

NOTICE OF PUBLIC MEETING

NEVADA PUBLIC EMPLOYEES' DEFERRED COMPENSATION COMMITTEE

Wednesday, January 16, 2019
9:00 a.m.

Note: Persons may attend the meeting and provide testimony in person or through a conference call conducted at the following location. If you would like to participate in the meeting by conference call, please email deferredcomp@defcomp.nv.gov for the phone number and access code.

State of Nevada Library and Archives Building
100 N. Stewart St.
Conference Room 110
Carson City, Nevada 89701

Below is an agenda of all items to be considered. All items which are potential action items are noted as such. Items on the agenda may be taken out of order, combined for consideration, or removed from the agenda at any time at the discretion of the Committee.

AGENDA

1. Call to Order/Roll Call and establish Quorum
2. *Public comment is welcomed by the Committee. Public comment will be limited to five minutes per person and comments based on viewpoint will not be restricted. A public comment time will be available prior to any action items on the agenda and on any matter not specifically included on the agenda prior to adjournment of the meeting. At the discretion of the Chair, additional public comment may be heard when that item is reached. The Chair may allow additional time to be given a speaker as time allows and at his/her sole discretion. (NRS 241.020, NRS 241.030) Prior to the commencement and conclusion of a contested case or a quasi-judicial proceeding that may affect the due process rights of an individual, the Committee may refuse to consider public comment. (NRS 233B.126).*
3. For Possible Action- Approval of Nevada Public Employees' Deferred Compensation Program (NDC) Committee (Committee) meeting minutes for public meetings held on the following dates:
 - a. Quarterly Committee Meeting- December 11, 2018
4. For Possible Action- Investment Grid/Option Plan Review
 - a. Voya and Segal Marco to present transition and communication Plan of investment option changes made at the December 11th 2018 quarterly Committee meeting.
 - b. **Vanguard Institutional Investors Group** to present on the following:
 - i. Fair Value Pricing

- ii. Target Retirement Fund Overview
 - iii. Developed Markets Index Fund
 - c. Discuss any other Investment Grid, investment option changes, or recommendations.
5. For Possible Action- Conduct annual review and discussion of current NDC governing documents and plan design. Committee may recommend any amendments or changes to the following:
- a. Investment Policy Statement (IPS)
 - i. Discuss any proposed or potential amendments
 - b. 457(b) Plan Document
 - i. Discuss any proposed or potential amendments
 - 1. Discuss the possibility of instituting and adopting a default beneficiary provision in the Plan Document:
 - a. Positives & Negatives
 - b. Does Voya or Segal have other plans that do this?
 - c. Any potential or obvious compliance issues with adopting this kind of provision?
 - c. Federal Insurance Contributions Act (FICA) Alternative Plan Document
 - i. Discuss any proposed or potential amendments
 - d. Administrative Manual
 - i. Discuss any proposed or potential amendments
 - e. Discuss and review any proposed future Plan initiatives and/or Plan design changes
 - i. Discussion on implementing and executing auto features
 - ii. Presentation on the new Seamless Doc's/ADA compliant Enrollment process and Payroll Contribution change process.
6. For Possible Action- Receive and discuss Marketing/Education Administrative Plan for 2019:
- a. Annual Participant Satisfaction Survey
 - b. Review overall Plan Participation, Marketing, and Communication
 - i. Report on 2018 vs. 2017, 2016 and 2015 participation and targeted marketing and communication efforts- *Voya's Scott Darcy and Diana Patane to present*
 - ii. Proposed marketing plan to increase Program participation and financial wellness in 2019- *Voya's Scott Darcy to present*
 - iii. Review and presentation of Voya Financial's new technology, financial wellness, and improved website features- *Voya's Scott Hudson to present.*
 - iv. Morningstar Advisors to present Financial Wellness Analysis of the NDC Plan
 - v. Marketing to Political Sub-Divisions (existing and new)
 - vi. Nevada System of Higher Education (NSHE) Marketing and Outreach Plan.
 - vii. Committee to discuss what they would like to see in the monthly and quarterly marketing and communication plan for 2019.
 - c. Retiree Financial Wellness Fair (June 2019 timeframe)
 - i. Discuss changes to the format of this event
 - ii. Discontinue or discuss other outreach ideas
 - d. National Financial Security Week- State of Nevada Financial Wellness Days (October 2019)
 - i. Discuss changes to the format of this event
 - ii. Discontinue or discuss other outreach ideas
7. For Possible Action- Discuss and review adopted policy governing conducting Compliance and Financial Audits within the Program:
- a. Last Compliance audit was conducted in 2017 by Segal Marco's Melanie Walker and her team.
 - b. FY2018 Financial audits are scheduled to be performed and completed by Eide Baily prior to June 30, 2019.
8. For Possible Action- NDC contract(s) RFP Development, current contract review, and discuss Program contract evaluations:

- a. Recordkeeping Request For Proposal (RFP) Review
 - i. Final review of DRAFT RFP
 - ii. Discussion of category weights and measures; evaluation questions
 - b. Existing Contract expirations, review, and discussions:
 - i. Investment Consulting/Compliance review contract
 - ii. Recordkeeping contract
 - iii. Financial Audit contract
 - c. Mandatory Vendor Rating Evaluations discussion and review:
 - i. Investment Consultant/Compliance Audit Contractor (Segal Marco/Advisors)
 - ii. Financial Audit Contractor (Eide Baily)
 - iii. Recordkeeper (Voya Financial).
9. For Possible Action- Discuss participation in the following training opportunities:
 - a. National Association Government Defined Contribution Administrators (NAGDCA)(September 18th - 21st 2019- New Orleans),
 - b. Segal Marco's Client Research and Educational Summit (March 28th – 31st in Florida),
 - c. Voya's Client Summit (May 8-10 2019),
 - d. Institutional Investor, Plan Sponsor, or Pensions and Investments Conference Participation in 2019.
 10. For Possible Action- Schedule the NDC 2nd Quarterly Committee meeting for May/June 2019 timeframe or any other special meetings.
 11. Committee Members comments
 12. Update from Investment Consultant
 13. Update from Recordkeeper
 14. Administrative Staff/Department of Administration Updates
 15. *Public comment is welcomed by the Committee. Public comment will be limited to five minutes per person and comments based on viewpoint will not be restricted. A public comment time will be available prior to any action items on the agenda and on any matter not specifically included on the agenda prior to adjournment of the meeting. At the discretion of the Chair, additional public comment may be heard when that item is reached. The Chair may allow additional time to be given a speaker as time allows and at his/her sole discretion. (NRS 241.020, NRS 241.030) Prior to the commencement and conclusion of a contested case or a quasi-judicial proceeding that may affect the due process rights of an individual, the Committee may refuse to consider public comment. (NRS 233B.126).*
 16. Adjournment

Meeting agendas are available for download at the NDC website: <http://defcomp.nv.gov/>, and Nevada Public Notice Website: www.notice.nv.gov. Anyone desiring the agenda or supporting materials regarding any NDC Committee meeting is invited to call or email Micah Salerno at 775-684-3398 or deferredcomp@defcomp.nv.gov. The agenda and supporting materials may also be picked up in person at the following office location: 100 N. Stewart Street, Suite 100, Carson City, Nevada, 89701.

Notice of this meeting was posted at the following locations in Carson City, Nevada:
 Nevada State Library and Archives, 100 Stewart Street
 Blasdel Building, 209 E. Musser Street
 Capitol Building, 101 N. Carson Street
 Legislative Building, 401 S. Carson Street

Notice of this meeting was posted at the following locations in Las Vegas, Nevada:
Grant Sawyer State Office Building, 555 E. Washington Avenue
Fax to Capitol Police – (702) 486-2012

This Notice of Public Meeting and Agenda have been sent to all members of the Committee and other interested persons who have requested a notice and agenda from the Committee. Persons who wish to continue to receive notice of meetings must renew the request every six months after the first request is made because “[a] request for notice lapses 6 months after it is made.” NRS 241.020(3)(c).

We are pleased to make reasonable accommodations for members of the public who are disabled and would like to attend the meeting. If special arrangements for the meeting are required, please notify the Deferred Compensation Administrative office at 100 North Stewart Street, Suite 100, Carson City, Nevada, at least one week before the meeting or call (775) 684-3398 or 3397, or you can fax your request to (775) 684-3399.

DEFERRED COMPENSATION COMMITTEE QUARTERLY MEETING MINUTES

December 11, 2018

The quarterly meeting of the Deferred Compensation Committee was held on Tuesday, December 11, 2018, at 8:30 a.m. in the Old Assembly Chambers of the Capitol Building, 101 North Carson Street, Carson City, Nevada. Attendees participated in person or by teleconference.

A copy of meeting material including this set of meeting minutes, the agenda, the audio recording and other supporting material, is available on the Nevada Deferred Compensation website at: <http://defcomp.nv.gov/Meetings/2018>.

COMMITTEE MEMBERS

Debbie Bowman
Matt Kruse
Wayne Thorley
Kent Ervin, Vice Chair
Mark Stevens, Chair

OTHERS PRESENT

Bishop Bastien, Voya
Rob Bilo, Nationwide
Rob Boehmer, NDC Executive Officer
John Borne, Prudential
Sarah Bradley, Deputy Attorney General
Steve Ebert, Nationwide

Ronda Miller, Purchasing
Josh Newell, Empower
Dianna Patane, Voya
Frank Picarelli, Segal Marco
Micah Salerno, NDC Admin. Assistant
Mark Stewart, Purchasing

1. Call to Order/Roll Call

Chairman Mark Stevens called the quarterly meeting to order for the Nevada Deferred Compensation (NDC) Committee at 8:32 a.m. on Tuesday, December 11, 2018.

Mr. Rob Boehmer took roll and determined a quorum was present. He also confirmed the meeting was properly noticed and posted.

2. Public Comment

No public comment.

Chair Stevens remarked that items would be taken out of order to accommodate Committee member schedules.

3. For Possible Action- Approval of NDC Committee meeting minutes from meeting held on August 23, 2018 and September 6, 2018.

Mr. Boehmer noted the minutes from August 23, and September 6, 2018, were submitted for approval.

Motion by Vice Chair Ervin to approve the minutes for August 23, 2018 and September 6, 2018, second by Mr. Kruse. Motion passed unanimously, 5-0.

9. For Possible Action- Receive, review, discuss, and potentially take action to accept or provided edits to the Request for Proposals (RFP) DRAFT for Recordkeeping Services to be released in January 2019:
 - a. Per the request of the NDC Committee, the NDC Executive officer will report on estimation of Administrative costs that are associated with administering the NDC Federal Insurance Contribution Act (FICA) Alternative Plan.

Mr. Boehmer reviewed the last four years during his tenure and estimated that on average the FICA program required about 5-10% of staff time.

Vice Chair Ervin asked what the total percent of assets the FICA program represented.

Mr. Boehmer replied there was approximately \$40 million in assets which was around five percent of the total assets.

Mr. Boehmer introduced Deputy Attorney General (DAG) Ms. Sarah Bradley who was filling in for the regular DAG for NDC, Ms. Henna Rasul.
 - b. Committee to take formal action to either serve as the "*Chief of the Using Agency*" for RFP execution and management purposes, or to assign that authority to State Purchasing Division with the caveat that members of the Committee be given the opportunity to serve as evaluators on the Recordkeeping Services RFP in an effort to maintain the fiduciary responsibility of their appointment.

Mr. Boehmer spoke to Mr. Jeff Haag with Department of Purchasing (Purchasing) who stated it would be acceptable for all five NDC Committee members to serve on the RFP Evaluation Committee.

Chair Stevens believed Purchasing should be in control of the RFP process and it would be ideal if all the NDC members were available and willing to serve on the Evaluation Committee. There would also be one or two additional people appointed to the Evaluation Committee.

Mr. Boehmer went over the tentative timeline for the RFP and explained the process. The intent was to have everything complete to submit for the August 2019 meeting of the Board of Examiners.

Vice Chair Ervin asked if there could be different finalists for the Voluntary Program and FICA Program.

Mr. Boehmer stated because there would be two separate contracts for 475b Voluntary and FICA, there could be two finalists depending on the scoring and choice of the Evaluation Committee.

Mr. Picarelli asked who would decide if the proposals qualified according to the minimum qualifications.

Mr. Mark Stewart with Purchasing stated they would do an administrative review of the proposals and could have a checklist review as well, but he cautioned to not make it too extensive. The Evaluation Committee needed to confirm everything was included as was required.

Purchasing was required to advertise in the newspaper and would list the RFP on their website. They could also solicit by a list provided by the Program and they had access to a national vendor registry. As soon as the RFP showed up on their website vendors would have access to it.

Mr. Boehmer would include advertisement with NAGDCA, Pension & Investments, and other publications in the industry.

Vice Chair Ervin was reluctant to assign Purchasing as "chief of the using agency" because statute stated that the Committee served in that capacity and he did not want to give up ultimate authority for the Committee as chief of the using agency.

Chair Stevens believed they should assign authority to Purchasing for the RFP process. They should rely on Purchasing for their professional expertise in handling the RFP. He wanted everything to be done appropriately so they were not subject to an appeal.

DAG stated no one else should be call the chief of the using agency since it names the Committee in statute, but Purchasing would be helping with all the administrative pieces of the RFP process.

Motion by Mr. Thorley to assign authority to Department of Purchasing to administer the RFP and to request 5 members of the NDC Committee be appointed to the RFP evaluation committee, and delegate authority to Mr. Boehmer to name up to 2 additional members to the RFP evaluation committee. Second by Ms. Bowman, motion passed unanimously, 5-0.

The Committee, staff, Investment Consultant, and Purchasing went through each section of the RFP draft to ensure clarity and to make edits and corrections.

Vice Chair Ervin would submit minor changes including spelling, punctuation, and Plan information to Mr. Boehmer through email.

Mr. Thorley left the meeting to attend Interim Finance Committee at 9:42 a.m.

- All factual data on employees, assets, entities, etc. would be updated for December 31, 2018.
- Break down the political subdivisions by county instead of individually. Duplicate the table of Plan data for the FICA section.
- Lower minimum qualification for governmental plans to assets of at least \$800 million.

- Representatives had to be salaried employees and cannot market other products.
- Fees must be payable within 90 days once the contract is executed, 95% for voluntary and 5% for FICA.
- Fee level model for FICA so they start contributing to administrative costs, 5%.
- Question on if the vendor can administer current fee method or other options.
- Questionnaires needed to be separate for FICA because it would be a separate contract.
- Cost proposal tables – disclose any additional fees that were not included in the base. Separate out FICA fees.

10:41 a.m. Mr. Thorley returned to the NDC meeting.

Chair Stevens called a five-minute break.

7. For Possible Action- Receive, review, discuss, and potentially take action on Fund Search data and analysis collected and presented by the NDC contracted Investment Consultant within the International Asset category in the following NDC Core investment line-up classes.

Mr. Picarelli provided a report that the Committee had requested as a formal fund search for the international, large cap core to replace the current Dodge & Cox International Stock. Mr. Picarelli looked at brand recognition, assets under management, and manager portfolios and recommended three fund options as a replacement. He covered fund facts and characteristics and noted that performance was important especially focusing on longer term periods.

Chair Stevens questioned if they wanted to continue to have a fund with emerging market exposure.

Mr. Picarelli noted one solution would be to replace the Dodge & Cox with one of the three options he presented and consider consolidating the Franklin Mutual Global Discovery Fund with the new active fund or into the Vanguard Index fund. One communication piece would cover both changes in the international space.

Vice Chair Ervin believed the American Funds EuroPacific Growth seemed like the best choice to replace the Dodge & Cox. He did not think it was necessary to have a separate global fund and asked if it was appropriate to map from a global to an international fund.

Mr. Picarelli stated it would eliminate the U.S. exposure.

Vice Chair Ervin asked for Mr. Picarelli's recommendation.

Mr. Picarelli recommended replacing Dodge & Cox with the American EuroPacific Growth for better diversification and lower expense ratio, and it covered international exposure. He would also eliminate the Franklin fund and take a more passive approach mapping it to the Vanguard fund and communicate the changes all together.

After discussion on whether to wait another quarter or make a change at that time the Committee decided to move forward with the changes.

Motion by Mr. Kruse to replace the Dodge & Cox fund with the American EuroPacific Growth Fund and to map the Franklin fund to the Vanguard Index. Second by Vice Chair Ervin, motion carried unanimously, 5-0.

12. Possible Action Item- Receive and review current NDC Statute and Regulation. Receive report on Regulation changes, repeal of NAC 287.730 [LCB File no.R195-18], and recommendation request submitted to Legislative Counsel Bureau (LCB) Legal Division.

Mr. Boehmer had submitted both proposals for regulation changes to LCB Legal to get feedback. He received a letter from Mr. Asher Killian with LCB outlining their recommendations.

Vice Chair Ervin commented that LCB had removed one section that went against current statute and he was fine with that and everything else LCB said in their letter.

Chair Stevens remarked that regulation changes usually went the way LCB legal wanted and they provided a recommendation and opinion.

Motion by Vice Chair Ervin to take LCB legal opinion eliminating NAC 287.730. Second by Ms. Bowman, motion carried unanimously, 5-0.

Vice Chair Ervin was excused from the rest of the meeting.

6. For Possible Action- Receive and approve Investment Consultant's review of report from Recordkeeper, performance of investment options, and Fund Watch List for the third quarter ending September 30, 2018.

Mr. Picarelli reviewed the financial markets on pages 1-21 from his Analysis of Investment Performance Report for third quarter 2018. The executive summary from page 24 showed the Voluntary Plan assets were at \$833.7 million which was an increase of \$22.2 million over the quarter. The FICA Plan had \$39.7 million in assets so the total Plan assets were \$873.4 million. The loan program had 513 issued to date with an outstanding balance of \$3.8 million. The majority of Plan assets were invested in the Stable Value Fund representing \$315.8 million (37.9%) followed by Target date funds at \$158.2 million (19%). As of September 30, 2018, the projected total annual funding requirement for the Plan was \$806,247 based on 8 basis points fee on the variable assets per the Voya contract for \$412,063 and the Plan administration budget of \$394,184. The fee model revenue was projected at \$814,483 derived from the 8 basis points from the Voya contract and the \$30 per participant charge. The projected revenue included only participant accounts with balance over \$1,000. At September 30, 2018, the projected revenue would be over the funding requirement by \$8,236.

Mr. Picarelli recommended he invite Vanguard to the Planning Meeting to talk about their portfolios in detail. They could explain how rebalancing and allocation affects the tracking error. They may need to make some changes to the tracking error on Target Date funds based on information from Vanguard. The tracking error may need to be 30 to 40 basis points instead of 20.

Mr. Picarelli continued his review speaking about total plan activity, asset allocation, loans and Roth contributions. He stated they were waiting on the FICA rate for 2019. On page 54 was information about the fixed account. The 12 month PUT notification letter was sent to Voya by Mr. Boehmer so all funds would be available for the new contract in 2020.

Mr. Picarelli reviewed the Watch List from page 30.

FUND	RECOMMENDATION	DATE PUT ON WATCH
Oppenheimer Main Street Mid Cap	Remain on watch due to 5 year performance under benchmark and peer	December 31, 2016
Goldman Sachs Small/Mid Cap Growth	Remain on watch due to 5 year performance under benchmark and peer	December 31, 2016
Franklin Mutual Global Discovery	Remain on watch due to 5 year performance under benchmark and peer, recommend either mapping to current funds or conduct search in 2018	June 30, 2017
Vanguard Developed Markets Index Institutional	Placed on watch due to 5-year performance under benchmark and peer by -25 bps	June 30, 2018
Dodge & Cox International Stock	Place on watch due to 5-year performance under benchmark and peer	June 30, 2018
Vanguard Target Retirement 2020	Remain on watch due to 5-year performance under benchmark and peer by -23 bps	March 31, 2018
Vanguard Target Retirement 2025	Remain on watch due to 5-year performance under benchmark and peer by -22 bps	March 31, 2018
Vanguard Target Retirement 2030	Remain on watch due to 5-year performance under benchmark and peer by -25 bps	March 31, 2018
Vanguard Target Retirement 2035	Remain on watch due to 5-year performance under benchmark and peer by -26 bps	March 31, 2018
Vanguard Target Retirement 2040	Remain on watch due to 5-year performance under benchmark and peer by -27 bps	March 31, 2018
Vanguard Target Retirement 2045	Remain on watch due to 5-year performance under benchmark and peer by -28 bps	March 31, 2018
Vanguard Target Retirement 2050	Remain on watch due to 5-year performance under benchmark and peer by -29 bps	March 31, 2018
Vanguard Target Retirement 2055	Remain on watch due to 5-year performance under benchmark and peer by -32 bps	March 31, 2018
Vanguard Target Retirement 2060	Remain on watch due to 5-year performance under benchmark and peer by -32 bps	March 31, 2018

Motion by Mr. Thorley to approve the Segal report. Second by Matt, vote passed unanimously, 4-0. Vice Chair Ervin was excused from the meeting.

13. For Possible Action- Receive report and discuss any potential legislation in preparation for the 2019 Legislative session.

Mr. Patrick Cates, director of Department of Administration, commented the purpose of the SB27 was to place the program under Department of Administration and make the Executive Director report to him. He had worked with several people on the language for the legislation, but it was a bit troubling how it worked out. He respected Dr. Ervin as he provided a lot of valuable input, but disagreed with the approach of the language Dr. Ervin submitted. LCB came back and said neither version of the proposed regulation were necessary. He believed the proper role of the board was to have broad oversight of the Program, but should not extend to managing staff or how the office was run. He wanted to clarify the roles for staff and the NDC Committee. The Committee and he could share fiduciary responsibility without direct supervision of staff.

Chair Stevens now had a better understanding of why LCB Legal made their suggestions. Action was taken earlier in the meeting to implement what LCB Legal had proposed.

No action was taken on this item.

8. For Possible Action- Receive report and recommendation from Investment Consultant on Committee Fiduciary Responsibility for Program Administration oversight.

Mr. Picarelli provided a presentation on fiduciary responsibilities and how they are delegated to various members. The State delegated responsibility to the NDC Committee and Executive Director. Every Plan related decision must be made solely in the best interest of the Plan and its participants. Mr. Picarelli continued to share that the majority of Plans that they service usually has an appointed Board or Committee by the ultimate authority of the entity (i.e.- The State of Nevada. It is a very common practice that most governing Boards or Committees concentrate on governance of Investment management and Plan Design decisions and management, and an appointed Program or Plan Director, usually under the direction of an agency or authority within the State or governing entity takes care of all of the day-to-day management and oversight of personnel management, contract management and execution, budget management and development, internal policy management, and serving as a primary contact and support to the Board.

Mr. Thorley questioned if the outside members that served on the RFP evaluation committee would be considered fiduciaries.

Mr. Picarelli noted one would say those people had to work in the best interest of the Plan so they would have fiduciary responsibility.

Motion by Mr. Thorley to accept the report on Fiduciary Responsibility. Second by Mr. Kruse, motion carried unanimously, 4-0.

4. For Possible Action- Receive, discuss, and approve Executive Officer's Report of third quarter 2018.

Mr. Boehmer reviewed information from his third quarter report covering budget data, administrative account, and quarterly staff report. He also gave an update on Nye County transitioning to the NDC Plan.

Mr. Bastien provided an explanation on an attempted hacking on 43 NDC accounts that were registered and taken over, but no funds were taken. All of the accounts were frozen, but thanks to the security measures in place through Voya no money was able to be withdrawn. All 43 participants had been contacted and instructions given on how to unfreeze and correctly register their account. A communication piece was created not to highlight the event, but on the importance of participants in registering their account.

Mr. Boehmer concluded his report highlighting Financial Wellness Days, work on the Smart 21 project, and comments on contribution limit increases for 2019.

Motion by Mr. Thorley to accept the Executive Officer quarterly report, second by Ms. Bowman. Motion passed unanimously, 4-0.

5. For Possible Action- Receive report on the Fee Level Transition.

Mr. Boehmer provided a brief update on the fee level transition and mentioned the change to quarterly account assessment instead of annual would take effect in 2019. The two communication pieces in reference to the change were included in the meeting material.

No motion was taken.

10. For Possible Action- Receive and approve plan activity, administrative update, beneficiary data report, small inactive account report summary, and service report from contracted recordkeeper for third quarter ending September 30, 2018.

Ms. Patane went over the Voya third quarter report including information on quarterly activities, contributions, rollovers, distributions, and the Voya Fixed Account. She also provided an update on beneficiary data and the small account cash-out that was completed.

Mr. Bastien reminded the Committee that he had committed to looking at the guaranteed rate on the fixed account toward the end of the year and he had carried that out. He got word yesterday that they were able to bump the rate again by another 10 basis points starting at the beginning of 2019. There was a draft communication piece being put together in order to relay that information to participants. He would continue to monitor the account throughout 2019.

Motion by Mr. Kruse to accept the Voya report, second by Ms. Bowman. Motion carried unanimously, 4-0.

11. For Possible Action- Receive report from Voya Financial on variances itemized in the FY 2016 and FY 2017 Financial Audit Reports.

Mr. Boehmer remarked that Voya researched the variances on the Financial Audit and a letter was provided from Mr. Jonathan Zujko explaining the variances and confirming that all contributions remitted to NDC by all participating employers had been accounted for and were accurately processed.

