute a "Fee Holiday" if deemed appropriate by the Committee

6.6 – Review of Claims and Appeals; Process and Policy

Any claim or appeal to a decision or action of the Committee, Administrative Staff, or contractor of the State under the Plan, including Investment changes, Plan design changes, actions made or asserted by Administration Staff or any of the NDC contractor(s) must be filed in writing with the NDC Executive Officer or designee and shall include specific details, facts, reasons for dispute, and written proof of wrong doing or damages (if applicable). The NDC Executive Officer or designee is responsible for the initial review of any such claim or appeal and will attempt to determine or institute a suitable solution. The Executive Officer or designee may consult and/or involve the State Attorney General, the Department of Administration Director, and the appointed NDC Committee Chairperson for a solution of resolution or denial of a claim or appeal which may result in the claim and/or appeal being reviewed and discussed in an open meeting in accordance with the Nevada Open Meeting Law. The NDC Executive Officer or designee shall notify the claimant, and as applicable, the Participant of any action or decision that was determined within 90 days of the written claim or appeal being submitted to the NDC Executive Officer or designee in good order.

Article VII Roles, Responsibilities and Duties

7.1 - Committee

The Committee is responsible to meet on a quarterly basis and conduct its business in accordance with the mission and primary goals as outlined in Article I of this document or established annually, along with the applicable state laws and federal requirements for the Plan. In order to discharge their fiduciary duties, members of the Committee are responsible for preparing for and participating in meetings of the Committee.

A fiduciary compliance checklist of duties and responsibilities that the Committee has governance over and responsibility for, or that they may delegate to the Executive Officer is established and provided in the **Addendum Section** of this Administrative Manual. The Committee shall self-evaluate the following categories of duties and responsibilities regularly:

- I. General Fiduciary Responsibilities-**
- II. Committee Structure**
- III. Plan & Committee Procedures**
- IV. Investment Management**
- V. Plan Administration and Compliance**
- VI. Plan Safeguards**
- VII. Communications**

7.2 – NDC Administrative Staff

NDC Administrative Staff is responsible for the day-to-day administration of the Program under the direction of the State of Nevada Department of Administration Director. The Executive Officer or designee is responsible for the following:

- Operations management, including but not limited to the day to day oversight; employer relations; budget oversight; employee management and oversight; and the oversight and management of participant customer service.
- Administrative Staff management to include the following:
 - a. Employee recruiting, hiring, evaluations, and termination per the established State of Nevada Department of Administration Human Resource Management guidelines and standards.
 - b. Providing proper training opportunities to all employees when initially hired and refresher training as needed or mandated, either internally or externally.
- Committee business management, including but not limited to preparation and organization of agendas and meeting materials.
- Contractual management, including but not limited to Recordkeeping, Program Administration, investment management oversight, program compliance, and legislative management.
- Handling all participant complaints or concerns at the Plan level to ensure resolution if possible. The Executive Officer will determine whether a participant Complaint should be brought in front of the Committee for review, discussion, and/or further and final action at one of their scheduled Committee meetings. The Executive Officer is charged with the responsibility to gather all data and facts pertinent to a participant complaint and work with the Program contractor(s) to achieve a suitable resolution that is in-line with the Program's adopted Plan Document, Administrative Manual, and State/Federal regulations and/or Codes.

The Executive Officer, under the direction and discretion of the State of Nevada Department of Administration, may employ administrative State of Nevada employees and/or contract with an independent employment company to employ a part-time or temporary administrative personnel to assist with meeting preparation, transcription of minutes, processing participant change forms, and other duties as assigned by the Executive Officer or requested by the Committee on an as needed basis.

7.4 – Executive Officer's Review Process

The State of Nevada Department of Administration Director will be responsible for conducting regular performance reviews of the Executive Officer. The Department of Administration Director may consult Committee members as to the performance of the Executive Officer, and will also review and approve any potential compensation changes based on current level as well as legislative action as it relates to all State employees.

7.5 - Legal Counsel

The Attorney General's Office provides legal counsel to the Committee and NDC Administrative Staff. The Deputy Attorney General assigned to the Program is responsible for reviewing all contracts and other legal documents and to provide legal advice and assistance relating to the work of the Committee and Staff.