Mr. Bastien apologized for taking longer than they expected to report back on the variances, but he was pleased with the results and how to address the issues going forward.

No motion was taken on this item.

14. For Possible Action- Receive, review, and approve Plan Document amendment to allow for in-service Roth conversions. Currently the Plan Document only allowed separated employees to execute Roth conversions.

Mr. Boehmer commented that there had been requests from participants to permit in-service Roth conversions of non-distributable funds. He discussed this option with Voya's legal team and with Ms. Melanie Walker from Segal Marco who said the conversions could be allowed since they were currently allowed by separated employees. The proposed amendment to the Plan Document would permit Roth Conversions for active participants in the Program.

Motion by Mr. Thorley to approve the Plan Document change. Second by Mr. Kruse, motion passed unanimously, 4-0.

15. For Possible Action- Confirm the scheduled January 16, 2019 Planning Meeting and March 1, 2019 Quarterly Committee meeting. Schedule the second quarterly meeting for May/June 2019 timeframe or any other special meetings.

The Committee confirmed January 16, 2019, for the Planning Meeting, and March 1, 2019, for the quarterly meeting both starting at 9:00 a.m.

16. Committee Members comments

Mr. Kruse was thankful to have attended NAGDCA as it was informative, especially for a newer Committee member.

17. Update from Investment Consultant

No comment.

18. Update from Recordkeeper

Mr. Bastien thanked the Program for welcoming him back and wished everyone a Happy Holidays.

19. Administrative Staff/Department of Administration Updates

Mr. Boehmer would meet with Ms. Bowman and Mr. Kruse to go over the high points of the NAGDCA conference and see if there was anything they wanted to consider for the Planning Meeting.

20. Public Comment

No comment.

21. Adjournment

The meeting was adjourned at 1:32 p.m.

Respectfully submitted,

Micah Salerno
NDC Administrative Assistant

State of Nevada Public Employees' Deferred Compensation Program

January 16, 2019

Agenda

- I. Fair Value Pricing
- II. Target Retirement Funds Overview
- III. Developed Markets Index Fund

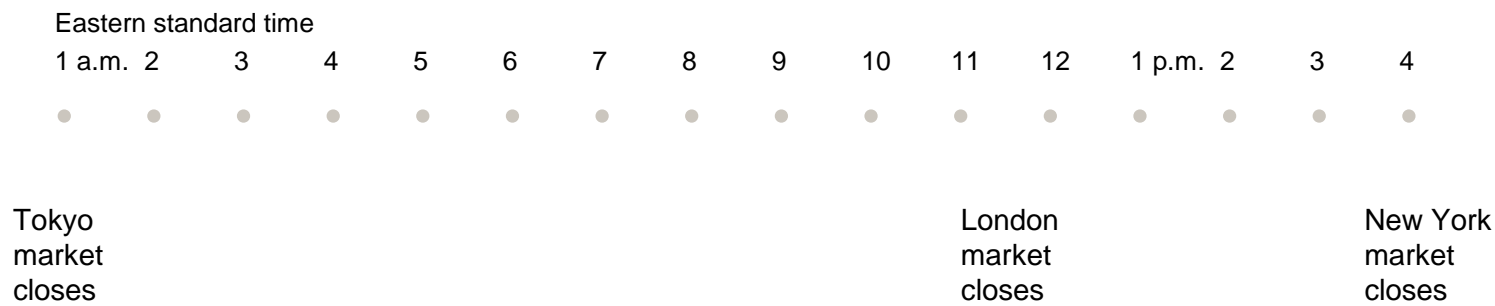
Presented by:

Carl Mariner, CFA, CFP®
Senior Investment Consultant
DC Advisory Services

Michael Desmarais
Senior Relationship Manager
Institutional Investor Group

Fair-value pricing example

Much can happen in a few hours



Security price:

This hypothetical example does not represent any particular investment.

The benefits of fair-value pricing

- Why fair-value pricing?
 - More accurately reflects true market value as of a fund's pricing time
 - Prevents arbitrage and discourages market-timing
 - Protects shareholders
 - Required by the SEC
- Vanguard's robust process
- Unavoidable side effect of the benefits
 - Temporary, but sometimes substantial, performance differences between international index funds and their benchmarks

Return differences increase with market volatility

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Vanguard Developed Markets Index Admiral™ Shares	28.27%	8.36%	−12.51%	18.56%	22.06%	−5.66%	−0.18%	2.45%	26.40%	−1.60%
Spliced Developed ex North America Index*	31.78%	7.75%	−12.14%	17.32%	22.71%	−4.85%	−0.28%	2.29%	26.31%	−1.82%
Difference	−3.51%	0.61%	−0.37%	1.24%	−0.65%	−0.81%	0.10%	0.17%	0.09%	0.21%
FV Impact	−3.92%	0.59%	−0.36%	1.32%	−0.90%	−0.70%	0.15%	0.09%	0.10%	0.20%
Adjusted Excess Return	0.41%	0.02%	−0.02%	−0.07%	0.25%	−0.11%	−0.06%	0.08%	−0.01%	0.01%

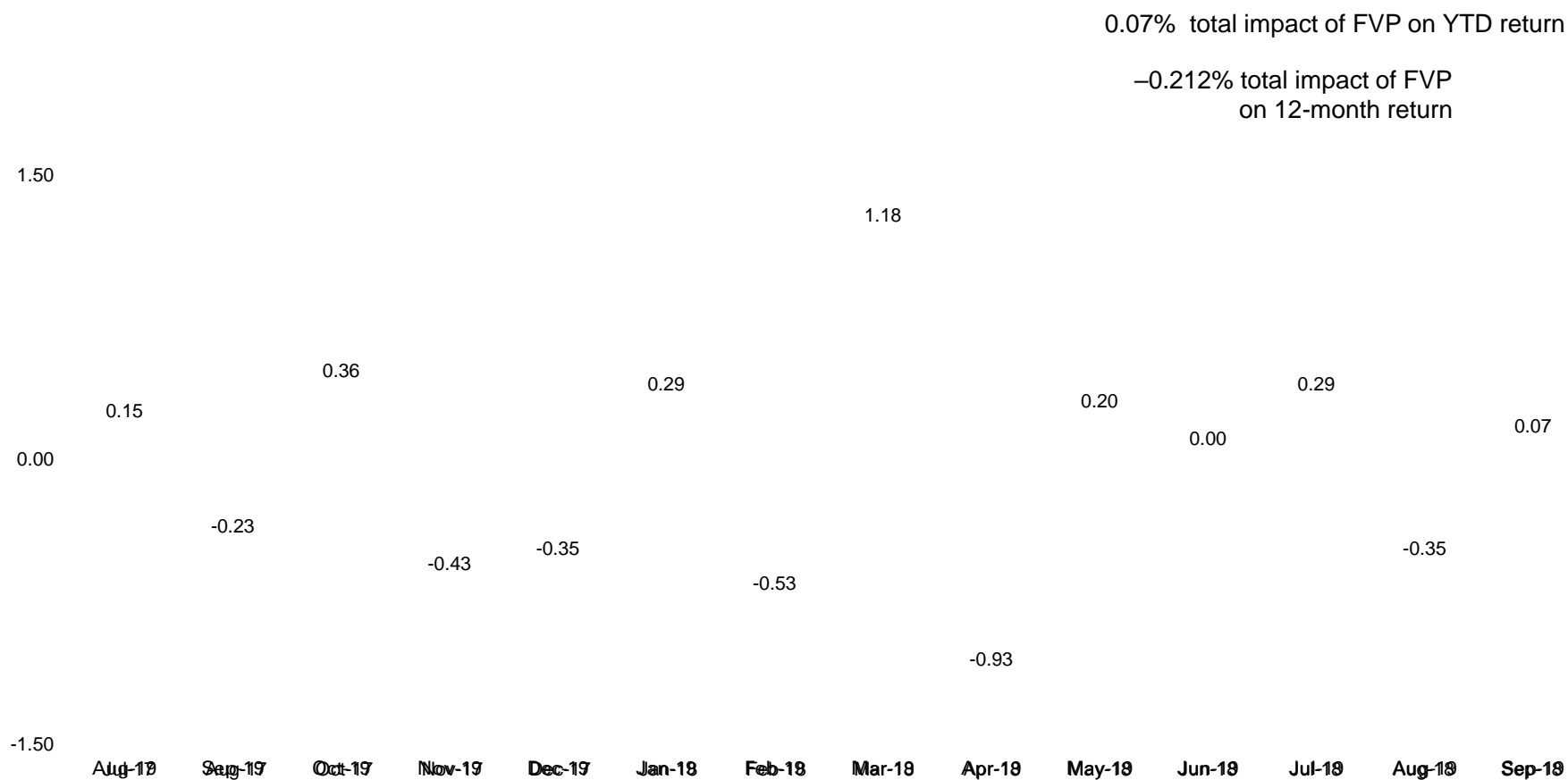
The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at [vanguard.com/performance](https://www.vanguard.com/performance).

As of September 30, 2018.

* MSCI EAFE Index (BM ID 3) through May 28, 2013; FTSE Developed ex North America Index (BM ID 22518) thereafter.

Impact from fair-value pricing is time-period dependent

Monthly fair-value adjustments for Vanguard Developed Markets Index Fund Admiral™ Shares



Return differences are temporary

Rolling 12-month returns



* MSCI EAFE Index (BM ID 3) through May 28, 2013; FTSE Developed ex North America Idx (BM ID 22518) thereafter.

Return disparities tend to dissipate over the long term

Annualized total returns for periods ended September 30, 2018

	One year	Three years	Five years	Ten years	Since Inception (8/17/1999)
Vanguard Developed Markets Index Admiral™ Shares	2.78%	9.82%	4.84%	5.51%	4.29%
Spliced Developed ex North America Index*	3.03%	9.99%	4.90%	5.64%	4.22%
Difference	−0.26%	−0.17%	−0.05%	−0.12%	0.07%

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at vanguard.com/performance.

As of September 30, 2018.

* MSCI EAFE Index (BM ID 3) through May 28, 2013; FTSE Developed ex North America Idx (BM ID 22518) thereafter.

Recap

Return differences from
fair-value pricing increase
with market volatility

Impact of fair-value pricing
is temporary and on paper
only, unless you buy/sell
on a particular day

Fair-value pricing
protects shareholders

\$2T

Industry assets

66%

Index-based
TDF cash flow*

93%

Index
outperformed active**

Sources: Morningstar and Vanguard.

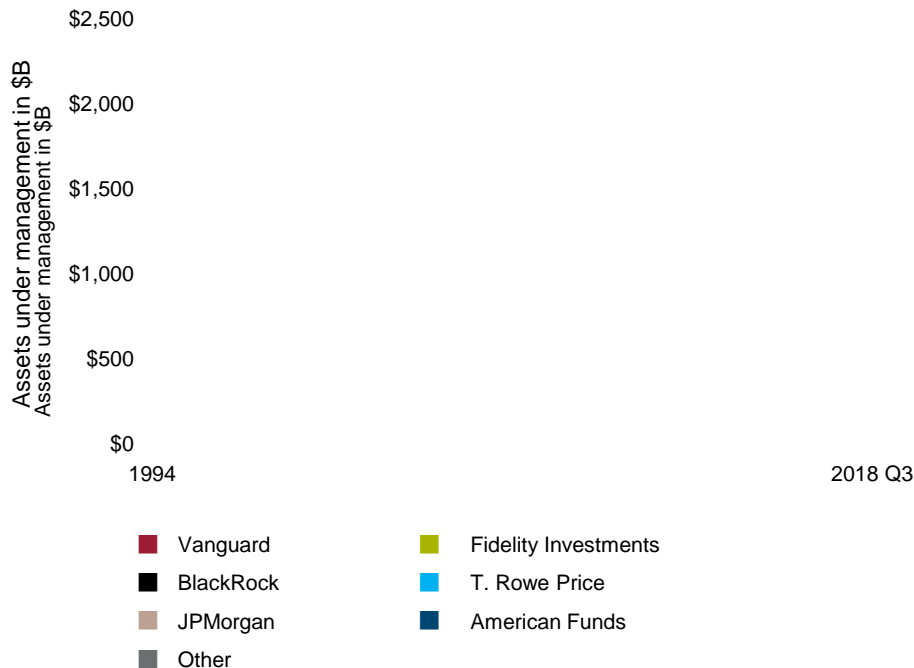
* Data is 12-month period, both funds and estimated trust figures, ending September 30, 2018.

** Vanguard calculations, using data from Morningstar, MSCI, and CRSP. As of December 31, 2016. Fund performance numbers include surviving funds plus 'dead' funds, i.e., funds that were liquidated or merged out of existence. Data measured actively managed U.S. equity funds' performance against market benchmarks, 2002–2016. Indexes were appropriate to the funds' Morningstar style boxes. U.S. equity benchmarks—Large blend: MSCI US Prime Market 750 Index through January 30, 2013, CRSP US Large Cap Index thereafter; Large growth: MSCI US Prime Market Growth Index through April 16, 2013, CRSP US Large Cap Growth Index thereafter; Large value: MSCI US Prime Market Value Index through April 16, 2013, CRSP US Large Cap Value Index thereafter; Mid blend: MSCI US Mid Cap 450 Index through January 30, 2013, CRSP US Mid Cap Index thereafter; Mid growth: MSCI US Mid Cap Growth Index through April 16, 2013, CRSP US Mid Cap Growth Index thereafter; Mid value: MSCI US Mid Cap Value Index through April 16, 2013, CRSP US Mid Cap Value Index thereafter; Small blend: MSCI US Small Cap 1750 Index through January 30, 2013, CRSP US Small Cap Index thereafter; Small growth: MSCI US Small Cap Growth Index through April 16, 2013, CRSP US Small Cap Growth Index thereafter; Small value: MSCI US Small Cap Value Index through April 16, 2013, CRSP US Small Cap Value Index thereafter.

Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

A brief history of the target-date industry . . .

Annual target-date assets under management



Vanguard Target Retirement Funds

The market leader with more than **\$720B** in AUM

- 55% Investment-only DC assets
- 23% DC recordkeeping assets
- 22% Retail assets

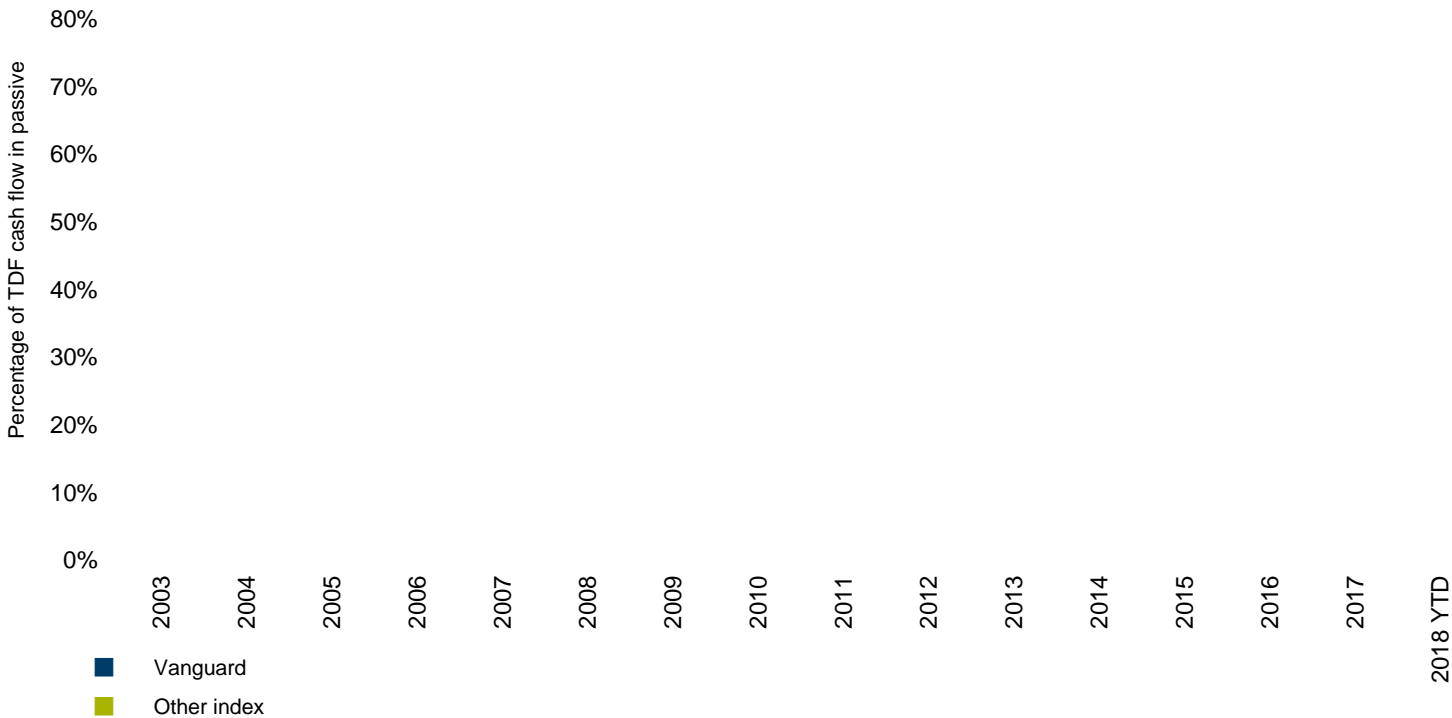
Vanguard Target Retirement Funds enjoys wide adoption, including among the largest plans in the industry:

- Utilized in more than **9,500** employer-sponsored plans
- More than 10 plans with Target Retirement Fund assets in excess of **\$3 billion**
- More than 90 plans with Target Retirement Fund assets in excess of **\$1 billion**
- More than 175 plans with Target Retirement Fund assets in excess of **\$500 million**

Sources: Vanguard, Morningstar, company public filings, as of September 30, 2018.

Vanguard leads, as index-based target-date funds grow

Index-based target-date funds, 2003–2018



Sources: Vanguard and Morningstar, as of September 30, 2018. LTM = Last Twelve Months. In this case, 12 months ending September 30, 2018. Vanguard Target Retirement Trusts are not mutual funds. They are collective trusts available only to tax-qualified plans and their eligible participants. The collective trust mandates are managed by Vanguard Fiduciary Trust Company, a subsidiary of The Vanguard Group, Inc.

Participants benefit from lowered costs—they keep more of their returns

82%

Below industry

0.62%

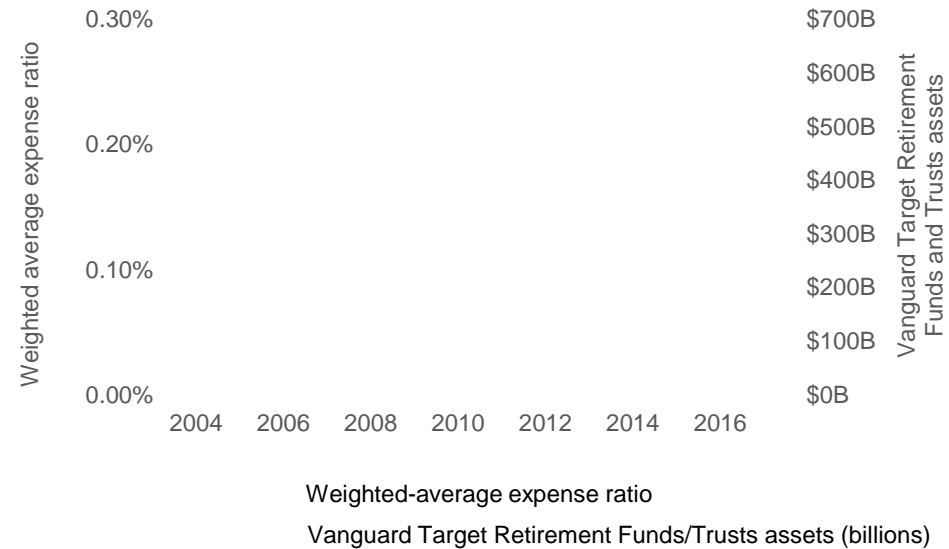
0.12%

Industry
(ex-Vanguard)

Vanguard

45%

Lower costs since 2009 as assets increased scale



Sources: Morningstar and Vanguard, September 30, 2018.

Note: Data represents the weighted-average expense ratio of the industry and Vanguard.

The Vanguard Group—A \$5 trillion global asset management firm

Global equities—\$2.9 trillion over 90 strategies

Current office locations

Global fixed income—\$1.2 trillion over 53 strategies

Multi-asset—\$0.9 trillion over 10 strategies/product suites

Other service and product offerings

Institutional OCIO	DC recordkeeping	Custom target- date funds	ETF model portfolios
ETFs	Annuities	Personal advice	192 Products outside the U.S.

>\$5 Trillion assets under management

170 Countries

#1 Fund manager in the world by AUM¹

#2 Asset manager in the world by AUM²

Source: Vanguard, data as of August 31, 2018.

¹ Data from Morningstar, as of June 30, 2018.

² Data from Investment & Pensions Europe, June 2018.

Vanguard's core purpose: **To take a stand for all investors, to treat them fairly, and to give them the best chance for investment success**

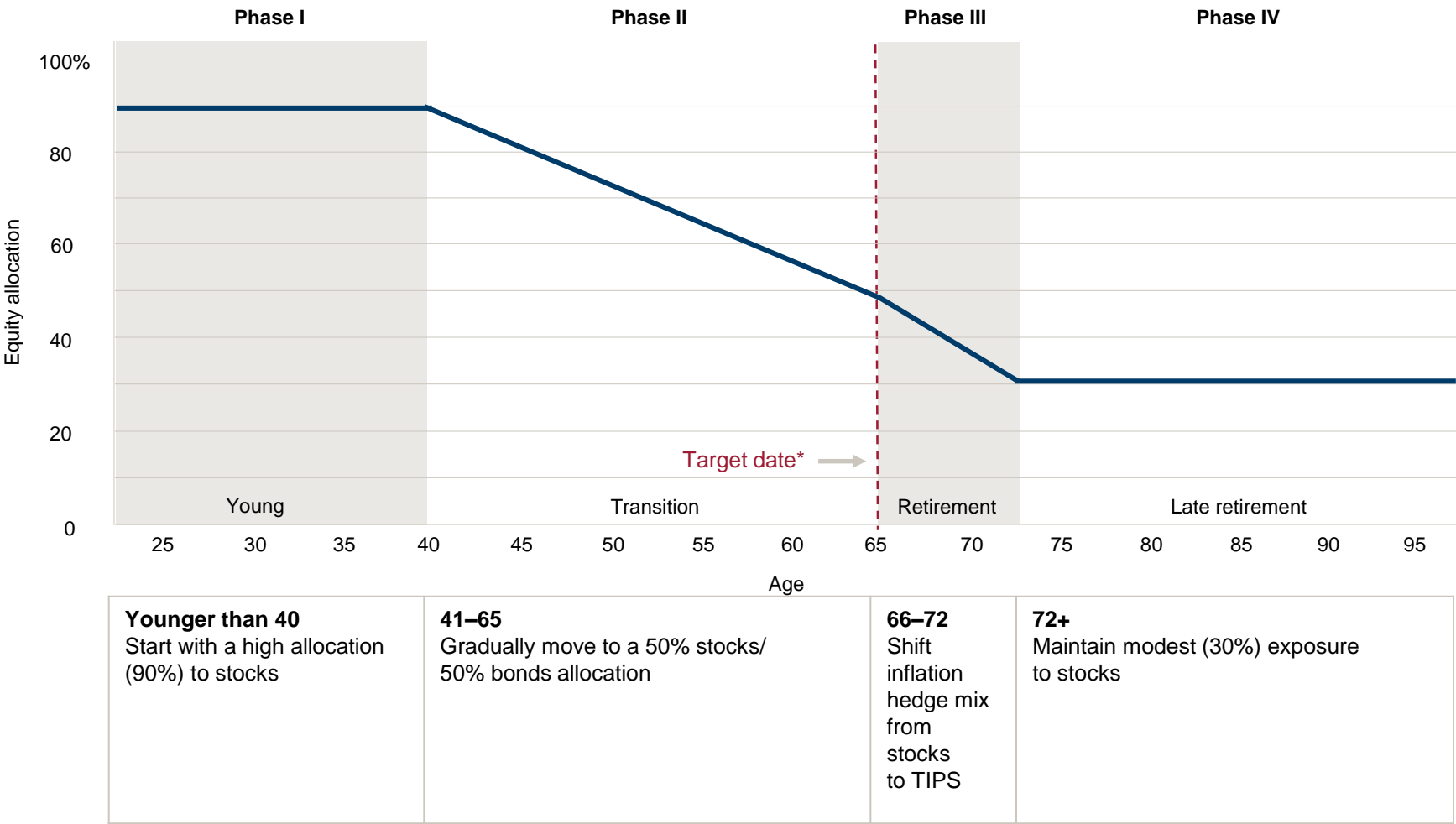
Our core purpose anchors the design principles of the Vanguard Target Retirement Funds and Trusts:

Build **enduring**
investment portfolios

Help investors
reach their goals through
a **holistic** approach

Deliver a **defendable**
solution that is
globally diversified,
transparent, and low
cost

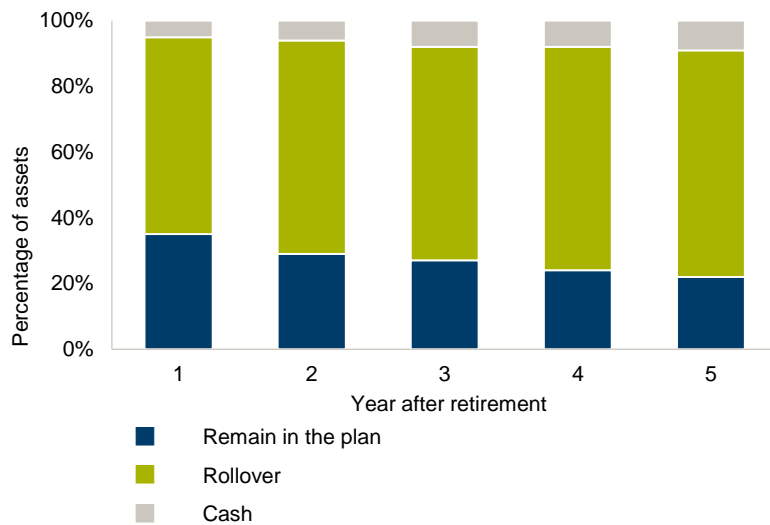
The Vanguard glide path



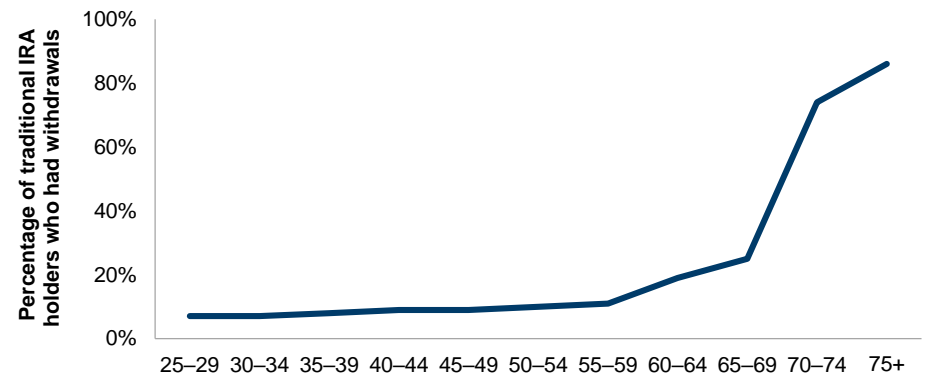
* Target date is the year stated in the fund name.

Investor behavior research drives glide path construction

Within three to five years of retirement, 75% of assets are rolled over

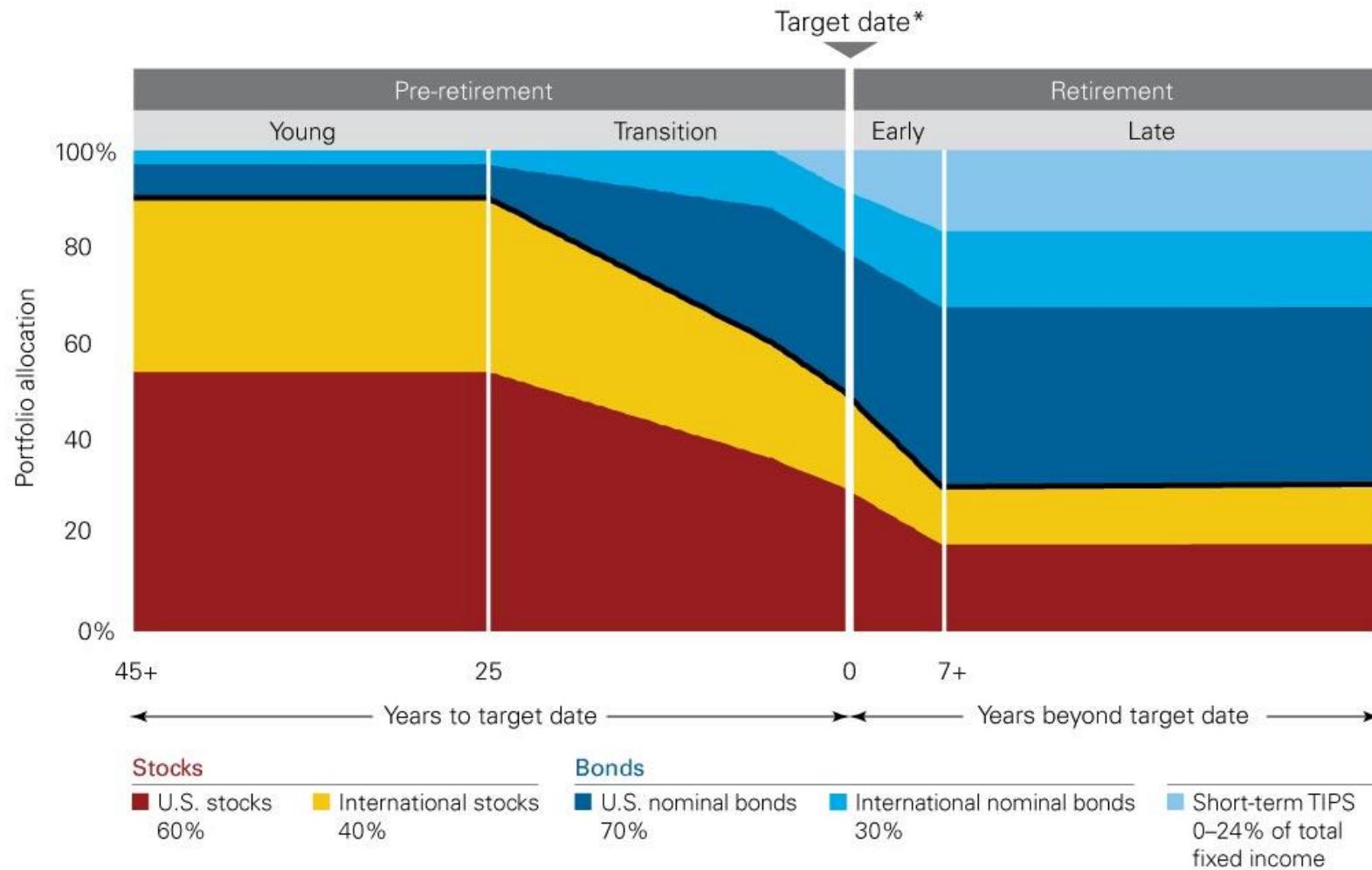


... but investors do not withdraw money after rolling over until around age 72



Source: *Retirement distribution decisions among DC participants*, Vanguard, October 2016.

Transparent, straightforward asset-class exposure

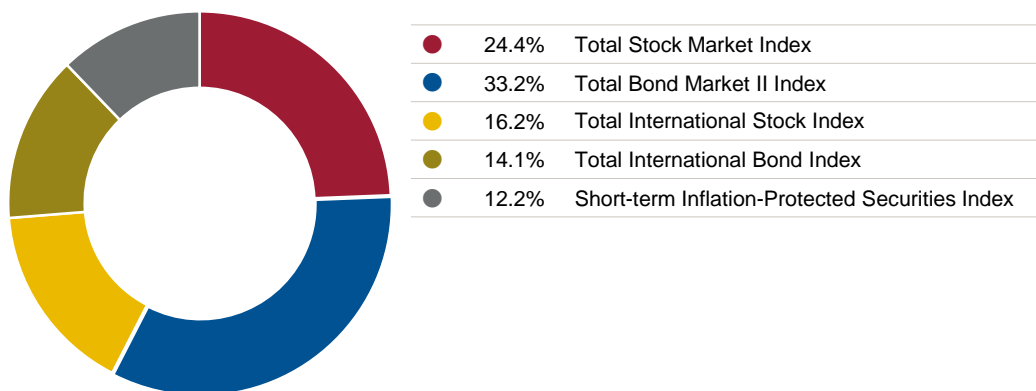


Source: Vanguard.

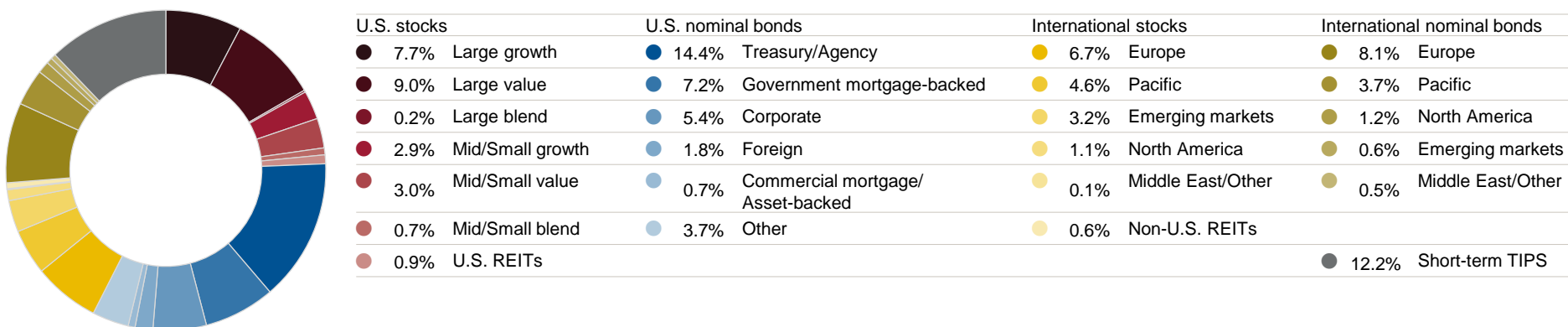
* Target date is the year stated in the fund name. Target Retirement Fund allocations are based on a projected retirement age of 65.

Outwardly Simple. Inwardly Sophisticated.®

Outwardly simple—five index funds



Inwardly sophisticated—25+ sub-asset classes

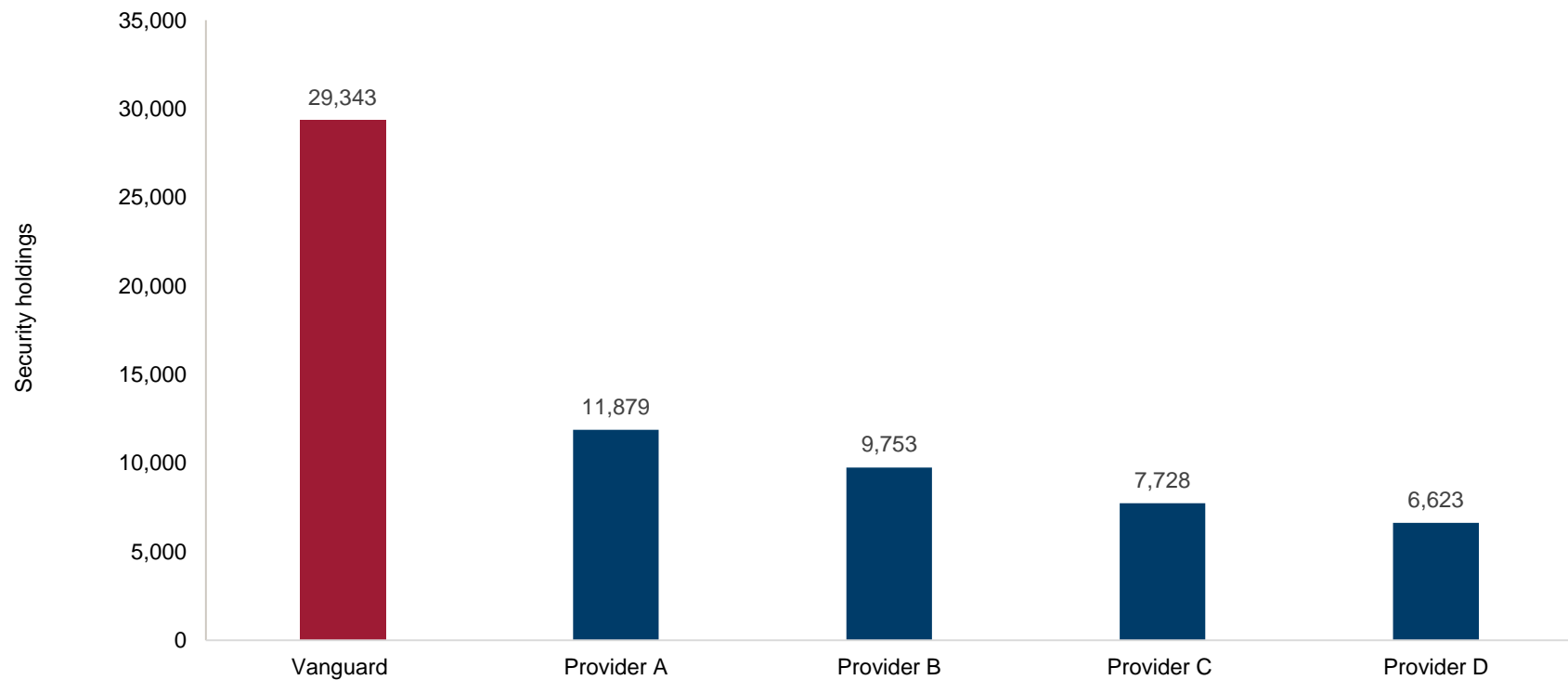


Vanguard Target Retirement Funds offer the simplicity of an index-oriented, well-diversified portfolio that is strategic and straightforward in its approach. The funds are composed of up to five underlying funds and follow an easy-to-understand asset allocation glide path. Underlying this simplicity is Vanguard's deep investment expertise, knowledge of the capital markets, and insights into participant behavior.

Sources: Hypothetical target asset allocations per the glide path of the Target Retirement 2015 Fund. Sub-asset allocations determined using data from Vanguard and Morningstar as of September 30, 2018.

Efficient diversification

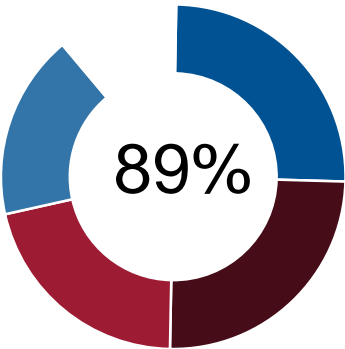
Number of security holdings in select TDFs



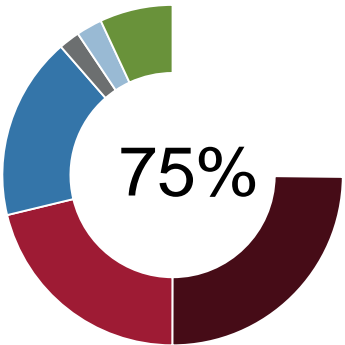
Source: Morningstar; data as of September 30, 2018.

Broadest worldwide market-cap coverage

Vanguard Target Retirement Fund



Average industry TDF



Worldwide market cap

- 25% Global ex-U.S. bonds
- 25% Global ex-U.S. stocks
- 21% U.S. stocks
- 17% U.S. bonds
- 2% EM debt
- 2% Global high-yield corporate bonds
- 7% Commodities (est.)

Note: Global REITs are included in U.S. stocks and ex-U.S. stocks. They make up approximately 2.8% of the worldwide stock market. Commodities are estimated by measuring the 2016 total dollar weight of the S&P GSCI Index, which is an investible index comprised of commodity futures contracts that are weighted in accordance with world production values of physical commodities.
Sources: Bloomberg, Barclays, S&P Dow Jones, stock market measured by Bloomberg Data (MSCI US Broad Market Free Float, MSCI ACWI ex USA IMI), bond market measured by Bloomberg Barclays data (Bloomberg Barclays Global Aggregate ex-USD, U.S. Aggregate Float Adjusted, Global High Yield, EM Hard Currency Aggregate), commodities market measured by S&P Dow Jones data (S&P GSCI Index). Data as of September 30, 2018.

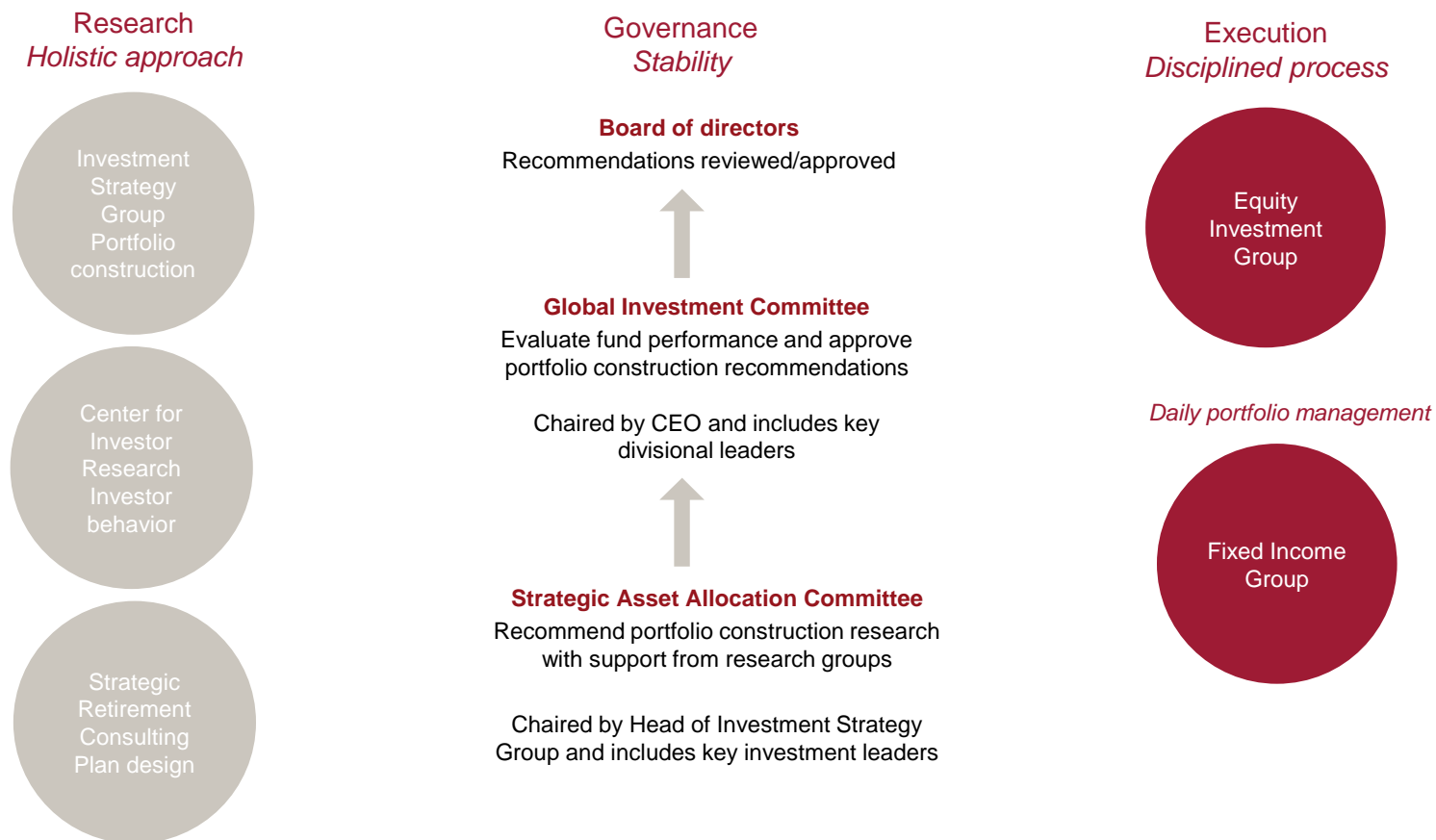
A holistic approach



Portfolio construction and oversight process

Oversight and monitoring: Portfolio Review Department

Manager oversight—product management—client engagement



Constant debate . . .

Past and recurring TDF-related research efforts led by Vanguard Investment Strategy Group*

<ul style="list-style-type: none"> Vanguard's framework for constructing globally diversified portfolios (2017) A different kind of target-date investor (2017) Vanguard's approach to Life-Cycle Investing Model: A framework for building target-date portfolios (2016) Vanguard's approach to target-date funds (2015, 2013, 2012, 2010) Target-date funds: Looking beyond the glide path (2014, 2009) Perspectives on custom target-date strategies in DC plans (2014) Analyzing multi-manager funds: Does management structure affect performance? (2013) A primer on tactical asset allocation strategy evaluation (2010) Perspectives on annuities for DC investors (2017) Assessing the inclusion of alternatives in target-date funds (2017) The case for low-cost index fund investing (2017) 	<ul style="list-style-type: none"> REITs: Effective exposure to commercial real estate? (2011) <div style="background-color: #003366; height: 80px;"></div> <ul style="list-style-type: none"> The portfolio currency-hedging decision (2018) <div style="background-color: #99CC33; height: 50px;"></div> <ul style="list-style-type: none"> Global equities: Balancing home bias and diversification (2014) Bond diversification in Target Retirement Funds (2014) Global fixed income: Considerations for U.S. investors (2014) 	<ul style="list-style-type: none"> Investment case for commodities? Myths and reality (2010) "Alternatives" in target-date funds (2017) The theory and implications of expanding traditional portfolios (2012, 2007) <div style="background-color: #99CC33; height: 50px;"></div> <ul style="list-style-type: none"> The long and short of TIPS (2012) TIPS and index-linked bonds (Upcoming) 	<ul style="list-style-type: none"> Risk of loss: Should the prospect of rising rates push investors from high-quality bonds (2013) Worth the risk? The appeal and challenges of high-yield bonds (2013) <div style="background-color: #003366; height: 50px;"></div> <ul style="list-style-type: none"> Rising interest rates: Weighing risk for TDF retirees (2016) Reducing bonds? Proceed with caution (2013) Fearful of rising interest rates? Consider a more global bond portfolio (2013) Total-return investing: An enduring solution for low yields (2012) Inflation: What's the tipping point for portfolios (2018) Going global with bonds (2018) 	<ul style="list-style-type: none"> Extending the life of your retirement savings A different kind of target-date investor (2017) <div style="background-color: #A6A6A6; height: 50px;"></div> <ul style="list-style-type: none"> Constructing a DC investment lineup: Four best practices
Keys:				

* Vanguard's research papers are available under the Research & Commentary section at institutional.vanguard.com.