7.6 – Political Sub-Divisions

The Committee at its discretion may allow local government entities or qualifying political sub-divisions to join the Program. NDC Administrative Staff will work with legal counsel and the entity's designated representative to ensure the proper documentation is obtained to join the Program. NDC Administrative Staff will periodically meet with political sub-division representatives to ensure compliance with current federal and state rules and regulations, and the participating political subdivision is subject to and must conform with all financial and compliance audit testing or sampling when selected by the Executive Officer or designee.

Eligible political sub-division representatives will submit a Program Certification which will include acknowledgement of the receipt of the following items:

- Interlocal Agreement
- Plan Document, including any amendments
- Plan Summary
- Investment Policy Statement
- Administrative Manual
- Remittance of contributions electronically
- Remittance of employee termination data within (30) thirty days of an employee termination

The designated representative(s) (appointed approved representatives) will complete the necessary certification. NDC Administrative Staff will work with each of the political sub-division's designated representative(s) to ensure each entity has an understanding of the Program requirements and provide training as applicable.

NDC Administrative Staff will work with eligible governmental entities to ensure the following are being administered in accordance to Plan rules and regulations:

- Per IRC Section 414(h), pick-up contributions for participants who contribute to Nevada PERS "employee paid" system are being excluded from participant contributions based on percentage of pay;
- Data and money remittances must be sent electronically; and
- Working with the NDC contracted Recordkeeper to ensure participants are not exceeding the Internal Revenue Code annual contribution limits.
- Treas. Reg. Section 1.457-4(b)(1) **Annual Deferrals, Deferral Limitations, and Deferral agreements Under Eligible Plans**- adherence and compliance

to the mandatory "First of the Month Rule", maximum deferral limitations, and 50+ Catch-Up and Special 457(b) Catch-Up Provision rules and guidelines.

- Ensuring that all employees enrolling or being enrolled in the NDC Program(s) declare at least a single primary beneficiary associated with their account. Should the participant not make a beneficiary designation, the payment of the account shall be distributed according to provisions established and adopted within the Plan's current Plan Document specifically Article IX, Section 9.2(a)(b).

7.7 - Professional Advisors

The Committee shall contract with qualified advisors to discharge its fiduciary duty. Investment consultant(s) shall be contracted under the direction and management of the NDC Executive Officer and retained to ensure the Plan funds are invested effectively with proper risk controls. Committee members are not liable for investment decisions made by Plan members provided advisors are qualified and proper investment policies are in place, adhered to, and monitored.

7.8 - Recordkeeper(s)

The NDC Administrative Staff and the Plan's contracted Recordkeeper will work together, under the direction and oversight of the NDC Executive Officer, to ensure all contract parameters are being met, and the following are being administered in accordance with Plan rules and regulations:

- To ensure compliance with IRC Section 457(b) and 414(v), excess deferrals must be distributed to the participant, with allocable net income, as soon as administratively practicable after the Plan, Recordkeeper, or designated payroll center determine that the amount is an excess deferral. The excess deferral amount is always taxed in the year it was contributed to the plan, and the earnings are taxed in the year distributed. Governmental plans report excess deferrals on Form 1099-R. Please note amounts of less than \$1 will not be refunded or corrected.
- Contribution Data and money remittances must be sent electronically.
- Work with the eligible governmental entities to ensure participants are not exceeding the IRC annual contribution limits.

Article VIII Code of Ethics

As Committee members appointed by the Governor of the State of Nevada and Program Administrative Staff appointed by and under the authority of the State of Nevada Department of Administration, as well as public employees of the State in most cases, members of the Committee and NDC Administrative Staff are subject to the provisions of the Nevada Ethics in Government Law in NRS 281A.010-281A.500, inclusive. Committee members and NDC Administrative Staff are encouraged to review the entire chapter and be especially familiar with the general requirements of the Code of Ethical

Standards in NRS 281A.400, as well as Executive Order 2011-02 *Establishing Ethics Requirements for Certain Public Officers and Employees*, signed by the Governor January 3, 2011.

The keys to interpretation of the ethics statutes are reasonableness, objectivity, and disclosure. If any Committee members or NDC Administrative Staff members have questions concerning specific situations, they should feel free to consult with the Deputy Attorney General representing the Deferred Compensation Program. The following are excerpts from the Code of Ethical Standards which are most relevant to the business of the Deferred Compensation Committee.