... Not constant change

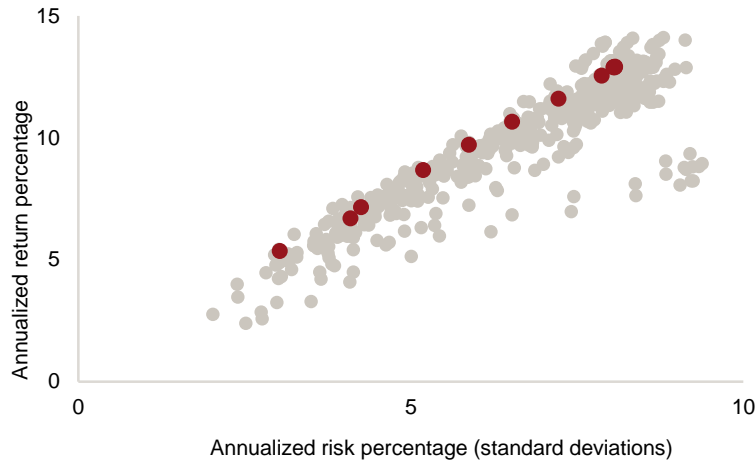
2003	2006	2010	2013	2015
<p>Vanguard launches the Target Retirement Funds</p> <ul style="list-style-type: none"> U.S. equity allocation: Total Stock Market Index Fund International equity allocation: European Stock Index Fund, Pacific Stock Index Fund U.S. fixed income allocation: Total Bond Market Index Fund, Inflation-Protected Securities Fund Short-term reserve allocation: Prime Money Market Fund* 	<p>Emerging market equities and five-year vintage design</p> <ul style="list-style-type: none"> Increased equity allocation across the glide path by approximately 10% Addition of the Emerging Markets Index Fund Launched six new funds (bringing total funds to 12) to align with target retirement dates at five-year intervals 	<p>Consolidation and increase of international equity exposures</p> <ul style="list-style-type: none"> Increased international equity allocation from 20% to 30% of total equity Replaced the three international equity index funds (Europe, Pacific, and Emerging Markets Index Funds) with the Total International Stock Index Fund 	<p>International fixed income and short-term TIPS</p> <ul style="list-style-type: none"> Added a 20% fixed income allocation to the Total International Bond Index Fund Replaced Inflation-Protected Securities Fund with Short-Term Inflation-Protected Securities Fund Eliminated Prime Money Market Fund and reallocated to other fixed income components 	<p>Lower cost and increase international exposures</p> <ul style="list-style-type: none"> Lowered costs by 13% for the overall weighted average pricing Launched the Institutional Target Retirement Funds Increased international allocations by a further 10% in stocks and bonds to 60%/40% (U.S./ex-U.S.) for stocks and 70%/30% for nominal bonds

* The fund is only available to retail investors (natural persons). You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

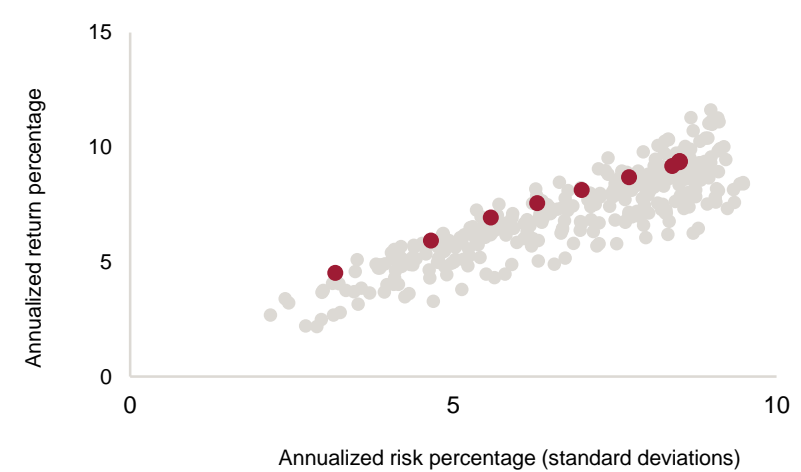
Defendable performance
year after year

Target-date fund industry wide return and risk

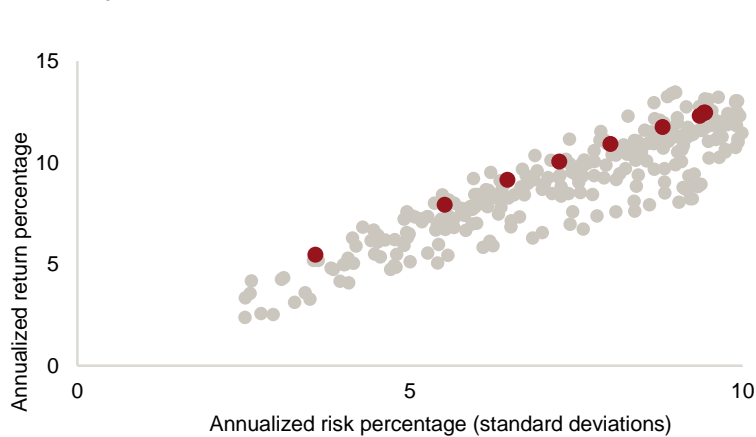
Three-year



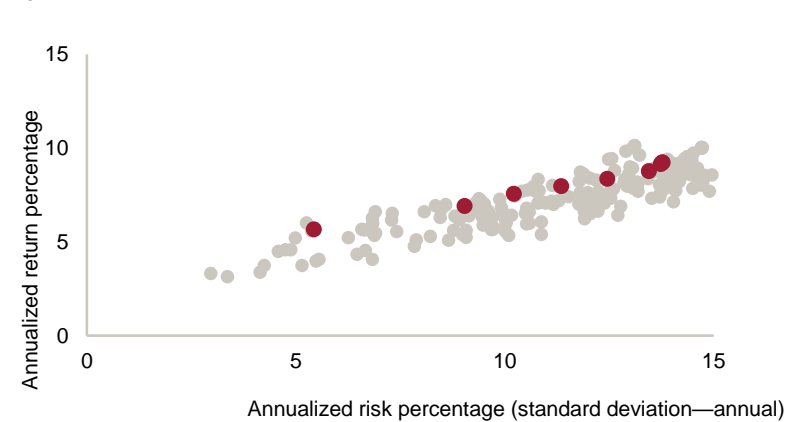
Five-year



Seven-year



Ten-year



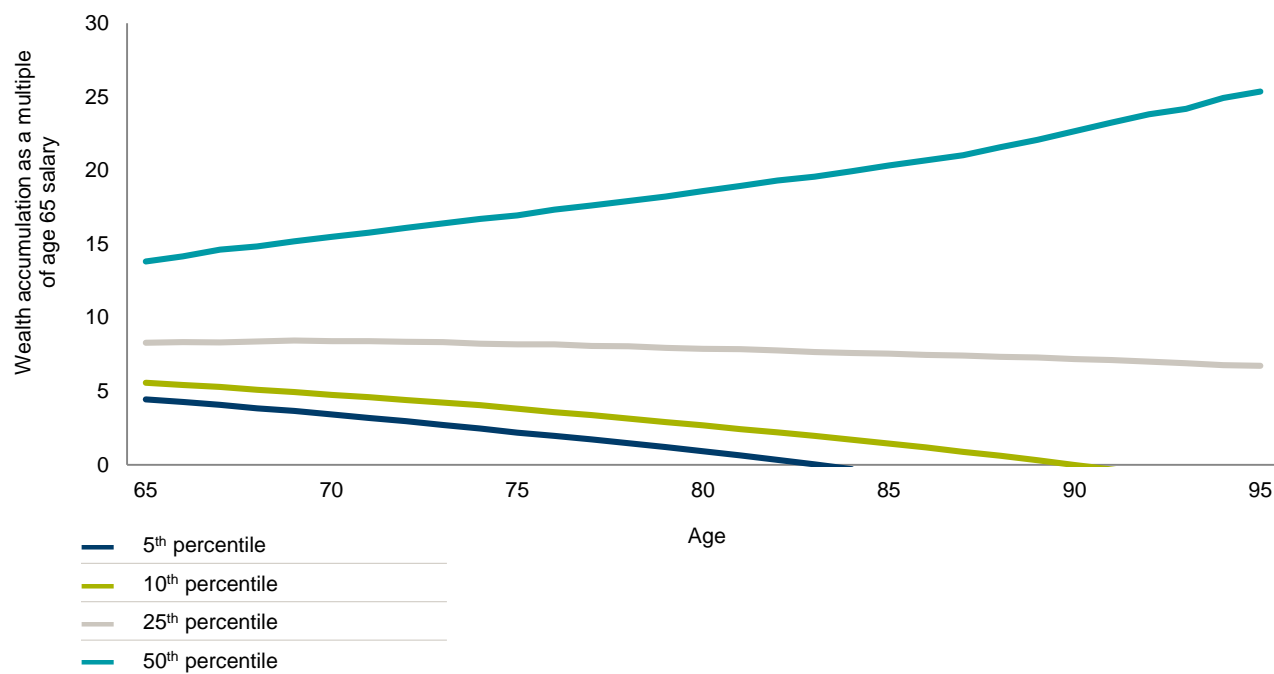
TDF universe

Vanguard

Source: Morningstar; data as of September 30, 2018.
Vanguard Investor Shares highlighted.
Past performance is not a guarantee of future results.

Drawdown scenarios—Baseline replacement rate

A simulated Vanguard glide path would accumulate sufficient assets for investors to systematically drawdown their portfolio to meet base case retirement income need 87% of the time (through age 95)

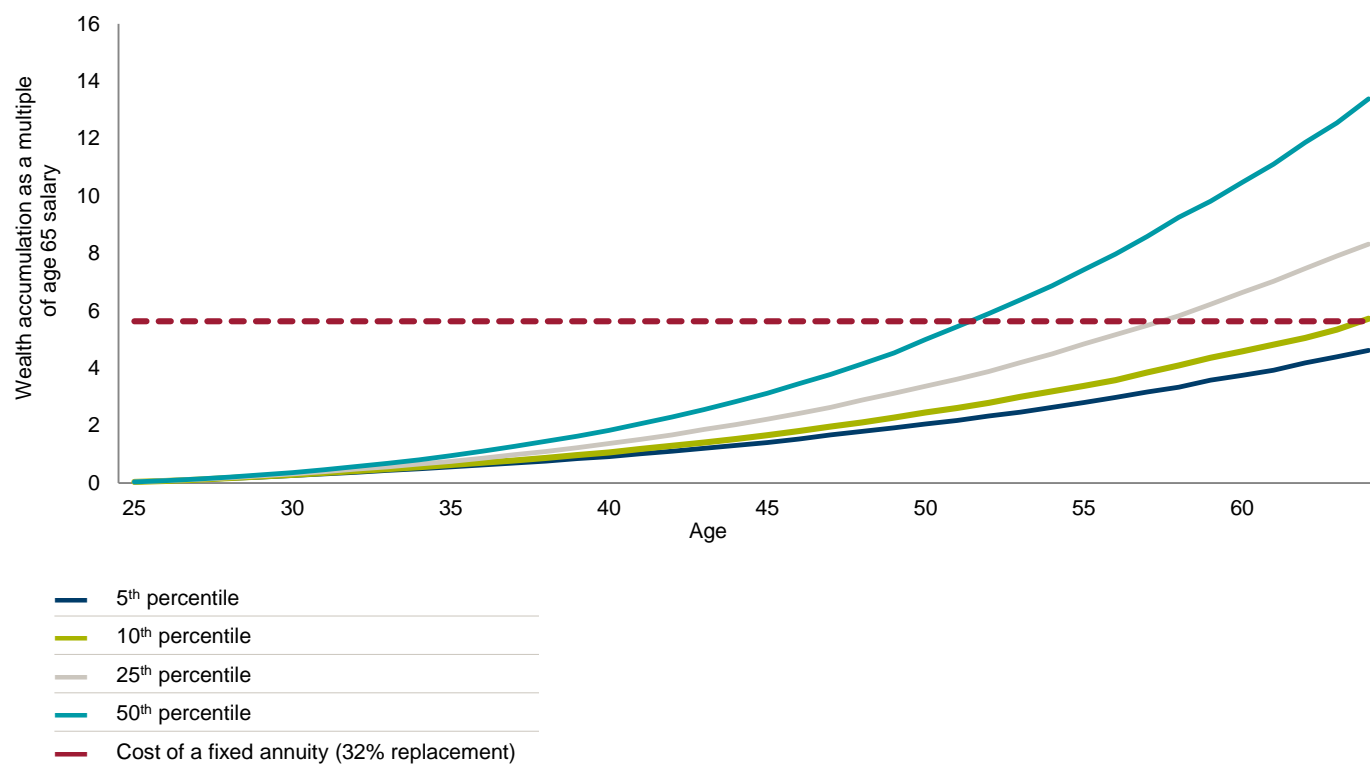


Notes: Salary projections are derived from the Social Security Administration's Wage Index, an index that accounts for factors like career advancement. The index is grown by 1.1% annually, on a real basis, which is representative of the U.S. economy's historical productivity growth. Contribution rates are representative of Vanguard participant averages from 2003–2010, using data drawn from more than 2,200 DC plans and nearly 3.2 million participant accounts recordkept by Vanguard. Contributions are assumed to start at an average rate of 4.88% at age 25, increasing to an average rate of 9.98% by age 64. Over the employee's career, the average contribution rate is 7.2%. We assume a company match of \$0.50 on the dollar up to 3%, which is consistent with industry averages. All annuity figures are for an immediate joint annuity for a 65-year old male and female with an annual payout equal to the required replacement ratio and a 50% benefit to the survivor. These prices were estimated by Vanguard using a 3% discount rate and the Annuity 2000 (as published by the Society of Actuaries) male/female mortality tables projected generationally with 100% of Scale G (as published by the Society of Actuaries) for males and 50% of Scale G for females. To estimate future annuity prices, these prices were then adjusted upward by 10% to account for longer life expectancies 40 years in the future, estimated from the same mortality tables previously. Replacement ratios are drawn from Aon Consulting's "2008 Replacement Ratio Study: A Measurement Tool for Retirement Planning."

IMPORTANT: The projections or other information generated by the Vanguard Capital Markets Model® (VCMM) regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Results from the model may vary with each use and over time. For more information, please see the Important information slide.

Wealth accumulations and cost of annuity

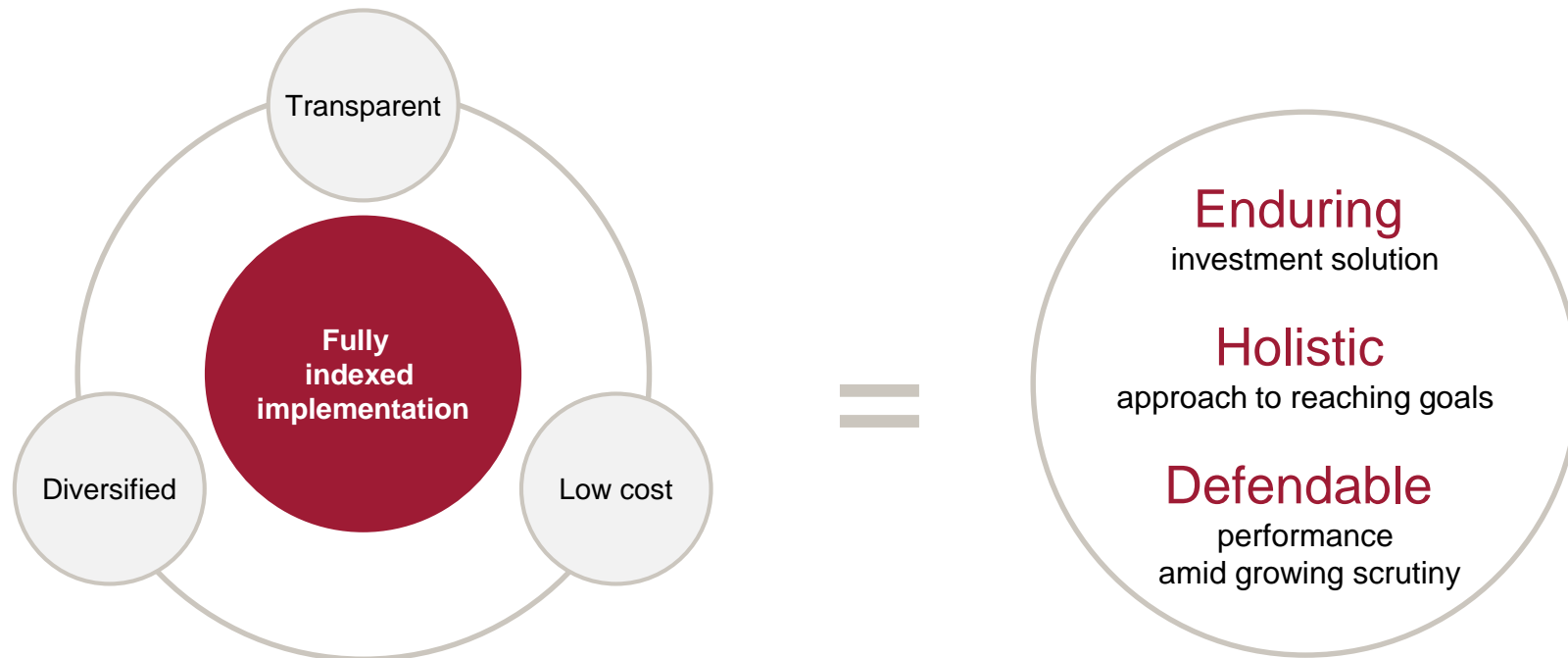
A simulated Vanguard glide path would accumulate sufficient assets about 90% of the time to purchase an immediate annuity to meet base case retirement income need



Notes: Salary projections are derived from the Social Security Administration's Wage Index, an index that accounts for factors like career advancement. The index is grown by 1.1% annually, on a real basis, which is representative of the U.S. economy's historical productivity growth. Contribution rates are representative of Vanguard participant averages from 2003–2010, using data drawn from more than 2,200 DC plans and nearly 3.2 million participant accounts recordkept by Vanguard. Contributions are assumed to start at an average rate of 4.88% at age 25, increasing to an average rate of 9.98% by age 64. Over the employee's career, the average contribution rate is 7.2%. We assume a company match of \$0.50 on the dollar up to 3%, which is consistent with industry averages. All annuity figures are for an immediate joint annuity for a 65-year old male and female with an annual payout equal to the required replacement ratio and a 50% benefit to the survivor. These prices were estimated by Vanguard using a 3% discount rate and the Annuity 2000 (as published by the Society of Actuaries) male/female mortality tables projected generationally with 100% of Scale G (as published by the Society of Actuaries) for males and 50% of Scale G for females. To estimate future annuity prices, these prices were then adjusted upward by 10% to account for longer life expectancies 40 years in the future, estimated from the same mortality tables previously. Replacement ratios are drawn from Aon Consulting's "2008 Replacement Ratio Study: A Measurement Tool for Retirement Planning."

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Target Retirement Funds benefits to plan sponsors and participants



Top-ranked



Vanguard Target Retirement Fund Series has received **Morningstar's Gold Analyst Rating** annually since 2012.



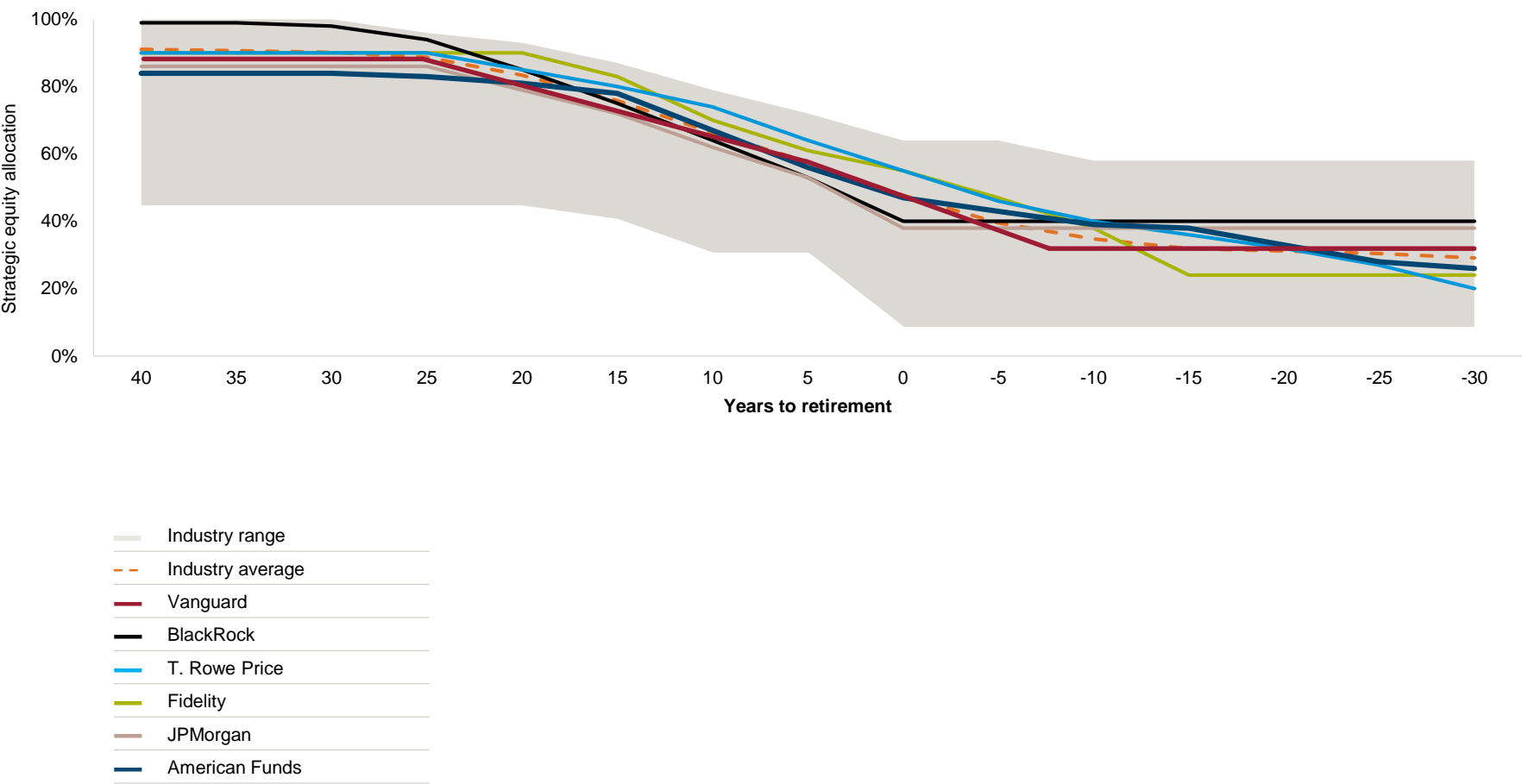
“Vanguard’s approach is founded on a wealth of industry research and data on participant behavior, and it’s boosted by the firm’s success as a low-cost provider. This straightforward series continues to be a top pick and earns a Morningstar Analyst Rating of Gold.”

Susan Wasserman, Morningstar Analyst,
May 2016

Source: Morningstar, 2016.

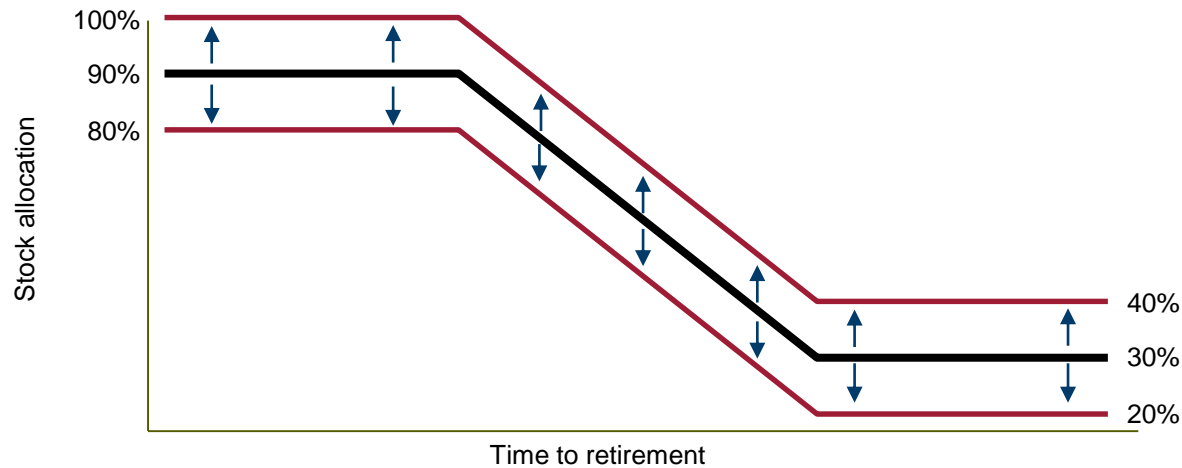
The Morningstar Analyst Rating for Target-Date Series mutual funds is not a credit or risk rating. Morningstar assesses and rates individual components such as the people behind the funds, the parent investment company, portfolio structure, performance, and price. Morningstar’s Analyst Rating for Target-Date Series assigns an overall rating: Gold, Silver, Bronze, Neutral, and Negative. In February 2013, February 2014, April 2015, April 2016, April 2017, and May 2018, Vanguard received the highest rating in the series for 2012, 2013, 2014, 2015, 2016, and 2017, respectively. For more information, please refer to the Important information slide.

Industry equity range and competitor glide paths



Sources: Morningstar 2018 Target-Date Fund Landscape, published on 5/08/2018; Vanguard calculation for industry average.

Parallel movements to the glide path affect outcomes at the margin for low-cost TDFs



Probability of positive balance at age 95

“Conservative” glide path

Baseline glide path

“Aggressive” glide path

91%

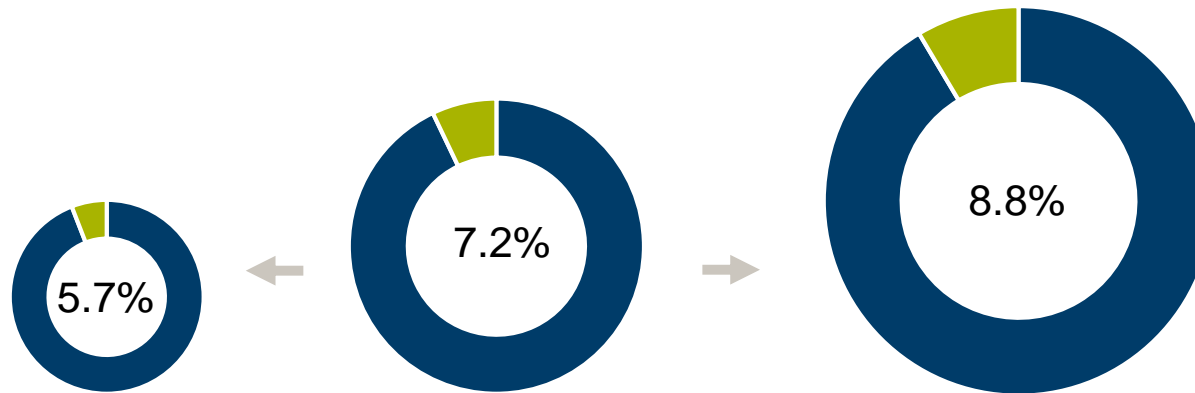
92%

92%

IMPORTANT: The projections or other information generated by Vanguard Capital Markets Model® (VCMM) regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Results may vary with each use and over time. Please see the Important information slide for additional information about VCMM.