NRS 281A.400 Subsection 1 provides that a public officer or employee shall not seek or accept any gift, service, favor, employment, engagement, emolument or economic opportunity which would tend improperly to influence a reasonable person in the public officer's or employee's position to depart from the faithful and impartial discharge of the public officer's or employee's public duties.

NRS 281A.400 Subsection 2 provides that a public officer or employee shall not use the public officer's or employee's position in government to secure or grant unwarranted privileges, preferences, exemptions or advantages for the public officer or employee, any business entity in which the public officer or employee has a significant pecuniary interest, or any person to whom the public officer or employee has a commitment in a private capacity to the interests of that person.

NRS 281A.400 Subsection 5 provides that if a public officer or employee acquires, through the public officer's or employee's public duties or relationships, any information which by law or practice is not at the time available to people generally, the public officer or employee shall not use the information to further the pecuniary interests of the public officer or employee or any other person or business entity.

NRS 281A.400 Subsection 10 provides that a public officer or employee shall not seek other employment or contracts through the use of his official position.

Additional standards pertinent to the Committee are set forth in NRS 281A.420 Subsection 1. This subsection provides that a public officer or employee shall not approve, disapprove, vote, and abstain from voting or otherwise act upon a matter:

- (a) Regarding which the public officer or employee has accepted a gift or loan;
- (b) In which the public officer or employee has a pecuniary interest; or
- (c) Which would reasonably be affected by the public officer's or employee's commitment in a private capacity to the interest of others, without disclosing sufficient information concerning the gift, loan, interest or commitment to inform the public of the potential effect of the action or abstention upon the person who provided the gift or loan, upon the public officer's or employee's pecuniary interest, or upon the persons to whom the public officer or employee has a commitment in a private capacity. Such a

disclosure must be made at the time the matter is considered. If the public officer or employee is a member of a body which makes decisions, the public officer or employee shall make the disclosure in public to the chair and other members of the body.

NRS 281A.420 Subsection 3 states: Except as otherwise provided in this section, in addition to the requirements of subsection 1, a public officer shall not vote upon or advocate the passage or failure of, but may otherwise participate in the consideration of, a matter with respect to which the independence of judgment of a reasonable person in the public officer's situation would be materially affected by:

- (a) The public officer's acceptance of a gift or loan;
- (b) The public officer's pecuniary interest; or
- (c) The public officer's commitment in a private capacity to the interests of others.

4. In interpreting and applying the provisions of subsection 3:

(a) It must be presumed that the independence of judgment of a reasonable person in the public officer's situation would not be materially affected by the public officer's pecuniary interest or the public officer's commitment in a private capacity to the interests of others where the resulting benefit or detriment accruing to the public officer, or if the public officer has a commitment in a private capacity to the interests of others, accruing to the other persons, is not greater than that accruing to any other member of the general business, profession, occupation or group that is affected by the matter. The presumption set forth in this paragraph does not affect the applicability of the requirements set forth in subsection 1 relating to the disclosure of the pecuniary interest or commitment in a private capacity to the interests of others.

(b) The Commission must give appropriate weight and proper deference to the public policy of this State which favors the right of a public officer to perform the duties for which the public officer was elected or appointed and to vote or otherwise act upon a matter, provided the public officer has properly disclosed the public officer's acceptance of a gift or loan, the public officer's pecuniary interest or the public officer's commitment in a private capacity to the interests of others in the manner required by subsection 1. Because abstention by a public officer disrupts the normal course of representative government and deprives the public and the public officer's constituents of a voice in governmental affairs, the provisions of this section are intended to require abstention only in clear cases where the independence of judgment of a reasonable person in the public officer's situation would be materially affected by the public officer's acceptance of a gift or loan, the public officer's pecuniary interest or the public officer's commitment in a private capacity to the interests of others.

Article IX

Educational Travel and Conferences

The Committee and Executive Officer are charged with exercising fiduciary responsibility for the Program solely in the interest of the participants and their beneficiaries. As fiduciaries, they are expected to be capable of carrying out their duties and

responsibilities. To accomplish this, subject to Committee and budgetary approval, Committee members and NDC Administrative Staff shall avail themselves of educational opportunities to secure adequate training to fulfill those responsibilities, including attendance at appropriate off-site meetings, events, or conferences.