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The power of the savings rate



Probability of positive balance at age 95

Reduced savings rate

Baseline savings rate

Increased savings rate

86%

92%

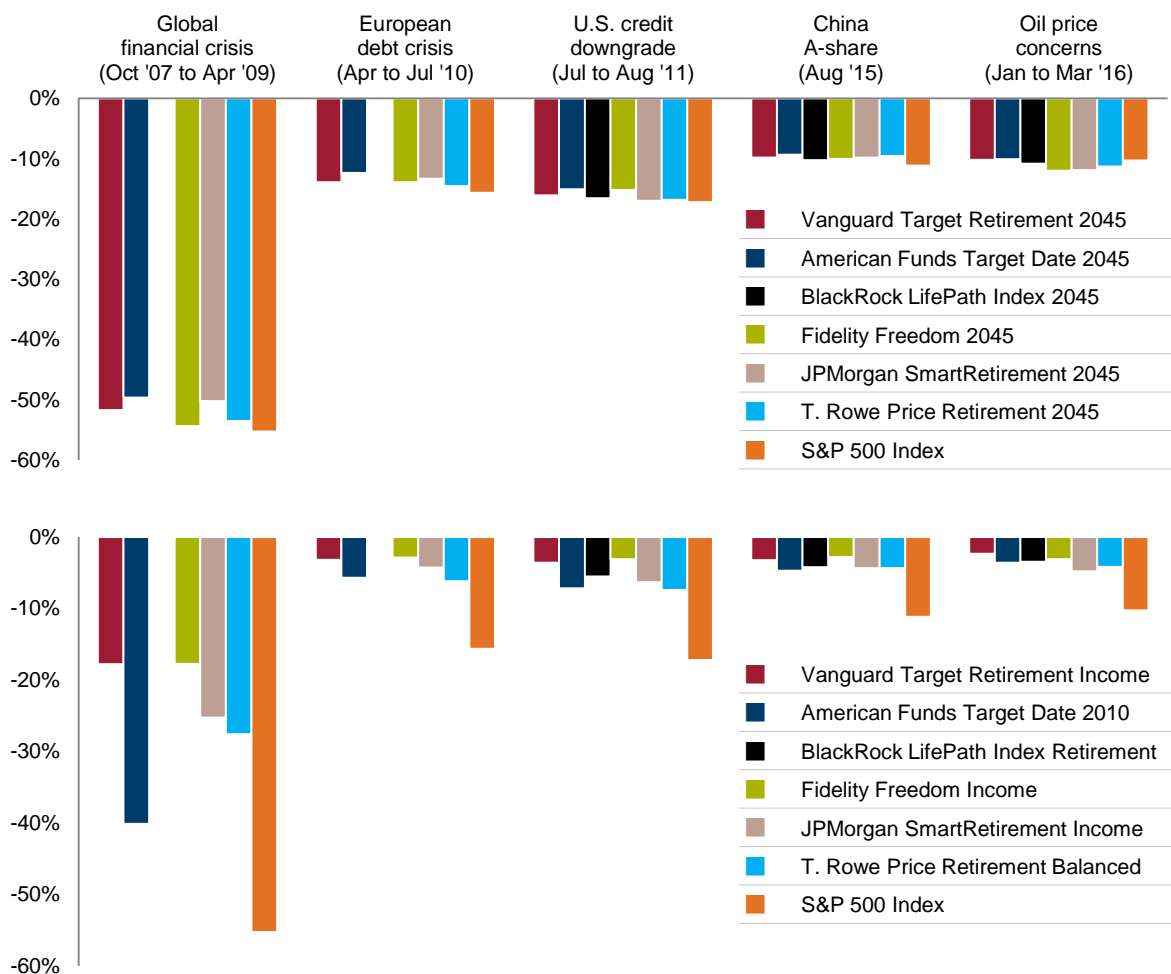
95%

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Peer-relative returns during equity market drawdowns

Five notable equity market drawdowns of the past decade



- The return differentials amongst the longer-dated (2045) funds is less notable, given the significant equity market exposure within the early phases of all glide paths in the TDF market. The differences are more significant for the retirement income funds, reflecting both differing equity exposures at retirement and differences in the underlying composition of both the equity and fixed income portfolios.
- Notably, Vanguard's Target Retirement Income Fund has consistently provided downside protection that ranks among the top of the peer group, reflecting a moderately more conservative landing point for equity exposure (30%) and a truly diversifying fixed income allocation that is entirely investment grade, does not overweight riskier issuers, and does not systematically underweight duration as observed in many active fixed income portfolios since the financial crisis.

Important information

The Morningstar Analyst Rating for Target-Date Series mutual funds is not a credit or risk rating. In February 2013, February 2014, April 2015, April 2016, April 2017, and 2018, Vanguard received the highest rating in the series for 2012, 2013, 2014, 2015, 2016, and 2017, respectively. The Morningstar Analyst Rating for Target-Date Series mutual funds reflects a subjective evaluation of quantitative and qualitative factors performed by mutual fund analysts of Morningstar Inc. and represents a summary expression of forward-looking analysis of target-date mutual funds. The Morningstar Analyst Rating is assigned on a five-tier scale running from Gold, Silver, Bronze, Neutral, and Negative. Funds are evaluated on five key pillars: process, price, performance, people, and parent. A Gold rating means that the series has distinguished itself across all five pillars. It expresses an expectation that the funds, in a series as a whole, collectively will outperform their relevant performance benchmarks and/or peer groups within the context of the level of risk taken over the long term. The Silver rating applies to funds with notable advantages across several, but perhaps not all, of the five pillars—strengths that give the analysts a high level of conviction. A Bronze rating applies to funds with advantages that outweigh the disadvantages across the five pillars and with sufficient level of analyst conviction to warrant a positive rating. A Neutral rating is for funds that aren't likely to deliver standout returns but also aren't likely to significantly underperform, according to the analysts, and a Negative rating is reserved for funds that have at least one flaw likely to significantly hamper future performance and that are considered by analysts an inferior offering to their peers.

The Morningstar Analyst Rating for Target-Date Series mutual funds should not be used as the sole basis in evaluating a target-date mutual fund series. This Morningstar Analyst Rating is based on Morningstar's current expectations about future events; therefore, in no way should the rating be considered as a guarantee of favorable performance. All Morningstar Analyst Ratings involve unknown risks and uncertainties, which may cause Morningstar's expectations not to occur or to differ significantly from what was expected.

The Morningstar Analyst Rating for the Target-Date Series is distinct from the Analyst Rating for individual mutual funds and mutual fund families. A fund in a target-date series may have analyst ratings for both its series and a particular fund, and in some cases those ratings may not be identical. While target-date series funds are typically evaluated by Morningstar once a year, there is no set time frame for their evaluation. For additional information about the Morningstar Analyst Rating for Target-Date Series mutual funds, including its methodology, visit corporate.morningstar.com.

IMPORTANT: The projections and other information generated by the Vanguard Capital Markets Model® (VCMM) regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. VCMM results will vary with each use and over time.

The VCMM projections are based on a statistical analysis of historical data. Future returns may behave differently from the historical patterns captured in the VCMM. More important, the VCMM may be underestimating extreme negative scenarios unobserved in the historical period on which the model estimation is based.

The Vanguard Capital Markets Model® is a proprietary financial simulation tool developed and maintained by Vanguard's primary investment research and advice teams. The model forecasts distributions of future returns for a wide array of broad asset classes. Those asset classes include U.S. and international equity markets, several maturities of the U.S. Treasury and corporate fixed income markets, international fixed income markets, U.S. money markets, commodities, and certain alternative investment strategies. The theoretical and empirical foundation for the Vanguard Capital Markets Model is that the returns of various asset classes reflect the compensation investors require for bearing different types of systematic risk (beta). At the core of the model are estimates of the dynamic statistical relationship between risk factors and asset returns, obtained from statistical analysis based on available monthly financial and economic data from as early as 1960. Using a system of estimated equations, the model then applies a Monte Carlo simulation method to project the estimated interrelationships among risk factors and asset classes as well as uncertainty and randomness over time. The model generates a large set of simulated outcomes for each asset class over several time horizons. Forecasts are obtained by computing measures of central tendency in these simulations. Results produced by the tool will vary with each use and over time.

Developed Markets Index Fund

Vanguard Developed Markets Index Fund (VTMNX)

Investment approach

Key facts

Expense ratio as of 6 bps
04/25/2018
As reported in the most recent prospectus.

Designation International/global blend

Fund inception date 08/17/1999

Institutional Shares 01/04/2001
inception date

Total net assets as of 09/30/2018 (\$M) \$111,151

Net fund assets for VTMNX as of 09/30/2018 (\$M) \$11,686

Holdings 3,990

Indexed to FTSE Developed All Cap ex US Index (ACDXUSR)

Turnover rate (fiscal year-end 12/31/2017) 3.4%

CUSIP 921943882

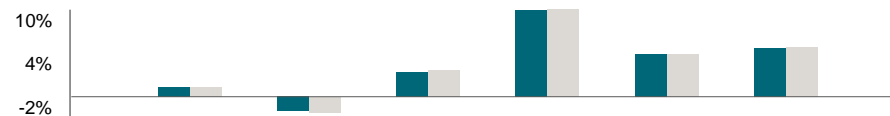
Investment manager Vanguard Equity Index Group

Risk and volatility

	R ²	Beta
Primary benchmark	0.97	0.93
Broad-based benchmark	0.96	0.91

R-squared and beta are calculated from trailing 36-month fund returns relative to the associated benchmark.
Broad-based benchmark: FTSE Global All Cap ex US Index.

Performance



	Quarter-end	Year-to-date	Annualized			
			1-year	3-year	5-year	10-year
Fund	1.09%	-1.59%	2.79%	9.85%	4.85%	5.55%
Benchmark	1.06%	-1.82%	3.03%	9.99%	4.90%	5.64%
+/- Benchmark	0.03%	0.23%	-0.24%	-0.14%	-0.05%	-0.09%

Spliced Developed ex US Index: MSCI EAFE Index through May 28, 2013; FTSE Developed ex North America Index through December 20, 2015; FTSE Developed All Cap ex US Transition Index through May 31, 2016; FTSE Developed All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.

Performance versus competitors

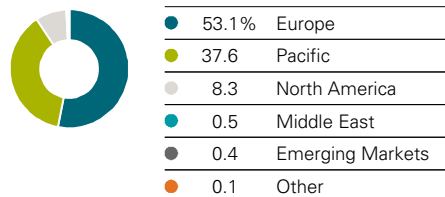
Percentage of International Funds outperformed by VTMNX



Source: Lipper, a Thomson Reuters Company. Based on total returns as of September 30, 2018. Number of funds in category: 1-year, 1489; 3-year, 1254; 5-year, 1056; 10-year, 747. Results will vary for other time periods.

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at vanguard.com/performance. Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

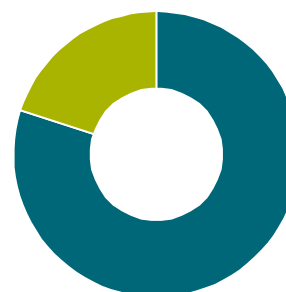
Regional diversification



Vanguard Equity Index Group—Firm overview

Vanguard Equity Index Group (EIG) manages assets with high fiduciary and professional standards.

Equity index asset distribution



●	80% Domestic
●	20% International

Portfolio management

Christine D. Franquin, Principal

- Portfolio manager.
- Advised the fund since 2013.
- Worked in investment management since 2000.
- B.A., Universitaire Faculteiten Sint Ignatius, Antwerpen Belgium.
- J.D., University of Liege Belgium.
- Master of Science in Finance, Clark University, Massachusetts.

Michael Perre, Principal

- Portfolio manager.
- Advised the fund since 2017.
- Worked in investment management since 1990.
- B.A., Saint Joseph's University.
- M.B.A., Villanova University.

Source: Vanguard, as of September 30, 2018.

* Asset-weighted expense ratio for all Vanguard equity index funds.

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Vanguard's equity indexing process

A day in the life of a Vanguard portfolio manager



Tracking differences

The fund seeks to track its benchmark, but tracking differences can occur. The main sources of these differences are:

Expense ratio

- The fund's expense ratio is an ongoing contributor to tracking differences.

Fair value pricing

- Price adjustments made to securities to account for market activity that occurs between the time that securities are valued at the close of business in their local market and the close of business in the U.S. (when the fund is valued).
- Can be a positive or negative adjustment.
- Tends to create tracking error in the short-term that dissipates over time.

Securities lending

- Vanguard operates a very conservative securities lending program.
- Funds selectively lend "specials," not general collateral.
- All net revenue (net of broker rebates, direct operating expenses, and agent fees) is returned to portfolios.
- Program has rigorous risk controls and invests collateral in a high quality money market fund.

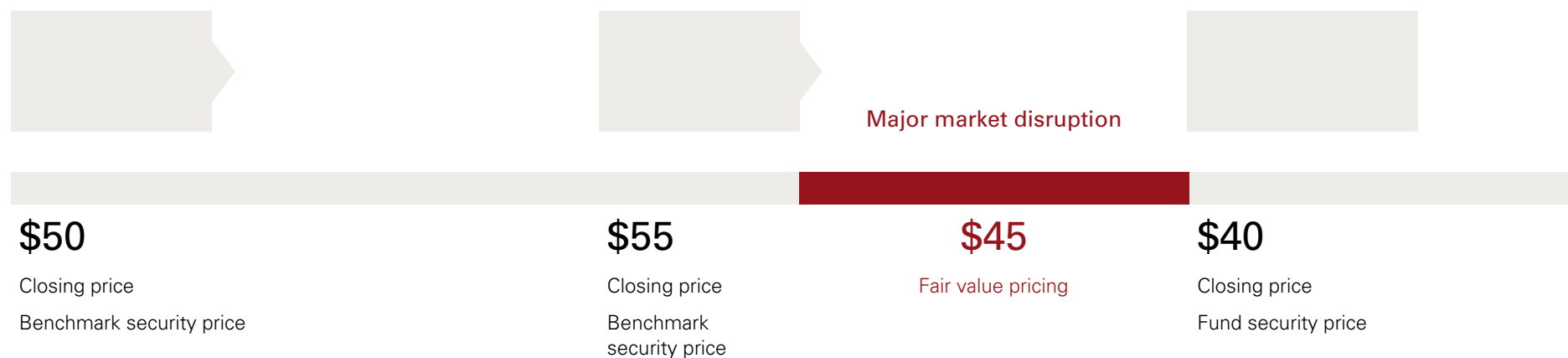
Other

- Index sampling differences.
- Use of futures.
- Index change management.
- Trading costs.
- Impact of NAV penny rounding.

Fair value pricing

Fair value pricing can cause temporary, but sometimes substantial, performance differences between international index funds and their benchmarks.

Much can happen in a few hours

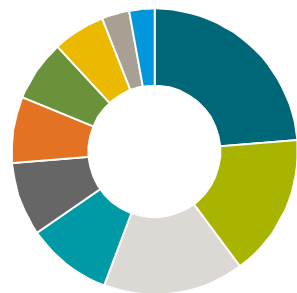


Vanguard Developed Markets Index Fund (VTMNX)

Equity characteristics

	VTMNX	Benchmark
Number of stocks	3,990	3,910
Median market cap	\$27.9B	\$27.9B
P/E ratio (trailing earnings)	14.0x	14.0x
P/B ratio	1.6x	1.6x
Return on equity (5-year average)	11.3%	11.3%
Earnings growth rate (5-year)	8.3%	8.3%
Equity yield (dividend)	3.0%	3.0%
Turnover (fiscal year end)	3.4%	—
Short-term reserves	0.0%	N/A

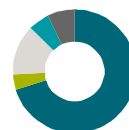
Sector diversification as a % of common stock



Sector	VTMNX	Benchmark
Financials	23.7%	23.6%
Consumer Goods	16.1	16.0
Industrials	16.0	16.0
Health Care	9.6	9.7
Consumer Services	8.3	8.3
Basic Materials	7.5	7.5
Oil & Gas	6.9	6.9
Technology	5.9	6.0
Telecommunications	3.1	3.1
Utilities	2.9	2.9

Sector categories are based on the Industry Classification Benchmark ("ICB"), except for the "Other" category (if applicable), which includes securities that have not been provided an ICB classification as of the effective reporting period.

Market-cap breakdown



Market capitalization	VTMNX	Benchmark
More than \$12	70.1%	70.1%
\$9 to \$12	4.0	4.0
\$4 to \$9	13.3	13.3
\$2 to \$4	5.4	5.4
Below \$2	7.2	7.2

Risk and volatility

	R-squared	Beta	Alpha	Standard deviation	Sharpe ratio
VTMNX	N/A	N/A	0.04	10.06	0.90
Primary benchmark	0.97	0.93	N/A	10.72	0.86
Broad-based benchmark	0.96	0.91	N/A	10.78	0.87

R-squared and beta are calculated from trailing 36-month fund returns relative to the associated benchmark. Broad-based benchmark: FTSE Global All Cap ex US Index.

Market allocation

	% of common stock	
	VTMNX	Benchmark
Japan	22.5%	22.5%
United Kingdom	15.3	15.3
Canada	8.4	8.4
France	8.4	8.4
Germany	7.7	7.7
Switzerland	6.6	6.7
Australia	6.0	6.0
Korea	4.6	4.5
Hong Kong	3.1	3.1
Netherlands	2.8	2.8
Other	14.6	14.6

Ten largest holdings

	% of total net assets
Royal Dutch Shell plc	1.5%
Nestle SA	1.3
Samsung Electronics Co. Ltd.	1.2
Novartis AG	1.0
HSBC Holdings plc	0.9
Roche Holding AG	0.9
TOTAL SA	0.8
Toyota Motor Corp.	0.8
BP plc	0.8
Unilever	0.7
Top ten as a % of total net assets	9.9%

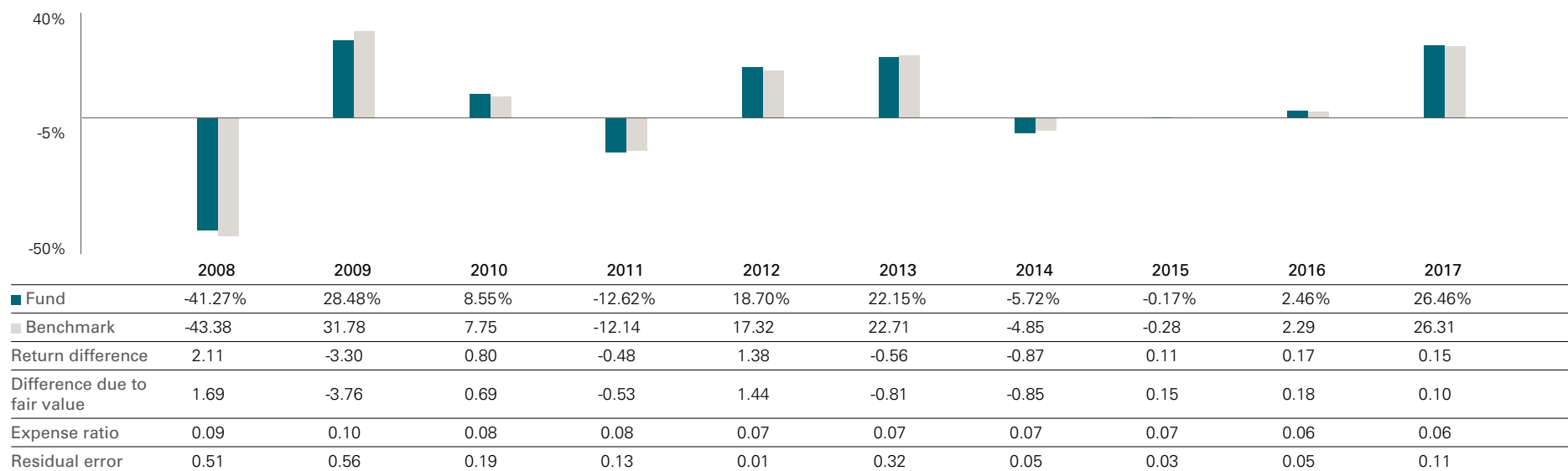
The holdings listed exclude any temporary cash investments and equity index products.

Vanguard Developed Markets Index Fund (VTMNX)

Performance and tracking differences

As of September 30, 2018	Quarter-end	Year-to-date	Annualized			
			1-year	3-year	5-year	10-year
VTMNX	1.09%	-1.59%	2.79%	9.85%	4.85%	5.55%
Benchmark	1.06	-1.82	3.03	9.99	4.90	5.64
Return difference	0.03	0.23	-0.24	-0.14	-0.05	-0.09
Difference due to fair value	0.00	0.21	-0.21	-0.18	-0.04	-0.19
Expense ratio	0.02	0.05	0.06	0.06	0.07	0.08
Residual error	0.05	0.07	0.03	0.09	0.06	0.18

Calendar-year performance



Spliced Developed ex US Index: MSCI EAFE Index through May 28, 2013; FTSE Developed ex North America Index through December 20, 2015; FTSE Developed All Cap ex US Transition Index through May 31, 2016; FTSE Developed All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at vanguard.com/performance.

Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses.

The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

Note: Except for the most recent quarter, the expense ratios presented are the funds' actual operating expenses and they exclude any acquired fees and expenses, which result from the funds' holdings in business development companies (BDCs). BDC expenses are not direct costs paid by fund shareholders and are not used to calculate the fund's net asset value.

Vanguard Developed Markets Index Fund (VTMNX)

Investment commentary as of 9/30/2018

- Global markets were in positive territory for the quarter ended September 30, 2018, largely because of the performance of U.S. stocks. The S&P 500 Index had its best quarter in five years as increasing profits and a strengthening economy outweighed investor concerns about rising interest rates, higher inflation, and trade tensions. Stocks in the U.K. lagged their European counterparts, in part because of uncertainty surrounding the Brexit negotiations. Concerns about Italy's debt and the dependence of Europe's economy on emerging markets led to muted returns for European stocks. Emerging-market stocks, hurt by a rising dollar and trade protectionism, produced negative returns and trailed their developed counterparts in the United States, Europe, and the Asia-Pacific region.
- The Spliced Developed ex US Index returned 1.06% for the quarter. The FTSE Global All Cap ex US Index, which measures developing and emerging markets outside of the United States, returned 0.51%.
- Health care (+5.3%), industrials (+2.0%), and financials (+1.1%) were the top contributors.
- Consumer services (–1.5%), basic materials (–1.2%), and utilities (–1.1%) detracted.
- For the 12 months ended September 30, the Spliced Developed ex US Index returned 3.03%. The largest contributors were health care (+12.3%), oil & gas (+15.4%), and industrials (+4.0%). Financials (–1.4%) and telecommunications (–3.0%) detracted.

Important information

For more information about any fund, visit [vanguard.com](https://www.vanguard.com) or call 866-499-8473 to obtain a prospectus or, if available, a summary prospectus. Investment objectives, risks, charges, expenses, and other important information are contained in the prospectus; read and consider it carefully before investing.

Vanguard ETF® Shares are not redeemable with the issuing Fund other than in very large aggregations worth millions of dollars. Instead, investors must buy or sell Vanguard ETF Shares in the secondary market and hold those shares in a brokerage account. In doing so, the investor may incur brokerage commissions and may pay more than net asset value when buying and receive less than net asset value when selling.

Mutual funds and all investments are subject to risk, including the possible loss of the money you invest. Prices of mid- and small-cap stocks often fluctuate more than those of large-company stocks. Investments in stocks or bonds issued by non-U.S. companies are subject to risks including country/regional risk and currency risk. These risks are especially high in emerging markets. Funds that concentrate on a relatively narrow sector face the risk of higher share-price volatility. It is possible that tax-managed funds will not meet their objective of being tax-efficient. Because company stock funds concentrate on a single stock they are considered riskier than diversified stock funds.

Investments in bond funds are subject to the risk that an issuer will fail to make payments on time, and that bond prices will decline because of rising interest rates or negative perceptions of an issuer's ability to make payments. High-yield bonds generally have medium- and lower-range credit quality ratings and are therefore subject to a higher level of credit risk than bonds with higher credit quality ratings. Although the income from a municipal bond fund is exempt from federal tax, you may owe taxes on any capital gains realized through the fund's trading or through your own redemption of shares. For some investors, a portion of the fund's income may be subject to state and local taxes, as well as to the federal Alternative Minimum Tax. Diversification does not ensure a profit or protect against a loss.

Investments in Target Retirement Funds or Trusts are subject to the risks of their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund or trust would retire and leave the workforce. The fund or trust will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in the Target Retirement Fund or Trust is not guaranteed at any time, including on or after the target date.

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Factor funds are subject to investment style risk, which is the chance that returns from the types of stocks in which the fund invests will trail returns from U.S. stock markets. Factor funds are subject to manager risk, which is the chance that poor security selection will cause the fund to underperform relevant benchmarks or other funds with a similar investment objective.

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Nevada Public Employees Deferred Compensation Program

Statement of Investment Policy

Amended 05/2018

Adopted March 2006

Nevada Public Employees Deferred Compensation Program

Statement of Investment Policy

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Section 1- Introduction

The Nevada Public Employees Deferred Compensation Committee (Committee) hereby adopts this Statement of Investment Policy (Policy) for the Nevada Public Employees Deferred Compensation Program (Program).

The Committee shall deliberate the status of the Program in an open forum, at least quarterly, conduct a review of the investment options and contracted service providers (i.e., Recordkeeper, Investment Consultant, and other contracted service providers) as necessary and take action as appropriate.

Objectives of the Program

The Program, established in 1977, is a voluntary tax-deferred supplemental retirement plan (IRC 457(b)), which provides participants and their beneficiaries with a supplement to their other retirement savings. The Program operates solely in the interest of plan participants and beneficiaries. As a voluntary, participant-directed plan, participants bear the ongoing responsibility for deciding the amount of current compensation to defer and the selection of investment allocation and options.

The Committee, appointed by the Governor pursuant to NRS 287.325, oversees the Program and strives to provide high-quality investment options at competitive costs while maintaining high standards of customer service. The Committee and its Executive Officer monitor the Program's contracted Service Providers (i.e., Recordkeeper, Investment Consultant, and other contracted service providers), communicate the importance of supplemental savings through educational group or individual sessions, electronic communications, newsletters, and other informational efforts, and administer the Program in accordance with state and federal guidelines. All Program expenses are paid from revenue generated by Plan participants to ensure that all participants equitably support the cost associated with the ongoing services of the Plan in a transparent manner. The Committee strives to utilize the most efficient share class investment management fee on all investment options adopted in the core investment line-up. Should any excess revenue be captured from a variable investment option that still requires a revenue sharing agreement, crediting will appear as investment earnings that are applied back to the specific investment option, reflected as a credit, and appear on

participant's quarterly statements accordingly. Consistent with Plan's goals of fee transparency and cost equality, the Program's cost structure will consist of two parts:

1. **Quarterly Asset Charge against All Variable Investment Options**- A quarterly asset charge against all variable investment options will result in a charge being assessed against all variable investment options to cover the annual Recordkeeping expenses charged per the current contract in place by the Plan. This asset based charge will not apply to assets invested in the Plan's current stable value investment option, but the Committee reserves the right to amend this parameter at any time.
2. **A Per Account Fee**- a single per account fee will be assessed quarterly against all accounts in excess of \$1000 on or around the 20th of the last month of each quarter, regardless of where the participant's investments are held.

The Program is a long-term retirement savings vehicle and is intended as a source of supplemental retirement income for eligible participants. The available options cover a range of investment risk and reward which the Committee deems appropriate for this retirement savings program. Although the Program is not mandated to follow guidelines set forth under the Employee Retirement Income Security Act (ERISA), the Program chooses to follow pertinent guidelines that are recommended as "Best Practices" in the industry as relevant to the Program. ERISA states the broad range of investment alternative requirement is met if investments are sufficient to permit participants a reasonable opportunity to materially affect the potential return and degree of risk on their investments. The participants must also have an opportunity to choose from at least three investments that:

- Are diversified;
- Have materially different risk and return characteristics;
- In the aggregate, enable the participant to achieve aggregate risk and return characteristics at any point within the range "normally appropriate for the participant;" and
- Each of which, when combined with the other alternatives, tends to minimize, through diversification, the overall risk of the portfolio.

The objectives of the Program are as follows:

- Assist employees and their beneficiaries in accumulating assets for retirement, as allowable under Section 457(b) of the Internal Revenue Code (IRC) and other governing rules and regulations;
- Provide a menu of high quality, diversified investment options that will allow participants of varying risk tolerance to construct portfolios tailored to meet their particular financial goals;
- Afford participants interested in investments other than core menu options access to a broad range of investment opportunities through a self-directed brokerage window; and

Minimize investment management and administrative expenses without compromising quality, performance, and service.

Purpose of the Statement of Investment Policy

The Committee has developed this Policy to define the objectives of the Program and establish policies and procedures for creating the highest probability that these objectives will be met in a prudent manner consistent with governing rules and regulations.

The Policy serves to:

- Define the Program objectives and link them to the Program's investment structure;
- Document the responsibilities of Program fiduciaries and non-fiduciaries;
- Define the investment categories offered and establish investment objectives and guidelines for each category;
- Determine appropriate benchmarks/performance standards;
- Set guidelines for monitoring investment performance ;
- Establish guidelines for changes to the investment options or Providers, including actions that may be taken upon failure to meet performance and or risk/return standards

- Outline remedies for investments that fail to satisfy these standards; and
- Establish quantitative and qualitative standards for ongoing evaluation of Program investments.

In general, it is understood that this Policy is intended to incorporate sufficient flexibility to accommodate current and future economic and market conditions and changes in applicable accounting, regulatory, and statutory requirements. The Committee will review this Policy at least annually, and, if appropriate, amend it to reflect changes in capital markets, Program participant objectives, or other relevant factors.

Decision Making Process

Participants make their own decisions when directing the investment of future contributions and accumulated account balances among the investment options offered under the Program. Participants bear the risk of investment results deriving from all decisions and from all investment results. No fiduciaries of the Program, shall be liable for any losses resulting from participant-directed investments. The Program is structured to enable a participant to build his/her own investment strategy. It is the participant's responsibility to re-allocate assets among investment options as personal circumstances and market conditions change. Participants may exchange and transfer money among the various investment options on a daily basis, subject to restrictions, if any, imposed by the Recordkeeper and the applicable investment manager. The Recordkeeper will make information available to participants regarding the various investment funds offered and guidance on the basic principles of investing, in accordance with ERISA and applicable law. However, the dissemination of such information alone does not constitute advice to participants. Participants are responsible for reading communications regarding the investment funds, establishing financial goals for themselves, and addressing their risks by diversification. The Program's contracted Recordkeeper will not provide investment advice to program participants, except through an optional independent third-party fiduciary advisory program as directed by the Committee (Section 6). Only educational information and general allocation guidance is permitted to be provided directly by the Program Administrative Staff, and/or its contracted Recordkeeper and its representatives.

Selection of Investment Options

The Program, at the Committee's discretion, may offer any of the following investment options:

Asset Allocation /Target Date Retirement

Principal Protection/Guaranteed Options

Fixed Income

U.S. Equity

International Equity

~~Global Equity~~

Each investment option offered under the Program shall:

- Include asset management fees that are reasonable and consistent with the industry;
- Operate in accordance with its prospectus or "fact sheet"

The Committee, in its sole discretion, may add or delete investment options/categories.

Investment Fund Selection

Before hiring a new investment fund manager, and based on the Investment consultant's recommendation to the Committee, the Committee will define the Investment Option/Style for the fund and the performance, quality, and risk characteristics of the investment manager that will be required. At a minimum, investment managers (and funds) under consideration should demonstrate they have met those performance and risk characteristics criteria under live, not modeled, conditions and over an appropriate time period. The selection process will involve a disciplined approach that will be fully documented.

Objectives in selecting a manager or fund would include the manager or fund's ability to:

- Maximize return within reasonable and prudent levels of risk;
- Maintain style consistency through a variety of market conditions;
- Provide returns comparable to returns for similar investment options;
- Control administrative and management costs; and
- Invest in assets consistent with investment objectives.

Section 2- Investment Categories:

Investment Structure

The Committee, taking into account the advice and counsel of its contracted Investment Consultant, has selected options to fit within the structure below to provide participants access to a diversified array of distinct asset classes along the risk return spectrum. The Program's investment structure can be segmented into tiers, with each meeting the varying needs of Participants. The Committee will review the list of options periodically to affirm its appropriateness for the Program. At any time, the Committee may decide to add or remove options as it deems necessary. Please see Exhibit A for specific investment options associated with the tiers described below.

Tier	Description
Tier I: Asset Allocation Options (Target Date Portfolios)	Allows participants to choose a pre-mixed, diversified portfolio that best fits their anticipated retirement year or maturity date. These funds generally start with a greater allocation to equities; and over time, the allocation will reduce equity exposure and increase the percentage to

	bonds and cash.
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Tier II (A): Passive Core Options	A set of passively managed funds from the major asset classes that can be used as building blocks to allow participants to create their own portfolios based on their time horizon, risk tolerance and investment goals.
Tier II (B): Active Core Options	A set of actively managed funds from the major asset classes that can be used as building blocks to allow participants to create their own portfolios based on their time horizon, risk tolerance and investment goals.
Tier III: Specialty Options	Allows participants who are interested in investments outside Tiers I and II the opportunity to diversify their investments through a vast array of additional mutual funds or other diversified investments based on their time horizon, risk tolerance and investment goals.

Objectives & Performance Standards

Asset Allocation Portfolios / Target Retirement Date Funds

Objective

The objective of this investment category is to invest in a diversified portfolio of holdings that are systematically rebalanced during the various market cycles or stages of an investor's lifetime. Lifecycle Funds (also known as Target Date Funds) establish a targeted "maturity date" and will automatically reallocate the investments over time from a more aggressive to a more conservative allocation. The funds are designed for the participant to select the fund that has its "maturity date" set similarly to his or her own investment horizon; often the participant's retirement age. The underlying mutual fund investments that comprise each Lifecycle Fund will be either active or passively managed by the investment manager. The dynamic asset allocation applied to each target date fund will be determined and rebalanced, accordingly, by the investment manager.

Lifecycle Funds provide a single, diversified alternative for retirement savings for participants in various stages of saving. The Funds allow the investor to take advantage of the diversification and asset allocation strategies that are in line with the date of retirement.

The Lifecycle/Target Date option will be the Qualified Default Investment Alternative (QDIA) based upon a participant date of birth and assumed retirement age of 65. This election has been based upon guidelines under the Department of Labor rules and guidelines related to permissible default investment options.

Performance Standards/Benchmarks (Net of fees)

- Index funds should track the performance of the stated index allowing a tracking differential of no more than 20 basis points less than the current index benchmark performance.
- The composite index for each fund will be established by the fund manager to reflect the asset allocation of the portfolio.
- The composite indexes for all the funds will consistently change allocation by gradually

shifting its allocation to more conservative investments as the fund matures.

Stability of Principle/Guaranteed Option

Objective

The objective of this fund option is to provide principal preservation, benefit responsiveness, liquidity, and current income at levels that typically are higher than those provided by money market funds over an interest rate cycle. The book value accounting feature of the Stable Value Fund investments is expected to produce relatively stable annual return on fund assets with little to no fluctuation in account values. The fund is to provide a competitive rate of interest consistent with the marketplace of similar products.

Performance Standards

- Competitive rate of interest relative to the Hueler Stable Value Index;
- Declared annualized rate of interest at least quarterly and prior to the quarter; and
- Book to market ratio of the portfolio reviewed on a quarterly basis.

Investment Objective:

Within the parameters as stated below, the objectives of the fund are to:

1. Preserve principal;
2. Provide sufficient liquidity to pay plan benefits;
3. Provide stable and predictable returns; and
4. Earn a high level of return relative to other objectives of the fund.

Benchmark Index:

To exceed the returns of the Market Index for that particular investment category, over a full market cycle, or in general, a period of 3 to 5 years.

General Account Stable Value Fund may primarily invest in fixed income instruments, including those of the US Government and its agencies, corporations, mortgage- and asset-backed securities, collateralized, emerging market and high yield debt, foreign securities,

privately placed notes and bonds and preferred stock securities. A Stable Value, General Account holds a diversified portfolio of securities that provides the capital, reserves and liquidity to support the insurance company's contractual obligations. The General Account product is designed to protect investors from market volatility by offering a guaranteed dependable crediting rate. Invested principal remains stable during the ups and downs of capital market cycles. The crediting rate provided to participants will reflect the contractual minimum guarantees. The general account contract should contain competitive discontinuance settlement options in the event of a change in investment manager.

General Account Characteristics:

Investment Objective: A guaranteed option provided by the Insurance Company, which seeks to provide a minimum level of return while preserving principal.

This option is typically supported by the General Account of the Insurance Company.

Performance: This funding option should provide a rate of return that is competitive with other similar options in the marketplace and will generally provide a higher return than money market funds.

Issuer Credit Rating/Risk and Reserves : The issuer shall have and maintain a rating that conveys significant financial strength as determined by nationally recognized statistical rating agencies such as A.M. Best, Standard & Poor's, Moody's, and Fitch and retain adequate reserves to meet liabilities as measured by maintaining a risk based capital ratio that is equal to or exceeds NIAC requirements. In the event of a ratings downgrade, the Committee will take necessary actions in accordance with its responsibilities as a fiduciary.

Portfolio management: The insurance company shall invest the underlying assets in a diversified portfolio of securities and instruments to support the contractual guarantees and to provide the required liquidity to satisfy all participant and contractual obligations.

Liquidity: General Account is to provide full liquidity at all times for participant directed transfers. Stable value will also offer full liquidity to fund participant-directed transfers to other investment options offered within the plan, except in the case where the plan offers a competing investment option. In the event of a competing option, a restriction such as an

"equity wash-provision" may apply.

The General Account product is to contain favorable discontinuance features that will allow for the transfer of assets to a newly contracted investment manager, and/or Recordkeeper.

The custodian's Risk Based Capital and other publicly available financial information to enable the evaluation of the insurer's ability to support the liability and guaranteed contractual rates is monitored by the Plan through its contracted Investment Consultant.

In addition to a General Account Stable Value fund the Plan may also offer a separate account stable value structure as an alternative vehicle. The Committee is to periodically review the book to market ratio of the portfolio and guidelines established by the investment manager of the portfolio.

Fixed Income

Objective

The objective is to invest in bonds, including those issued by the US and foreign governments, corporate securities (primarily investment grade), as well as mortgage-backed and asset-backed securities.

Performance Standards (Net of Fees)

- Actively managed accounts should exceed the return of the Market Index for that particular investment category and the median return of the fixed income fund universe over a 5 year period.
- Index funds should track the performance of the stated index allowing a tracking differential of no more than 20 basis points less than the current index benchmark performance.
- Risk, as measured by the standard deviation of quarterly returns, shall be consistent with that of the Market Index for that particular investment category and the fixed income fund universe, as appropriate.

U.S. Equity

Objective

The objective of this investment category is to invest in common stock of primarily US companies of varying capitalizations.

Performance Standards (Net of Fees)

- Actively managed funds shall exceed the return of the stated index and median return of the appropriate equity fund universe over a 5 year period.
- Index funds should track the performance of the stated index allowing a tracking differential of no more than 20 basis points less than the current index benchmark performance.
- Risk, as measured by the standard deviation of quarterly returns, shall be consistent with the stated index and the appropriate equity fund universe.

International Equity

Objective

The objective of this investment category is to invest primarily in the common stock of companies located outside the United States.

Performance Standards (Net of Fees)

- Actively managed funds shall exceed the return of the Market Index for that particular investment category and the median return of the international equity fund universe over a 5 year period.
- Index funds should track the performance of the stated index allowing a tracking differential of no more than 20 basis points less than the current index benchmark performance. .

- Risk, as measured by the standard deviation of quarterly returns, shall be consistent with that of the Market Index for that particular investment category and the international equity fund universe.

~~Global Equity~~

~~Objective~~

~~The objective of this investment category is to invest primarily in the common stock of companies located within and outside the United States.~~

~~Performance Standards (Net of fees)~~

- ~~Actively managed funds shall exceed the return of the Market Index for that particular investment category and the median return of the global equity fund universe over a 5 year period.~~
- ~~Index funds should track the performance of the stated index allowing a tracking differential of no more than 20 basis points less than the current index benchmark performance.~~
- ~~Risk, as measured by the standard deviation of quarterly returns, shall be consistent with that of the Market Index for that particular investment category and the global equity fund universe.~~

Fees & Expense Standards

The Committee along with the investment consultant will review the fee structure of the investment options at least annually. Investment management fees for each of the investment options should be competitive versus asset in their peer universe for similar managed funds. Where several share classes of an investment fund are available, the Committee will seek to offer the most efficient share class available to support the recordkeeping and administration costs that are required, to administer and support the Program. The Committee will review all Program costs, including investment management fees at least annually.

At year-end, any surplus revenue collected by the Plan may be allocated to plan participants on a

basis selected by the Committee. Committee reserves the right to change its Plan fee and expense policy at any time in its sole discretion.

Qualified Default Investment Alternative

The Qualified Default Investment Alternative (QDIA) will be the Lifecycle (Target Date) option based upon a participant date of birth and assumed retirement age of 65. This election has been based upon guidelines under the Department of Labor rules and guidelines related to permissible default investment options. A Participant may transfer assets or reallocate contributions from the default investment into other investments at any time.

Section 3- Reporting and Monitoring Procedures

The Committee will review the Program quarterly, including review of the following:

- Recordkeeper's credit/corporation update;
- Current trends and developments in the capital markets and investment management community (market review);
- Overall participation in the investment options, maintaining the right to remove an option with limited use;
- Personnel changes in the investment management staff related to each investment option (organizational review), as well as changes in ownership of the organization (i.e. merger, acquisition activity and regulatory issues);
- Investment process consistency;
- Compliance with stated investment guidelines (review of the holdings and characteristics of each investment option); and
- Recordkeeping and investment management fees (reviewed at least annually).

Investment Option Evaluation

The Committee shall monitor investment options on a quarterly basis and may, in its discretion, conduct informal or formal evaluations of investment funds at any time.

The Committee may place an investment option under formal fund review or on a Watch List, terminate an investment option, “freeze” an investment option to new contributions, or initiate a search for a replacement investment option for any of the following reasons:

1. The investment option has not met the performance standards under the Plan for the investment category;
2. The investment option has failed to meet its risk/return standards;
3. The investment option has changed investment manager, or such change appears imminent;
4. The investment manager has had a significant change in ownership or control;
5. The investment option has changed investment focus or has experienced style drift, departing from the investment objectives or parameters in its prospectus or “fact sheet”;
6. The investment option has experienced excessive asset growth or influx of investments;
7. The investment option charges excessive fees or has changed the fees;
8. The investment option has violated a SEC rule or other applicable regulation;
9. The investment option has experienced other changes or problems in its procedures, operations, investing, or reporting which, in the Committee’s view, has or could detract from the objectives of the Plan; or
10. Any other reason that the Committee deems significant.

When a fund has been placed on the Watch List or designated for formal or informal review, the Committee shall conduct a more detailed evaluation of the fund, its operations, and its performance with the assistance of the Investment Consultant. Upon completion of the evaluation, the Committee may continue the fund under formal review status, remove the fund from formal review, terminate the fund, or conduct a search for a replacement fund.

Termination of Fund

When the Committee terminates a fund:

- The Committee shall notify the Recordkeeper that a fund is being terminated;
- The Committee shall notify fund Participants within a reasonable time (30 days) of action taken.

Fund Mapping

The Program will transfer fund assets of terminated investment options in accordance with ERISA standards. These standards include mapping to a fund with similar risk and reward characteristics or, alternatively, in accordance with the Qualified Default Investment Alternative (QDIA) policy.

Section 4- Administrative Policies

The Program will be administered and record-kept as authorized by NRS 287.250 – 370.

Program Design and Administration

The 457 Deferred Compensation Program is governed by the rules and requirements specified in the adopted Program Plan Document. The Internal Revenue Service (IRS) has established rules that apply to contributions and their limitations.

Review of the Record keeper

The Committee, through the direction and oversight of the Executive Officer or another assigned certified contract manager, shall conduct annual reviews of the contracted recordkeeper to evaluate their performance, as it relates to agreed upon standards outlined in the Scope of Work and administrative service agreement established in their contract.

Communication to Participants

Information about investment options will be made available to Participants to support making informed investment choices. The Program, through its contracted Recordkeeper, shall provide quarterly statements of fund performance to Participants. The Program, through its contracted Recordkeeper, shall make available detailed information regarding all fund and Plan fees. This information will be provided to Participants at all times during the contract of the recordkeeper.

Hard Copy Investment option prospectuses or fact sheets will be provided to participants by the recordkeeper, on request.

Section 5- Parties Responsible for Management and Administration of the Program's Investments

The Committee will act in the sole interest of the Program participants and beneficiaries, for the exclusive purpose of assisting public employees with achieving their retirement goals through a supplemental retirement program. The safeguards to which a prudent investor would adhere must be observed. Furthermore, the Committee must comply with the regulations set forth in this Policy, the Internal Revenue Code, and other governing rules and regulations that relate to the administration and investment of the Plan assets.

Several entities are responsible for various aspects of the management and administration of the Program's investments. The entities and their responsibilities include, but are not limited to:

Committee

The tasks for which the Committee is responsible, but are not limited to include:

- Providing governance with regard to the contracting of Third Party Administrators, Recordkeepers, and/or consultants;
- Maintaining the Investment Policy;
- Selecting investment options;
- Periodically evaluating the Program's investment performance, and recommending investment option changes;
- Reviewing overall Program costs to ensure they are reasonable;
- Assessing on an ongoing basis the performance of the contracted recordkeeper(s); and
- Contracting for necessary audits (compliance and financial), as appropriate and in accordance with widely used practices within the industry.

Investment Consultant

The Committee will elect to hire an investment consultant (Investment Consultant) to assist it in dispensing its fiduciary duties. Specific responsibilities include, but are not limited to:

- Advising the Committee and Program Administrative Staff on the Investment Structure of the Plan, fund selection/removal, objectives, guidelines or performance standards for each investment fund option;
- Evaluating and communicating to the Committee and Program Administrative Staff the performance results for each investment option on an ongoing basis;
- Monitoring investment expenses and communicating any changes to Program Administrative Staff;
- Documenting these findings in quarterly investment performance reports;
- Advising the Committee as to the continuing appropriateness of each investment manager and each investment fund option;
- Assisting the Committee and/or State Purchasing Division in requests for proposals from investment providers and recordkeepers;
- Keeping the Committee informed on current investment trends and issues;
- Advising the Committee of significant organizational changes of the investment managers' firms including changes in key personnel;
- Advise the Committee through Program Administrative Staff of any Federal or State law changes; and
- Maintaining and recommending changes as necessary to this Statement.

The Investment Consultant is a fiduciary with respect to these services that consist of investment advice that satisfies the ERISA definition of such service being fiduciary in nature. Accordingly, the Investment Consultant is under a duty to exercise a skill greater

than that of an ordinary person, and the manner in which advice is handled or services are rendered will be evaluated in light of the Investment Consultant's superior skill.

Recordkeeper

Under the direction and oversight of the Committee and Executive Officer, the Recordkeeper will be responsible for performing the following in conjunction with Program and statutory provisions:

- Complying with all applicable rulings, regulations, and legislation. Advise Committee and Program Administrative staff of any Federal or State Law changes that would affect the administration of the Program;
- Notifying the Program of change (deterioration or improvement) in Recordkeeper's financial condition;
- Notifying the Program of significant corporate events/changes;
- Acting in accordance with the provisions of trust and/or custodial agreements and annuity and other insurance contracts;
- Reporting financial transactions and preparing periodic summaries of transactions, asset valuations, and other related information as deemed appropriate by the Committee;
- Educating and communicating the investment options offered in the Program;
- Accepting and initiating employee investment direction;
- Enrolling employees in the Program;
- Maintaining and updating participant accounts;
- Maintaining beneficiary designations;
- Preparing activity reports;
- Preparing and providing participant statements; and

- Marketing the Program.

Section 6- Self-Directed Brokerage Services

The self-directed brokerage account is offered to Participants as a supplemental investment option. The self-directed brokerage account is intended for participants that are interested in a wider array of investment options and are willing to accept the additional risks associated with those options.

The Committee has no responsibility for selecting, monitoring or evaluating the investment options available through the self-directed brokerage account. Participants will have sole discretion in regards to the investment options they select through the brokerage account.

The Program's Recordkeeper, under the direction and oversight of the Committee and Executive Officer, are responsible for providing participants with enrollment and educational materials for them to decide whether or not a self-directed brokerage account is suitable. The Recordkeeper, under the direction and oversight of the Committee and Executive Officer, are to provide all necessary materials in connection with participant inquiries regarding the establishment of the brokerage account rules and restrictions.

Under the self-directed brokerage account the Participant will be responsible for the ongoing research, trading, and risk management responsibilities associated with their specific investment choices. The maximum allowed cumulative transfer from a Participant's account is limited to 50% of a Participant's total account value in the Program. Account balances must have a minimum of \$5,000, with an initial transfer of at least \$2,500 and subsequent transfers in \$1,000 increments.