Subject to budgetary limitations and authority, each Committee member and NDC Administrative Staff members shall have the opportunity to attend the NAGDCA Annual Conference, with all conference fees, airfare, lodging and any other reasonable expenses paid by the program. Committee members and NDC Administrative Staff members may attend other educational conferences to meet training needs subject to the availability of budgetary funds and subject to the NDC Program's established Travel Policy in Article X.

Article X Travel Policy

All Committee members and NDC Administrative Staff travel will be in accordance with State Administrative Manual (SAM) 0200 and NRS 281.160. The following internal controls have been established by the Agency:

It is the responsibility of all NDC Committee members and Administrative Staff to know and adhere to State Administrative Manual (SAM) Chapter 0200. All Travel Related Claims and Expenditures must be in accordance with applicable laws, the State Administrative Manual (SAM), and policies and procedures of the NDC Administrative Manual. Travel expenditures are administered in compliance with (SAM 202.0 -0256.0). All NDC Committee members and Administrative Staff must obtain prior authorization to travel from the State of Nevada Department of Administration through the NDC Administrative Staff who will verify adequate budgetary authority. Prior authorization is accomplished by completing a Travel Request and Authorization form provided by NDC Administrative Staff no later than four (4) weeks prior to the first date of travel unless otherwise authorized by the Department of Administration Director or his designee. . The accompanying Travel Request and Authorization form must also clearly identify and separate out all business and personal travel times and costs under the parameters outlined in the travel policy adopted by the State of Nevada Department of Administration. The Travel Expense Reimbursement Claim form must clearly demonstrate that the costs borne by the State are not increased due to personal travel. The employee MUST bear any costs related to combining the State travel with personal travel. Per SAM 0210, all travel expenses of State of Nevada employees will be charged to the budget account specifically appropriated or authorized to provide for the employees' salary (if applicable) and /or Travel expenses.

The rate of reimbursement for lodging, meals, and incidentals must be compliant with the Federal government's GSA rate based on travel destination and SAM Section 200.

The GSA rates can be found via the following link:
<http://www.gsa.gov/portal/category/104877>

1. If the GSA website does not recognize the county/city that you will be traveling to, the rate defaults to the standard CONUS rates for lodging, meals, incidentals (M&IE).
2. The GSA hotel rates are maximum allowable rate in most circumstances. SAM 200 allows for adjustments when the conference rate exceeds the GSA rate. The State Department of Administration Budget Division must approve all exceptions to this rule or any projected expense over the established reimbursement rate in advance of the travel on an Out-Of-Budget Travel Request.
3. (Also refer to table below)

Hours and Conditions for Claiming Meals are as follows:

1. Per Diem for meals may be claimed when employees are required to be at least 50 miles (one way) from their duty station. Meal per diem timeframes are stipulated below:
 - a. **Breakfast:** Employee or Committee member departs before 7:00am and/or returns after 9:00am
 - b. **Lunch:** Employee or Committee member departs before 11:30am and/or returns after 1:00PM
 - c. **Dinner:** Employee or Committee member departs before 6:00PM and/or returns after 7:00PM
2. Per Diem reimbursements for meals are not allowed when meals are included in conference or registration fees.
3. Employees or Committee members may voluntarily claim amounts less than the established rates. When attending conferences or seminars, a copy of the agenda must be submitted with the Travel Expense Reimbursement Claim form in order for meals to be reimbursed.
4. Any special dietary needs that affect the application of these meal reimbursements policies for conference/seminars must be declared on the Travel Request Form prior to traveling.

Incidental Reimbursement is as follows:

Reimbursement for incidentals will occur only when travel consists of an overnight stay.