Section 7- Participant Advisory Services

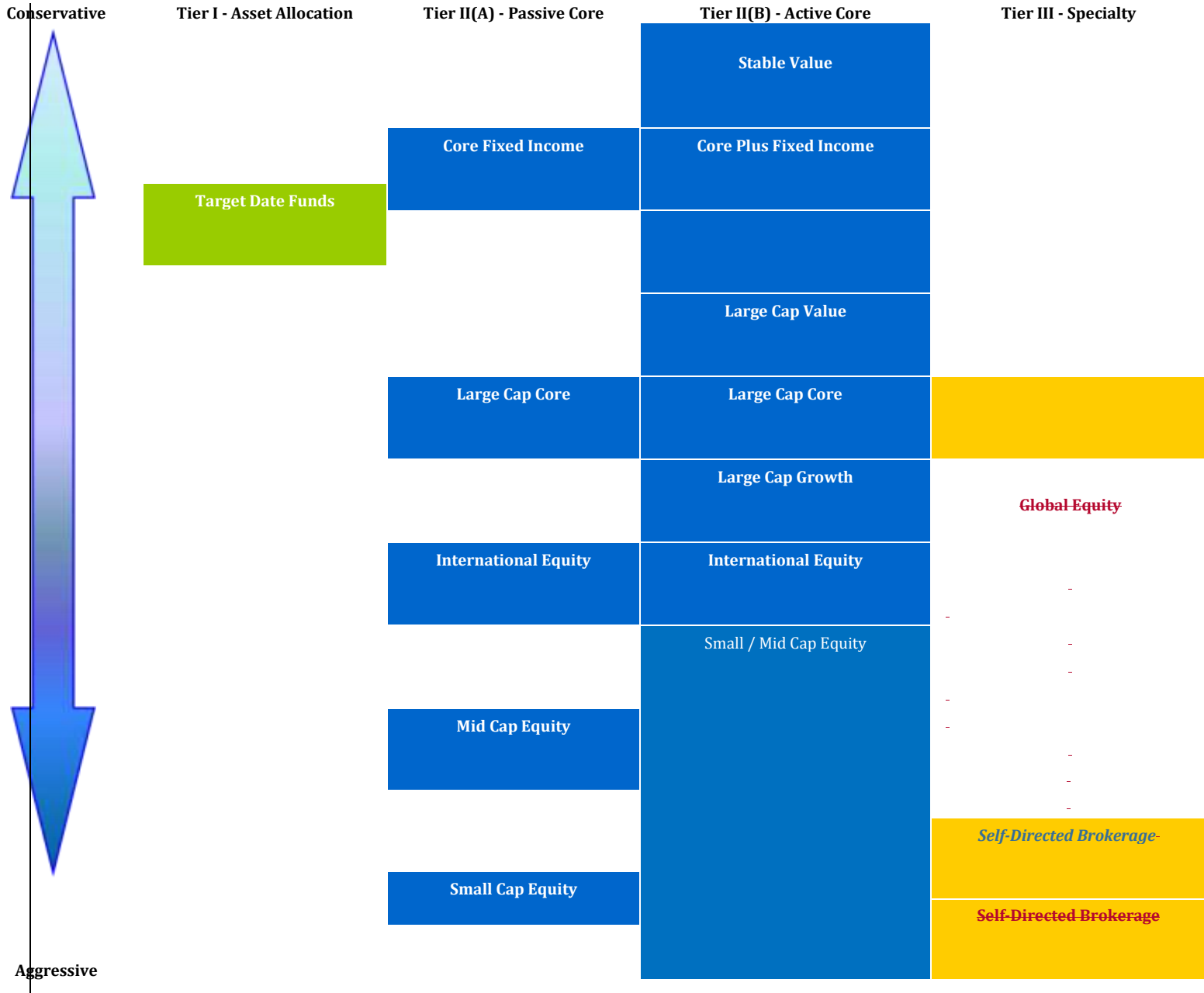
The Program may provide participant investment advisory services through an independent third-party fiduciary financial advisory firm.

The objective of advisory services is to offer asset allocation alternatives and recommendations with varying risk and reward. Advisory services are non-discretionary with the Participant solely responsible for determining whether or not to follow the recommendations. There may be additional costs assessed to the participant for various advisory services elected by the individual participant.

Section 8- Excessive Trading Policy

In the absence of an industry standard excessive trading guideline, as well as part of its fiduciary duty, the Committee has adopted the Excessive Trading Policies of the Recordkeeper or investment managers. The Policies are used to protect the interest of the Program's long-term investors from potential adverse impact of excessive trading. The purpose is to eliminate excessive trading as well as warn individuals who engage in frequent trading that such activity may be detrimental.

EXHIBIT A





**Nevada Public Employees
Deferred Compensation Program**

Plan Document

(Attachment A)

Amended and Effective December 6, 2018

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Purpose

The purpose of this Plan is to provide a supplemental retirement plan with quality, cost-effective investment options and excellent customer service. A Participant's Account value will depend upon the investment results achieved by the Investment Options in which the Participant chooses to invest. Each Participant shall be 100% vested at all times in his or her Plan Account in accordance with the terms of the Plan.

In accordance with Section 457 of the Code, all amounts of Compensation deferred or contributed under the Plan, all property and rights purchases with such amounts and all income attributable to such amounts and all property and rights are held in trust for the exclusive benefit of Participants and their Beneficiaries and Alternate Payees pursuant to the applicable Trust Agreement.

The Plan and Trust Agreements are intended to satisfy the requirements for an eligible deferred Compensation plan under Section 457(e)(1)(A) of the Code, and shall be construed and administered accordingly. To the extent that any term of the Plan is inconsistent with the provisions of Section 457 of the Code applicable to governmental employers, the inconsistent term shall, to the fullest extent possible, be treated for all purposes of the Plan as amended and reformed to conform to the applicable provisions of Section 457 of the Code.

Except as otherwise provided herein, this amendment and restatement of the Plan is effective as of the Effective Date.

ARTICLE I – DEFINITIONS

1.1 Plan Definitions

For purposes of this Plan, the following words and phrases shall have the meaning set forth below, unless a different meaning is plainly required by the context:

"Account" means each separate account established and maintained for a Participant under the Plan, including, as applicable, each Before-Tax Deferral Account, Roth 457(b) Account, Rollover Account, Alternate Payee Account and Beneficiary Account.

"Administrative Staff" refers to the appointed Executive Officer and any other administrative personnel under his or her authority or assigned to the Administration of the Plan under the authority of the State of Nevada Department of Administration Director.

"Age 50 Plus Catch-Up Contribution" means the catch-up contribution for Participants who attain age 50 by the end of the calendar year, as permitted under Code Section 414(v) and pursuant to Section 3.2(d).

"Alternate Payee" means the person who is or was the spouse or Domestic Partner of the Participant or is the child of the Participant to the extent that such person is entitled to any or all of a Participant's Account under a court order that the Committee has determined to be Plan approved Qualified Domestic Relations Order.

"Alternate Payee Account" means the Account established for an Alternate Payee pursuant to Qualified Domestic Relations Order.

"Amounts Deferred or Contributed" means the aggregate of Compensation deferred or contributed by a Participant pursuant to Article III, including Before-Tax Deferrals and Roth 457(b) Contributions.

"Before-Tax Deferral Account" means the Elective Deferral Account (s) established under the Plan to record a Participant's Before-Tax Deferrals, and the income, gains and losses crediting thereto. A Beneficiary Account or Alternate Payee Account corresponding to the deceased or relevant Participant's Before-Tax Deferrals may also be referred to as a Before-Tax Deferral Account.

"Before-Tax Deferrals" means that part of a Participant's Compensation which is deferred into the Plan and is not includable in the Participant's taxable income which, in the absence of a Participant's election to defer such Compensation under Article III, would have been paid to the Participant and would have been includable in the Participant's taxable income.

"Beneficiary" means the designated person or person(s) (or if none, the Participant's estate) who is entitled to receive benefits under the Plan after the death of a Participant pursuant to Article IX to receive the amount, if any, payable under the Plan upon the death of such Participant or Surviving Spouse.

"Beneficiary Account" means the Account established for a Beneficiary in accordance with Section 6.2.

"Business Day" means, subject to 4.4(b), any day (measured in accordance with State time) on which the New York Stock Exchange is open for the trading of securities.

"Code" means the Internal Revenue Code of 1986 as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.

"Compensation" means:

- a) All cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay that is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including an election to defer compensation under Article III).
- b) Any differential wage payments defined in Code Section 3401(h)(2) pursuant to the HEART act;
- c) Any accumulated sick pay, accumulated vacation pay and back pay paid to a Participant by his or her Employer, provided that such accumulated sick pay, accumulated vacation pay and back pay is received by the Plan in accordance with the timing requirements of the Treasury Regulations promulgated under Section 457 of the Code.

"Committee" means the Deferred Compensation Committee of the State of Nevada as authorized under Nevada Revised Statute (NRS) 287.250 to 287.370. The Committee has all of the power and authority to formally take action and deliberate on Plan design and Investment options on behalf of the Plan. The Committee may delegate administrative and managerial duties under this Plan to the appointed Executive Officer.

"Deferrals" means the amount of Compensation deferred by a Participant to the Plan, comprising of Elective Deferrals and, if elected by the Committee in the Plan and the Participant so elects on a Participation Agreement, Roth 457(b) Contributions.

"Designated Roth Employer" means an Employer that permits (in accordance with any applicable procedures as may be required by the Committee) Participants who are its Employees to make Roth 457(b) Contributions pursuant to Section 3.1(c).

"Distributee" means a person receiving funds, including a Participant or a Participant's designated Beneficiary. In addition, the Participant's spouse or former spouse who is the Alternate Payee under the Qualified Domestic Relations Order as defined in Code Section 414(p) is a Distributee with regard to the interest of the spouse or former spouse.

"Domestic Partner" means a domestic partner as defined in NRS 122A.030. Pursuant to IRS Revenue Ruling 2013-17, Domestic Partners cannot be treated as spouses for purposes of federal tax purposes. However, Domestic Partners shall be treated as spouses under this Plan to the extent permitted under the applicable laws of the State of Nevada.

"Elective Deferrals" means amounts made by the Employer to the Plan on a voluntary pre-tax or after-tax basis pursuant to a Participation Agreement entered into by a Participant.

"Eligible Retirement Plan" means (i) an individual retirement Account described in Section 408(a) of the Code, (ii) an individual retirement annuity described in Section 408(b) of the Code, (iii) a qualified trust under Section 401(a) or 401(k) of the Code, (iv) an annuity contract described in Section 403(b) and 403(a) of the Code and (v) an eligible deferred Compensation plan described in Section 457 of the Code that is maintained by a state, political subdivision of a state, any agency or instrumentality of state or political subdivision of a state; and (f) a Roth IRA. However, for an Eligible Rollover Distribution to a designated Beneficiary other than a Surviving Spouse, an Eligible Retirement Plan is only an individual retirement Account described in Code Section 408(a) or an individual retirement annuity described in Code Section 408(b) that is treated as an inherited IRA in accordance with Code Section 402(c)(11).

"Eligible Rollover Distribution" means all or any portion of the balance of the Plan to the credit of the Distributee, or a Beneficiary of a Participant, except that an Eligible Rollover Distribution shall not include (a) any distribution that is (i) one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's Beneficiary or (ii) for a specified period of ten years or more, (b) any distribution to the extent such distribution is required under Section 401(a) (9) of the Code, and (c) any distribution due to a hardship of the Distributee, including, without limitation, an unforeseen emergency pursuant to Section 4.8.

"Employee" means any natural person or individual who receives Compensation for services from the Employer, including (a) any elected or appointed officer or employee of the Employer, (b) an officer or employee of an institution under management and control of Nevada System of Higher Education (NSHE), and (c) any employee who is included in a unit of employees covered by a negotiated bargaining agreement that specifically provides for participation in the Plan. An Employee shall not include an independent contractor, a consultant or any other individual classified by the Employer as not eligible to participate in the Plan.

"Employer" means the State of Nevada and each Participating Employer, including but not limited to the Nevada System of Higher Education (NSHE), any authorized political subdivision of the State of Nevada, and any authorized agency or instrumentality of the State of Nevada.

"Executive Officer" means the State of Nevada Department of Administration division administrator for the Plan appointed pursuant to NRS 232.215. The Executive Officer serves as the primary contact and support for the Committee. As delegated by the Committee, the Executive Officer manages the day-to-day operation of the Plan and oversees and serves as the appointed certified contract manager of contracts and contractors of the Plan.

"HEART Act" means the Heroes Earnings Assistance and Relief Tax Act of 2008.

"Includible Compensation" means an Employee's actual wages in box 1 of Form W-2 for a year for services to the Employer, but subject to a maximum of \$200,000 (or such higher maximum as may apply under section 401(a)(17) of the Code) and increased (up to the dollar maximum) by any compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including an election to defer Compensation under Article 3). The amount of Includible Compensation is determined without regard to any community property

laws. Pursuant to Section 1.457-4(d)(1) of the Income Tax Regulations, Includible Compensation will include any payments made to a Participant who has had a Severance from Employment, provided that the Includible Compensation is paid by the later of 2 ½ months after the Participant's Severance from Employment or the end of the calendar year that contains the date of such Participant's Severance from Employment. In addition, pursuant to Section 1.457-4(d)(1) of the Income Tax Regulations, Includible Compensation will include payments made to an individual who does not currently perform services for the Employer by reason of qualified military service (as defined in Code Section 414(u)(5)) to the extent those payments do not exceed the amount the individual would have received if the individual had continued to perform services for the Employer rather than enter qualified military service. Includible Compensation will not include Employee pick-up contributions described in Code Section 414(h)(2).

"In-Plan Roth Conversion" means a rollover contribution to the Plan that consists of a distribution from an Elective Deferral Account, a 457(b) Rollover Account or a non-457(b) Rollover Account under the Plan that the Participant rolls over to the Participant's In-Plan Roth 457(b) Rollover Account in the Plan, in accordance with Code Section 402A(c)(4) and in compliance with Section 8.4(d) of this Plan Document.

"Investment Option" means each of the investment options made available by the Committee through the Plan in accordance with Section 6.4.

"NDC" refers to the State of Nevada Public Employees' Deferred Compensation Plan.

"Normal Retirement Age" means, for purposes of Section 3.2(b) any age designated by the Participant (i) beginning no earlier than the earliest age at which a Participant has the right to retire under the Employer's pension plan, if any, and to receive immediate retirement benefits without actuarial or similar reduction because of retirement before some later age specified in such retirement plan or, in the case of a Participant who does not participate in such basic pension plan, any age that is on or after the earlier of age 65, and (ii) ending no later than age 70 ½. The Normal Retirement Age is used for the Special Section 457 Catch-up Contribution election under Section 3.2 (b). The Employer is not permitted to have more than one Normal Retirement Age for each Participant under all plans under Code Section 457(b) that it (together with any other entity required to be aggregated with the Employer under Code Section 414(b), (c), (m) or (o)) sponsors.

"Participant" means an individual or Employee who is currently deferring Compensation, or who has previously deferred Compensation under the Plan by salary reduction and who has not received a distribution of his or her entire benefit under the Plan. Only individuals who perform services for the Employer as an Employee may defer Compensation under the Plan. This includes any Employee, former Employee, beneficiary, or alternate payee who is not deceased and who has an Account or Rollover Account under the Plan and as defined in Code Section 414(p)(8).

"Participant Account" means the following accounts established for the Participant and maintained in the Trust Fund for each Participant pursuant to Article VI, including any earnings and losses attributable thereon:

- (a) Before Tax Deferral Account

- (b) Roth 457(b) Account
- (c) Rollover Account

"Participation Agreement" means an agreement in writing or in such other form approved by the Executive Officer pursuant to which the Employee elects to reduce his or her Compensation paid and to have Amounts Deferred or Contributed into the Plan on his or her behalf in accordance with the terms of the Plan. The document may be labeled as the **"Payroll Contribution Form"**.

"Participating Employer" means any eligible governmental employer, the governing body of which has adopted the Plan by appropriate resolution with the consent and authorization of the Committee and, with the written approval of such body or entity.

"Plan" means the Nevada Public Employees' Deferred Compensation Plan (NDC) and other participating jurisdictions, as the same may be amended from time to time.

"Plan Year" means the calendar year.

"Qualified Domestic Relations Order (QDRO)" means an order, judgment or decree, including approval of a property settlement agreement that has been determined by the Plan appointed legal counsel or Recordkeeper to meet the requirements of a qualified domestic relations order within the meaning of Section 414(q) of the Code.

"Qualified Roth Contribution Program" means a qualified Roth contribution program as defined in Section 402A of the Code.

"Recordkeeper" means a contracted third party administrator that the Plan may contract with and delegates certain administrative authority to establish and keep track of Participant Accounts, including contributions, withdrawals, balances, transactions (e.g. fund transfers), and other activities authorized by the Committee and Administrative Staff. Recordkeeper(s) serve at the pleasure of the Committee and under the day-to-day oversight and management of the Plan's Executive Officer who serves as the primary contact and support for the Committee, but is appointed by and serves at the pleasure of the Director of the State of Nevada Department of Administration.

"Required Beginning Date" means April 1 of the calendar year following the later of the calendar year in which the Participant: (a) attains age 70 ½, or (b) Severs from Employment.

"Rollover Account" means the Account or Accounts established and maintained in respect of a Participant or a Beneficiary who is a Participant's Surviving Spouse or, if applicable, by a spousal Alternate Payee, pursuant to Section 5.2(c).

"Rollover Contributions" means a cash amount contributed by a Participant, Beneficiary who is a Participant's Surviving Spouse or Alternate Payee to a Rollover Account, or if applicable, an Alternate Payee Account determined as an Eligible Rollover Distribution in accordance with Code Section 402(c)(4), and provided that the distributing Eligible Retirement Plan shall have separately accounted for all amounts included in the Rollover Contribution.

"Roth 457(b) Account" means the Account(s) established under the Plan to record a Participant's Roth 457(b) Contributions, and the income, gains, and losses credited thereto. A Beneficiary Account or Alternate Payee Account corresponding to the deceased or relevant Participant's Roth 457(b) Contributions may also be referred to as a Roth 457(b) Account.

"Roth 457(b) Contributions" means amounts contributed pursuant to Section 3.1 by a Participant who is an Employee of a Designated Roth Employer, which amounts are:

- a) Designated irrevocably by the Participant at the time of the contribution election as Roth 457(b) Contributions that are being made from Compensation pursuant to Section 3.1(c); and
- b) Treated by the Designated Roth Employer as includible in the Participant's income at the time the Participant would have received that amount in Compensation.

"Roth IRA" has the meaning set forth in Section 408A of the Code. Roth IRA Rollover Contributions are not permitted in the Plan.

"Section 457 Transfer" means a transfer made into an Account pursuant to Section 8.5.

"Severance from Employment" means the date that the Employee dies, retires, or otherwise has a severance from employment with the Employer, as determined by the Executive Officer and taking into account guidance issued under Section 457 of the Code.

"Special Section 457 Catch-up Contributions" means the catch-up contribution for a Participant in the three consecutive years prior to the year in which the Participant reaches Normal Retirement Age, as permitted under Code Section 457(b)(3) and pursuant to Section 3.2 (b).

"State" means State of Nevada.

"Surviving Spouse" means the survivor of a deceased Participant to whom such Participant was legally married on the date of the Participant's death. No later than June 26, 2013, for all purposes under the Plan, the term "spouse" shall include an individual married to a person of the same sex if the individual was lawfully married to a Participant under applicable laws of the state in which the marriage was celebrated, and the term "marriage" shall include such a marriage between individuals of the same sex that was validly entered into in a state whose laws authorize the marriage of two individuals of the same sex regardless of where such individuals are domiciled.

"Treasury Regulations" means the regulations promulgated by the Treasury Department under the Code, as now in effect or as hereafter amended. All citations to sections of the Treasury Regulations are to such sections as they may from time to time be amended or renumbered.

"Trust Agreement" means a written agreement (or declaration) entered into in respect of the Plan between the State of Nevada and one or more Trustees pursuant to which all cash and

other rights and properties and all income attributable to such cash and rights and properties are held in a Trust Fund, as such agreement may be amended from time to time.

"Trust Fund" means the assets of the Plan, including cash and other rights and properties arising from Amounts Deferred or Contributed, Section 457 Transfers and Rollover Contributions which are held and administered by the Trustee created pursuant to and under the Trust Agreement.

"Trustee" means the trustee or trustees duly appointed and currently serving under the Trust Agreement, and any successors thereto.

"Unforeseeable Emergency Distribution" An unforeseeable emergency is defined as a severe financial hardship of the Participant resulting from: an illness or accident of the Participant, the Participant's spouse, or the Participant's dependent (as defined in section 152(a)); loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, *e.g.*, as a result of a natural disaster); the need to pay for the funeral expenses of the Participant's spouse or dependent (as defined in section 152(a) of the Code); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. For example, the imminent foreclosure of or eviction from the Participant's primary residence may constitute an unforeseeable emergency. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an unforeseeable emergency. Except as otherwise specifically provided in this Section 7.1, neither the purchase of a home nor the payment of college tuition is an unforeseeable emergency.

"Valuation Date" means each Business Day that the New York Stock Exchange is open unless otherwise provided in the Plan.

ARTICLE II - PARTICIPATION

2.1 Enrollment

- a) **Eligibility and Enrollment.** Each Employee shall be eligible to participate in the Plan and defer Compensation hereunder immediately upon becoming employed by an eligible and authorized Employer, and shall commence such participation in the Plan by filing a Participation Agreement, pursuant to Section 2.1(c), and any enrollment forms or other pertinent information concerning the Employee and his or her Beneficiary with the Administrative Staff, or directly with the Plan's Recordkeeper in a manner prescribed and adopted by the Committee or Executive Officer. In no event shall any deferral or contribution be accepted until the first administratively possible payroll period that is on or after the first day of the calendar month following the month in which such Participation Agreement is filed. Deferrals and contributions may be accepted for newly hired Employees for the first administratively possible pay period of the calendar month in which the individual first becomes an Employee if the Participation Agreement is filed in the month before the Employee's first day of service.

- b) Information Provided by the Participant. Each Employee enrolling in the Plan should provide to the Administrative Staff at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrative Staff to administer the plan, including, without limitation, whether the Employee is a participant in any other eligible plan under Code section 457(b) or that the Executive Officer determines is necessary or advisable for the administration of the Plan or to comply with applicable law.
- c) Election Required for Participation. An Employee may elect to become a Participant by executing an election to defer a portion of his or her Compensation (and have that amount contributed as an Annual Deferral on his or her behalf) and filing it with the Administrative Staff. This participation election shall be made on the authorized Participation Agreement provided by the Executive Officer under which the Employee agrees to be bound by all the terms and conditions of the Plan. The Committee may establish a minimum deferral amount, and may change such minimums from time to time. The participation election shall also include designation of investment funds and a designation of Beneficiary. Any such election shall remain in effect until a new election is filed.
- d) Contributions Made Promptly. Annual Deferrals by the Participant under the Plan shall be transferred to the Trust Fund within a period that is not longer than is reasonable for the proper administration of the Participant's Account Balance. For this purpose, annual Deferrals shall be treated as contributed within a period that is not longer than is reasonable for the proper administration if the contribution is made to the Trust Fund within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant.
- e) Amendment of Annual Deferrals Election. Subject to other provisions of the Plan, a Participant may at any time revise his or her participation election, including a change of the amount of his or her annual Deferrals, his or her investment direction and his or her designated Beneficiary. Unless the election specifies a later effective date, a change in the amount of the annual Deferrals shall take effect as of the first day of the next following month or as soon as administratively practicable if later. A change in the investment direction shall take effect as of the date provided by the Executive Officer on a uniform basis for all Employees. A change in the Beneficiary designation shall take effect when the election is accepted by the Administrative Staff or Recordkeeper.
- f) Leave of Absence. Unless an election is otherwise revised, if a Participant is absent from work by leave of absence, annual Deferrals under the Plan shall continue to the extent that Compensation continues.
- g) Disability. A disabled Participant may elect annual Deferrals during any portion of the period of his or her disability to the extent that he or she has actual Compensation (not

imputed Compensation and not disability benefits) from which to make contributions to the Plan and has not had a Severance from Employment.

2.2 Voluntary Participation.

Participation in the Plan by Employees shall be voluntary.

2.3 Cessation of Participation.

The participation of a Participant shall cease upon payment to the Participant of the entire value of his or her Account or upon the Participant's death prior to such payment.

2.4 Corrective Action.

If an individual is erroneously included or excluded from participation, corrective action will be taken as soon as administratively practicable to correct such erroneous inclusion or exclusion.

ARTICLE III - CONTRIBUTIONS AND LIMITATIONS

3.1 Participant Deferrals and Contribution Authorization.

- a) Initial Authorization. A Participant may elect to defer or contribute Compensation under the Plan by authorizing, on the authorized Participation Agreement provided by the Executive Officer regular payroll deductions or contributions that do not individually or in the aggregate exceed the limitations in Section 3.2 and pursuant to the parameters listed in Section 2.1(a).
- b) Modifications. A Participant may increase or decrease the rate of deferral or contribution of his or her Compensation, and may make separate elections with respect to the increase and decrease of the rate of his or her Before-Tax Deferrals and Roth 457(b) Contributions, within the limitations set forth in Section 3.2, by filing a new or modified Participation Agreement, or such other form authorized by the Executive Officer with the Administrative Staff which shall be reflective in the first pay period following the month in which the request was executed thereafter.
- c) Roth 457(b) Contribution. Effective January 1, 2012 and thereafter, a Participant who is an Employee of a Designated Roth Employer shall be permitted to make Roth 457(b) Contributions from his or her Compensation by designating an amount of his or her initial authorization or modification authorization described in Sections 3.1(a) and 3.1(b) as Roth 457(b) Contributions, which designation shall be reflective the first pay period following the month in which the request was executed thereafter.
- d) Discontinuance or Suspension. A Participant may discontinue or temporarily suspend his or her Deferrals or contributions, and may make separate elections with respect to discontinuance or suspension of his or her Before-Tax Deferrals and Roth 457(b) Contributions, by giving notice thereof to their respective authorized payroll center, , NDC Administrative Staff, or Recordkeeper. The deferral or contribution shall be discontinued or suspended to reflect the first administratively possible payroll period that is on or after the first day of the calendar month following the month in which such Participation Agreement is filed..

e) **Employer Contributions.**

Nothing in this Plan prohibits the Employer from making deposits to a Participant's Account as an additional compensation for services rendered, subject to the Participant's contribution limit.