Mileage Reimbursement requests can be requested and paid as follows:

When an employee or Committee member uses his/her personal vehicle for the State's convenience, he/she can be reimbursed at the current standard mileage reimbursements rate declared by the State of Nevada. In the event that an employee or Committee member does not report to their duty station before going directly to a scheduled meeting, workshop, presentation, etc., the amount of mileage that is

reimbursable is only the mileage over and above the employee or Committee member's normal commute total from their principal residence to their duty station.

| Description | Receipts Required | Rates |
|--|-------------------|--|
| Breakfast | No | Refer to GSA rate table & Hours and Conditions below |
| Lunch | No | Refer to GSA rate table & Hours and Conditions below |
| Dinner | No | Refer to GSA rate table & Hours and Conditions below |
| Lodging | Yes | Refer to GSA rate table |
| Incidentals - (<u>Overnight Travel Only</u>) | No | Refer to GSA rate table |
| Transportation (parking, taxi, subway/bus, etc.) | Yes | Reasonable cost with original receipt |
| Mileage (State's Convenience)-Based on Federal Income Tax Rate. (See Department of Administration's Policy Directive webpage for current mileage information) | No | Refer to the Policy Directives section of the Dept. of Admin., Budget Division website |
| Mileage (Employee's Convenience)-Based on Federal Income Tax Rate. (See Department of Administration's Policy Directive webpage for current mileage information) | No | Refer to the Policy Directives section of the Dept. of Admin., Budget Division website |

All Travel Claims will be submitted to NDC Staff for processing, approval, and reimbursement. Efforts should be made to submit Travel Expense Reimbursement Claim ("Travel Claims") within 15 business days of travel, but, no later than 30 days of travel unless prohibited by exceptional circumstance per SAM 0220.

Addendum

Fiduciary Compliance Checklist

I. General Fiduciary Responsibilities- Does the Committee:

- Act solely in the interest of plan participants and beneficiaries and with the exclusive purpose of providing a benefit to them
- Defray the reasonable costs of administration

- Act with the skill and diligence of a prudent person knowledgeable in the action being taken and in the best interest of the Program as a whole.
- Diversify plan investments
- Act in accordance with the established plan documents and look towards ERISA established standards as widely used practices within the industry; adopting policies if the Committee deems feasible.
- Avoid conflicts of interest and prohibited transactions

II. Committee Structure

- Are the Committee members aware of their fiduciary status
- Do Committee members participate in fiduciary training when appointed, and is annual ongoing fiduciary training provided by the contracted Investment consultant or designated investment management or compliance professional?
- Do Committee members participate in the Nevada Open Meeting Law (OML) and Nevada Boards and Commissions Training provided by the State of Nevada Attorney General’s Office at time of appointment and reviewed or refreshed at least annually during tenure, and other annual training opportunities and support?
- Do Committee members meet and maintain the Committee requirements outlined in NRS 287.325 to carry out their fiduciary duties?
- Does the State of Nevada contract with or employ knowledgeable experts in Investment Management, Recordkeeping, and Plan Administration to ensure fiduciary compliance?
- Have all fiduciaries to the Plan been identified? Do all fiduciaries have control over the management or disposition of assets and/or Plan Design?
- Do the fiduciaries have discretionary authority over administration of the Plan?
- Does the Plan provides a platform for participants to receive investment advice for a fee (with intent that it be acted upon by choice and direction of the participants)
- Does the committee have a charter, if applicable?

III. Plan and Committee Procedures

- Has the Mission Statement of the Plan been established and reviewed at least annually, and are ongoing goals and objectives of the plan formally reviewed, discussed, amended (if needed), and documented on at least an annual basis?
- Are there formal policies and procedures established for the following:
 - i. Frequency of meetings (quarterly, etc.)
 - ii. Monitoring of service providers and other professionals (E.g., frequency of vendor searches, contract management, contract evaluation, etc.).
 - iii. Determining the prudence of investments
 - iv. Determining the reasonableness of fees

- v. Determining reasonableness of service contract terms and conditions
 - vi. Appointing and/or replacing committee members
 - o Is there an Investment Policy Statement (IPS) established and adopted?
 - i. Is the IPS regularly consulted when making investment decisions?
 - ii. Is the IPS regularly reviewed and updated as appropriate?
 - o Is there documentation of the minutes of each committee meeting?
 - o Does the Plan follow the State of Nevada's Records Retention requirements?
- IV. **Investment Management-** Does the Committee engage in regular monitoring of the following:
- o Investment Structure:
 - i. Is the investment structure appropriate for underlying participants?
 - ii. Are the number of investment options appropriate?
 - iii. Do the investment options span the risk return spectrum?
 - iv. Can the participants understand the investment options?
 - v. Are there any voids in the current investment lineup?
 - o Qualified Default Investment Option (QDIA) (target date funds) Review:
 - i. Has a QDIA been adopted and ensure that an investment qualifying as a QDIA is appropriate as a single investment capable of meeting a worker's long-term retirement savings needs and the Plan's financial wellness goals and objectives
 - ii. Review the Plans employee demographics of the Plan and the current allocation by age
 - iii. Does the Committee regularly examine the asset allocation of the current QDIA to ensure it is appropriate for the generational employment demographic of the participating workforce of the Plan?
 - iv. Regularly review the current QDIA versus comparable vehicles
 - o Conduct at least an annual IPS Review
 - o Engage in an Investment Fund Performance Analysis: (at least quarterly):
 - i. Review fund performance and risk measures vs. benchmarks and peer groups
 - ii. Review plan level fund and contribution asset allocations
 - iii. Assess fund performance and attributes vs. Investment Policy Statement criteria
 - iv. Provide fund recommendations: Additions, Replacements, Watch List
 - v. Conduct a Global Capital Market Review:
 - i. Review of activity in domestic and foreign markets
 - ii. Review of returns for various domestic, foreign and fixed income asset classes to include observations and trends
 - vi. Conduct regular Fee Monitoring & Benchmarking (at least annually): versus plans in same industry and with similar number of participants and program demographics

- i. Review participant, record keeper/administrative and investment fees for transparency and competitiveness
 - ii. Are the fees deemed "reasonable"?
- vii. Regularly review trends, developments, legal updates within the defined contribution environment as part of a compliance audit, review, or a provision of the Recordkeeping Services and/or Investment Consultant Contract(s).

V. Plan Administration and Compliance

- a. Are the plan documents and supporting documents (SPD, FICA Plan Doc, etc.):
 - i. Regularly reviewed to ensure compliance with its terms?
 - ii. Regularly updated and amended to comply with legal and regulatory requirements?
 - iii. Available for easy review by participants and/or beneficiaries?
- b. Are there written procedures in place for the following:
 - i. Preventing/correcting operational errors
 - ii. Processing contributions timely
 - iii. Monitoring various statutory limits
 - iv. Conducting an annual financial audit
 - v. Processing and management of Plan loans
 - vi. Processing and management of QDROs
 - vii. Processing and management of Unforeseeable Emergency/Hardship distributions

VI. Plan Safeguards

- a. Although the Plan is NOT subject to ERISA Section 404(c), are the following safeguards considered or established if adopted:
 - i. Are participants provided with the following:
 - 1. The right to direct their own investments, if applicable
 - 2. Reasonable opportunity to provide investment direction to the record keeper on a timely basis
 - 3. A diversified range of investments to choose from
 - 4. Investment education
- b. Are plan expenses monitored and benchmarked against industry averages?
- c. Are vendors providing and updating 408(b)(2) disclosures
- d. Is a Qualified Default Investment Alternative ("QDIA") provided under the plan?
 - i. Are QDIA notices distributed on a timely basis?
- e. Is a Fidelity bond required by the State of Nevada? If so, has it been purchased and regularly renewed?
- f. Is the plan covered by fiduciary liability insurance?
- g. Does the employer have cyber security insurance, and/or does it require it's contractors to maintain cyber security insurance?

VII. Communications

- a. Is there a written and adopted communication plan?
- b. Are participants provided with timely distribution of the following documents:
 - i. Summary Plan Document
 - ii. Summary of Material Modifications
 - iii. Annual Plan Report
- c. Are participants provided with all required notices on a timely basis (during the established on-boarding period and at least annually thereafter); including, but not limited to:
 - i. Enrollment materials
 - ii. Quarterly benefit statements (Annual Benefits Statement for FICA Alternative Plan)
 - iii. Annual and quarterly 404(a)(5) disclosures (if required)
 - iv. 30-day notice for changes to investment fund lineup
 - v. Automatic contribution arrangement notice, (if applicable)
 - vi. Blackout notices (if applicable)
 - vii. Safe harbor notices (if applicable)
- d. Is the effectiveness of investment education materials being measured regularly?