3.2 General Deferral and Contribution Limitations and Catch-Up Limitations.

a) **In General.** The aggregate amount of Before-Tax Deferrals and Roth 457(b) Contributions that may be deferred or contributed by a Participant for any Plan Year shall not exceed the lesser of:

- i. An amount as may be permitted pursuant to Section 457(e)(15) of the Code, and
- ii. 100% of Participant's Includible Compensation for the Plan Year

Provided, however, the maximum amount that a Participant may defer or contribute for any Plan Year may be calculated after accounting for mandatory and permissive payroll deductions, as reasonably determined by the Employer.

b) **457 Special Catch-Up Contributions.** In any one or more of a Participant's last three calendar years ending before the year in which the Participant attains Normal Retirement Age, the Participant may elect to make Deferrals in an amount not exceeding the lesser of (1) twice the dollar amount permitted as a general deferral under Section 3.1 or (2) the sum of the maximum deferral permitted under Section 3.1 for the current tax year and as much of the applicable deferral limit under Code Section 457(b)(2) in prior years before the current tax year that had not previously been used ("underutilized amount"). For purposes of this Section, a prior year will be taken into account only if such year began after December 31, 1978, and the Participant was eligible to participate in the Plan during all or a portion of the prior year. A Participant may only make this election under this subsection once with respect to any plan under Code Section 457(b) of the Employer.

c) In determining a Participant's underutilized amount, the Plan will take into consideration:

(1) Prior to 2002, if a Participant made Deferrals to the Plan and deferrals to any other plan under Code Section 457(b), salary reduction contributions made to plans under Code Section 401(k), plans under Code Section 403(b), simplified employee pension (SARSEP) plans under Code Section 402(h)(1), simple retirement accounts under Code Section 408(p), and amounts deferred under any plan for which a deduction is allowed because of a contribution to an organization described in Code Section 501(c)(18), such deferrals to the other plans will be taken into account in determining a Participant's underutilized amount under Code Section 457(b)(2). In addition, Includible Compensation will be limited to the limitation in effect in the calendar year in which the deferrals were made. If such deferrals cumulatively exceed the then-applicable dollar amount in Code Section 457(b)(2) in the year that such amounts were deferred, then there will be no underutilized amount for that year.

(2) To the extent that the Employer did not maintain a plan under Code Section 457(b), no underutilized limitation is available to a Participant for that prior year.

(3) After 2001, only deferrals to plans under Code Section 457(b) will be taken into account for purposes of determining the underutilized amount.

(4) Age 50 Plus Catch-Up Contributions will not be taken into account for purposes of determining a Participant's underutilized amount.

- d) Age 50 Catch-Up. All Participants who have attained age 50 before the close of a Plan Year and who are not permitted to defer or contribute additional Compensation pursuant to Section 3.2(b) for such Plan Year, due to the application limitation imposed by the Code or the Plan, shall be eligible to make additional catch-up contributions in the form of Before-Tax Deferrals or Roth 457(b) Contributions or a combination thereof in accordance with, and subject to, the limitations of Section 3.2(c) of the Plan and Section 414(v) of the Code. Age 50 catch-up contributions pursuant to Section 3.2(c) shall not exceed the lesser of:
- i. The excess of the 100% of Participant's Includible Compensation for the Plan Year, over the sum of any other Amounts Deferred or Contributed by the Participant for such Plan Year; and
 - ii. An amount as may be permitted by Section 414(v) (2) (B) of the Code.
- e) Dual Eligibility. Notwithstanding anything in Section 3.2(b) and (c) to the contrary, if a Participant who is eligible to make additional catch-up contribution under 3.2(c) for a Plan Year in which the Participant has elected to make a catch-up contribution under Section 3.2(b), such Participant is entitled to the greater of:
- i. The 457 catch-up contribution amount under Section 3.2(b); and
 - ii. The age 50 catch-up contribution under Section 3.2(c).
- f) Excess Contributions and Deferrals. In the event that any Amounts Deferred or Contributed under the Plan for any Plan Year exceed the limitations provided for in Section 3.2, any such excess Deferrals or contributions shall be distributed to the Participant with allocable net income, in the following order (unless otherwise directed by the Participant): first, from Before-Tax Deferrals and second, from Roth 457(b) Contributions, as determined in accordance with methods and procedures established by the Recordkeeper, as soon as practicable after the Recordkeeper, payroll center or Administrative Staff determines that the amount was an excess deferral or contribution. Distributions under Section 3.2(e) will be reportable as taxable income to the extent required by applicable law.

3.3 Military Service.

- a) USERRA. In accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), an Employee whose employment is interrupted by qualified military service under Code Section 414(u) or who is on a leave of absence for qualified military service under Code Section 414(u) may elect to make additional Amounts Deferred or Contributed upon resumption of employment with the Employer equal to the maximum amount that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the such amounts, if any,

actually made for the Employee during the period of the interruption or leave. This right applies for five years following the resumption of employment, or if sooner, for a period equal to three times the period of the interruption or leave.

- b) HEART Act. Effective for deaths occurring on or after January 1, 2007, if a Participant dies while performing qualified military service (as defined in Code Section 414(u)(5)), this Plan shall provide all applicable benefits required in accordance with Code Section 401(a)(37), but the provisions of Code Section 414(u)(9) shall not apply to this Plan. Under Section 401(a)(37), qualified retirement Plans must provide that, in the case of a participant who dies while performing qualified military service, the survivors of the participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would have been provided under the Plan had the participant resumed employment and then terminated employment on account of death.

ARTICLE IV - INVESTMENT OF AMOUNTS DEFERRED OR CONTRIBUTED AND ROLLOVER CONTRIBUTIONS

4.1 Remittance of Deferrals and Contributions

All Amounts Deferred or Contributed in accordance with Article III shall be paid by the applicable Employer or payroll center as promptly as possible to the Recordkeeper. Thereafter, Amounts Deferred or Contributed shall be invested by the Recordkeeper, in accordance with the investment instructions, as soon as administratively practicable.

4.2 Allocation of Deferrals and Contributions.

A Participant who has enrolled in the Plan pursuant to Article II shall, by filing a direction with the Recordkeeper in writing or in such other manner as the Executive Officer may authorize, specify the percentages (in multiples of one percent) of his or her Amounts Deferred or Contributed that shall be allocated to each Investment Option made available by the Committee. A Participant's investment allocation elections shall be applied in the same manner to both Before-Tax Deferrals and Roth 457(b) Contributions. All such Deferrals and contributions shall be invested by the Recordkeeper in the Investment Options in accordance with such direction(s) as soon as administratively practicable.

4.3 Continuation of Deferral and Contribution Allocation.

Any deferral and contribution allocation direction given by a Participant shall be deemed to be a continuing direction until changed by the Participant. A Participant may change his or her deferral or contribution allocation direction with respect to future Amounts Deferred or Contributed, by completing and submitting a newly executed Participation Agreement or in such other manner as the Executive Officer may authorize to the Recordkeeper or Administrative Staff. Any change to a Participant's deferral and contribution allocation direction shall be applied in the same manner to both Before-Tax Deferrals and Roth 457(b) Contributions. All such future Deferrals and contributions shall be invested by the Recordkeeper in the Investment Options in accordance with such changed direction.

4.4 Transfer of Assets among Investment Options.

- a) Transfer of Assets. As of any Valuation Date, a Participant may direct the Recordkeeper, by giving notice in writing or in such other manner as the Executive Officer may authorize, to liquidate his or her interest in any of the Investment Options and transfer the proceeds thereof to one or more other Investment Options in proportions directed by such Participant. Participants may make separate transfer directions for their Before-Tax Deferrals (and Accounts relating to Rollover Contributions involving Before-Tax Deferrals) and their Roth 457(b) Accounts (and Accounts relating to Rollover Contributions involving Roth Contributions). Such direction must be made in accordance with the requirements and procedures established by the Committee and in effect at the time and in multiple of one percent or one dollar increments of the Participant's interest in the applicable Investment Option.
- b) Committee's Right to Reduce or Deny Transfer Request. If the Recordkeeper, or the Committee otherwise determines, that it is not reasonably able to prudently liquidate the necessary amount and transfer it from one Investment Option to another, the amount to be transferred with respect to each Participant who duly requested such a transfer may be reduced in proportion to the ratio which the aggregate amount that the Recordkeeper has advised the Committee may not prudently be transferred bears to the aggregate amount that all Participants have duly requested be so transferred. Regardless of any Participant's investment direction, no transfer between Investment Options may be made in violation of any restriction imposed by the terms of the agreement between the Committee or Recordkeeper providing any Investment Option or of any applicable law.

4.5 Administrative Actions with Regard to Investment Directions.

The Recordkeeper shall have the right to decline to implement any investment direction upon its determination that: (i) the person giving the direction is legally incompetent to do so; (ii) implementation of the investment direction would be contrary to the Plan or applicable law or governmental ruling or regulation; (iii) implementation of the investment direction would be contrary to a court order, including a Qualified Domestic Relations Order; (iv) implementation of the investment direction would be contrary to the rules, regulations or prospectuses of the Investment Options.

4.6 Participant Responsibility for Deferrals, Contributions and Investment Allocations.

Each Participant is responsible for the allocation of his or her Amounts Deferred or Contributed, and each Participant is solely responsible for the investment allocation of his or her Account, in each case, in and among the Investment Options. Each Participant shall assume all risk in connection with the allocation of amounts in and among the Investment Options and for any losses incurred or deemed to be incurred as a result of the Participant's allocation or failure to allocate any amount the Participant's allocation or failure to allocate any amount to an Investment Option or any decrease in the value of any Investment Option. The Committee, Executive Officer, Administrative Staff and Recordkeeper are not empowered or authorized to advise a Participant as to the manner in which the Participant's Account shall be allocated among the Investment Options. The fact that a particular Investment Option is available to Participants for investment under the Plan shall not be construed by any Participant as a recommendation for investment in such Investment Option. If the Committee has elected to make available investment guidance services or investment advice services to Participant such services shall be utilized only at the voluntary election of the Participant, and shall not limit the

Participant's responsibility under Section 4.6 for the allocation of his or her Accounts in and among the Investment Options.

4.7 Investment Allocation of Alternate Payee Accounts.

Notwithstanding any other provision of the Plan, during any period when an Alternate Payee Account is created and segregated on behalf of an Alternate Payee pursuant to a Qualified Domestic Relations Order from the Accounts of the related Participant, the Alternate Payee shall be entitled to direct the allocation of investments of such Alternate Payee Account in accordance with Sections 4.2 and 4.4, as applicable, and shall be subject to the provisions of Sections 4.5 and 4.6, but only to the extent provided in such order. In the event that an Alternate Payee fails to specify an investment direction on the date of creation of the Alternate Payee Account pursuant to Section 4.9, such Alternate Payee's Alternate Payee Account shall be invested in the same manner as the relevant Participant's corresponding Before-Tax Deferral Account, Roth 457(b) Account and Rollover Accounts on such date and, except as otherwise provided by the Qualified Domestic Relations Order, shall remain invested in accordance with such initial allocation until the Alternate Payee directs otherwise or until such time as the Alternate Payee ceases to have an Alternate Payee Account under the Plan by reason of distribution or otherwise.

4.8 Investment Allocation of Beneficiary Accounts.

Notwithstanding any other provision of the Plan, during any period following the death of a Participant and prior to distribution of the entire Account(s) of such Participant, such Participant's Beneficiary shall be entitled to direct the allocation of investments of such Account(s) in accordance with Section 4.4, or, as applicable, his or her proportional interest in such Account(s), in accordance with Section 4.4 and shall be subject to the provisions of Sections 4.5 and 4.6. In the event that a Beneficiary fails to specify an investment direction on the date of creation of the Beneficiary Account pursuant to Section 4.4, such Beneficiary's Beneficiary Account shall be invested in the same manner as the relevant Participant's corresponding Before-Tax Deferral Account, Roth 457(b) Account and Rollover Accounts on such date.

4.9 Initial and Ongoing Investment Allocation with Respect to Rollover Contributions and Section 457 Transfers.

Unless otherwise directed by the Participant, the same deferral and contribution allocation direction applicable to a Participant pursuant to Sections 4.2 or 4.3, as applicable shall apply to all Section 457 Transfers and Rollover Contributions. Notwithstanding the foregoing, in accordance with procedures established by the Recordkeeper, a Participant may make an alternative initial allocation election in accordance with the procedures set forth in Section 4.4 for any applicable Section 457 Transfer or Rollover Contribution. Thereafter, such Participant may direct the Recordkeeper to liquidate his or her interest in any of the Investment Options and transfer the proceeds thereof to one or more other Investment Options in accordance with Section 4.4 (in each case subject to the limitations set forth in Sections 4.5 and 4.6). All Rollover Contributions shall be invested by the Recordkeeper in the Investment Options in accordance with such directions as soon as administratively practicable.

4.10 Fund Mapping or Similar Activity.

Notwithstanding anything in Article IV to the contrary, if the Committee eliminates one or more of the Investment Options or undertakes similar activity on behalf of the Plan, the Committee shall be authorized to liquidate without a Participant's consent and without the need for prior

notice to the Participant the portion of each Account invested in such eliminated Investment Option and direct the proceeds of such liquidation in one or more remaining or replacement Investment Options in accordance with such liquidation and transfer procedures as the Committee may determine to be necessary or advisable in connection with such elimination.

4.11 Employer Contributions.

Nothing in this Plan prohibits the Employer from making deposits to a Participant's Account as an additional Compensation for services rendered, subject to the Participant's contribution limit.

ARTICLE V - ROLLOVERS AND TRANSFERS

5.1 Transfers from another Governmental 457 Plan.

Compensation previously deferred or contributed by (or contributed on behalf of) a Participant, a Beneficiary or a spousal Alternate Payee pursuant to another eligible deferred Compensation plan under Section 457 of the Code maintained by another employer described in Section 457(e)(1)(A) of the Code shall be accepted for a plan-to-plan transfer to the Plan by the Recordkeeper in the form and in the manner prescribed by the Committee. All such Section 457 Transfers shall be credited to the applicable Participant's corresponding Before-Tax Deferral Account or Roth 457(b) Account (or a combination thereof) and shall be invested in accordance with Section 4.9.

5.2 Acceptance of Assets from an Eligible Retirement Plan.

- a) Rollover Contributions in General: Amounts previously deferred or contributed by (or contributed on behalf of) a Participant, a Beneficiary or a spousal Alternate Payee under another Eligible Retirement Plan (other than a Roth IRA) that (i) are distributed to the Participant, the Beneficiary or the spousal Alternate Payee or (ii) are directly rolled over to the Plan as an eligible rollover distribution from such Eligible Retirement Plan, may be accepted as a Rollover Contribution by the Recordkeeper in the form and in the manner specified by the Recordkeeper; *provided*, that Rollover Contributions of amounts from a Qualified Roth Contribution Program must be directly rolled over to the Plan. Notwithstanding the foregoing, other than Rollover Contributions from a Qualified Roth Contribution Program as described in the preceding sentence, the Recordkeeper shall not accept any Rollover Contribution, or any portion thereof, that represents deferrals or contributions under another Eligible Retirement Plan that were made from Compensation that was included in the Participant, Beneficiary or spousal Alternate Payee's gross income in the year the amounts were deferred or contributed.
- b) Written Request; Acceptance of Assets: The Recordkeeper, in accordance with the Code and procedures established by the Committee, shall, as soon as practicable following its receipt of the written request of a Participant, a Beneficiary who is a Participant's Surviving Spouse or spousal Alternate Payee, determine whether the Rollover Contribution shall be accepted by the Plan. Any written request filed by a Participant, a Beneficiary who is a Participant's Surviving Spouse or a spousal Alternate Payee pursuant to Section 5.2(a) shall set forth the fair market value of such Rollover Contribution and a statement in a form satisfactory to the Recordkeeper that the amount to be transferred constitutes a Rollover Contribution.
- c) Rollover Account: The Rollover Contribution shall be maintained in a separate, fully vested Rollover Account for the benefit of the contributing Participant or the Beneficiary

and, in the case of a spousal Alternate Payee, the Alternate Payee Account, and shall be invested in accordance with the investment direction of the applicable Participant pursuant to Section 4.9. All amounts so transferred shall be credited to the Participant's Rollover Account or Alternate Payee Account and shall be available for distribution at any time during the Plan Year. No other contributions shall be allocated to the Rollover Account. Any Rollover Contributions of amounts from a Qualified Roth Contribution Program shall be segregated and held in a separately designated and maintained Rollover Account from those amounts not from a Qualified Roth Contribution Program. At the election of the Participant, Beneficiary who is a Participant's Surviving Spouse or spousal Alternate Payee, any Rollover Contributions or 457 Transfers from an eligible deferred Compensation plan under Section 457(b) of the Code may be held in separately designated and maintained Rollover Accounts for 457(b) Rollover Contributions; *provided* that any such amounts from a Qualified Roth Contribution Program and any such amounts not from a Qualified Roth Contribution Program shall be segregated and held in separately designated and maintained 457(b) Rollover Accounts.

5.3 Rollover of Assets to Purchase Retirement Service Credit.

With respect to trustee-to-trustee transfers, a Participant or Beneficiary may elect, in accordance with procedures established by the Committee, to have all or any portion of the value of his or her Account transferred to the trustee of a defined benefit governmental plan as described in Section 414(d) of the Code; *provided, however*, that such transfer is for the purchase of permissive service credit (as defined in Section 415(n)(3)(A) of the Code) under such plan or a repayment of contributions and earnings with respect to a forfeiture of service under such plan.

ARTICLE VI - ACCOUNTS AND RECORDS OF THE PLAN

6.1 Participant Accounts.

- a) In General. The Committee shall establish and maintain one or more Accounts for each Participant, including a Before-Tax Deferral Account, a Roth 457(b) Account (to the extent applicable) and, as necessary, one or more Rollover Accounts (including a segregated Rollover Account relating to contributions from a Qualified Roth Contribution Program) with respect to each Participant. Each Account shall record the value of the portion allocable to that Account, the value of the portion of the Account, if any, that is invested in each Investment Option (both in the aggregate and by Account) and other relevant data pertaining thereto. With respect to each Participant, all Amounts Deferred or Contributed, all Section 457 Transfers and all Rollover Contributions shall be credited to his or her Before-Tax Deferral Account, Roth 457(b) Account or Rollover Account, as applicable.
- b) Written Statement. Each Participant shall be furnished with a written statement of his or her Accounts (including the value of the interest he or she has, if any, in each Investment Option and the amount of and explanation for each allocation to or deduction from his or her Accounts) at least quarterly, which statement shall be delivered in a manner prescribed by the Committee.

6.2 Beneficiary Accounts.

The Recordkeeper shall establish and maintain one or more Beneficiary Accounts, including, as applicable, separate Before-Tax Deferral Accounts, Roth 457(b) Accounts, and Rollover

Accounts with respect to each Beneficiary of a deceased Participant. Each such Account shall record the value of the portion of the deceased Participant's Account allocable to each of the Beneficiary's Accounts, the value of the portion of the Account, if any, that is invested in each Investment Option (both in the aggregate and by Account) and other relevant data pertaining thereto. Each Beneficiary shall be furnished with a written statement of his or her Accounts in the same manner set forth in Section 6.1(b).

6.3 Alternate Payee Accounts.

The Recordkeeper shall establish and maintain one or more Alternate Payee Accounts, including, as applicable, separate Before-Tax Deferral Accounts, Roth 457(b) Accounts, and Rollover Accounts with respect to each Alternate Payee. The Alternate Payee Account shall separately account for all amounts received (i) from the Participant's Rollover Account and (ii) from all amounts rolled into the Plan by a spousal Alternate Payee, pursuant to Sections 5.1 or 5.2. Each such Account shall record the value of the portion of the Participant's Account allocable to the Alternate Payee's Account, the value of the portion of the Account, if any, that is invested in each Investment Option (both in the aggregate and by Account) and other relevant data pertaining thereto. Each Alternate Payee shall be furnished with a written statement of his or her Alternate Payee Accounts in the same manner set forth in Section 6.1(b).

6.4 Investment Options and Investment Funds.

The Trust Fund shall be invested at the direction of Participants, in accordance with Article IV, in and among the Investment Options made available through the Plan from time to time by the Committee. Investment Options may include a brokerage account or similar investment window through which Participants may direct the investment of their Accounts into Mutual Funds (as defined below) or other available investment products that the Committee designates as available for investment through such window and any other investment alternative that the Committee may make available through the Plan. Investment Funds may consist of open-end investment companies registered under the Investment Company Act of 1940, as amended ("Mutual Funds"), separately managed accounts, unregistered commingled funds, group or commingled trusts, or any combination thereof as approved from time to time by the Committee for the investment of the assets of the Trust Fund.

ARTICLE VII - WITHDRAWALS FOR UNFORESEEN EMERGENCIES; WITHDRAWALS OF SMALL AMOUNTS

7.1 Distribution for an Unforeseeable Emergency.

- 1) A Participant or Beneficiary may request an Unforeseeable Emergency Distribution subject to the following requirements:
 - a) The request for an Unforeseeable Emergency Distribution will be processed by the Recordkeeper under the direction of the Executive Officer based on the requirements of the Plan and Code on the Participant's or Beneficiary's relevant facts, circumstances and parameters listed in the Plan Document.
 - b) The request for an Unforeseeable Emergency may be made only to the extent that such emergency is or may not be relieved through:
 - i) reimbursement or compensation from insurance or otherwise;
 - ii) liquidation of the Participant's or Beneficiary's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship; or
 - iii) cessation of the Participant's Deferrals to the Plan.
 - c) In accordance with Section 8.1(e), a Participant must take a distribution of his or her Rollover Account before the Participant may be eligible to request a distribution for an Unforeseeable Emergency.
 - d) Distributions due to an Unforeseeable Emergency must be limited to the amount reasonably necessary to satisfy the emergency need (which may include any amounts necessary to pay federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution).
- 2) A Participant or Beneficiary may request an Unforeseeable Emergency withdrawal by submitting that request in writing on the Plan's approved form to the Administrative Staff or directly to the Recordkeeper, who will review and approve the request. If the request is denied, a request for review of the determination may be made in writing to Executive Officer. If the Executive Officer's review of the determination fails to confirm a claim of Unforeseeable Emergency, an appeal may be made to the Committee in writing. If at any time a request of an Unforeseeable Emergency withdrawal is approved, the Executive Officer may direct the Recordkeeper to distribute so much of the Participant Account as is necessary to provide the amount approved to meet the Unforeseeable Emergency, as determined by the Committee.
- 3) Unforeseeable Emergency withdrawals will be made in accordance with the procedures established by the Committee.

7.2 Distribution from a Small Inactive Account.

- a) A Participant with an Account, not including the amount in the Participant's Rollover Accounts, of \$5,000 or less (or such greater amount as may be permitted by Section 401(a)(11) of the Code) may elect at any time to receive a lump sum distribution, not to exceed \$5,000, of his or her Account and Rollover Account, which distribution will be made in accordance with procedures established by the Recordkeeper, *provided* that both of the following conditions have been met: (a) there has been no Amount Deferred or Contributed by such Participant during the two-year period ending on the date of distribution; and (b) there has been no prior distribution made to such Participant pursuant to this Section 7.2.
- b) At any time the Committee can direct the Recordkeeper, under the direction and oversight of the Executive Officer, to automatically cash out a participant's Account if a Participant's Account:
 - i. Does not exceed \$1,000; and
 - ii. Participant has separated from service, but not elected a distribution;

7.3 Loans to State of Nevada Employees

- a) Participants employed by the State of Nevada, Participants who have retired or separated service from the State of Nevada, or Alternate Payee(s) and/or Beneficiary(s) of a Participant who is currently or was previously employed by the State of Nevada may receive a loan from their 457(b) Elective Deferral Account. Any such loan may not be for an amount less than one-thousand dollars (\$1000.00). Unless authorized and directed by the Committee, Participants, Beneficiary(s), or Alternate Payee(s) who are currently or were previously employed by the Nevada System of Higher Education or an authorized and participating Political Sub-Division are not authorized to receive loans from their 457(b) Elective Deferral Account.
- b) The Recordkeeper, in accordance with the Committee's direction and under the direction and oversight of the Executive Officer, may make loans to Participants or Alternate Payee(s) and/or Beneficiary(s) of a Participant who is currently or was previously employed by the State of Nevada under the following circumstances: (1) loans will be made available to all State of Nevada Participants on a reasonably equivalent basis; (2) loans will bear a reasonable rate of interest, i.e., prime plus one percent; (3) loans will be adequately secured; and (4) will provide for periodic repayment over a reasonable period of time not to exceed 57 months for general purpose loans and up to ten years (120 months) for qualified residential loans.
- c) Pursuant to IRC Section 72(p), no loan made pursuant to this Section will exceed the lesser of:
 - 1 One-half (1/2) of the value of the State Participant's Account balance; or
 - 2 Fifty thousand dollars (\$50,000).
- d) The terms of the loan shall:
 - 1 Require level amortization with payments to be made not less frequently than monthly; except for
 - a. A borrower who is on a leave of absence for the performance of uniformed service within the meaning of Section 414(u) of the Internal Revenue Code may elect to suspend payment for the period of uniformed service. If the borrower so elects, then upon the borrower's return from uniformed service, the loan repayment period shall be extended by a period equal to the length of the uniformed service.

- 2 Require the loan to be repaid over a period not to exceed 57 months. However, loans used to acquire any dwelling unit which, within a reasonable time, is to be used (determined at the time the loan is made) as a principal residence of the State of Nevada Participant will, provide for periodic repayment over a reasonable period of up to ten (10) years (120 months).
- e) Security for loan; default
- 1 Any security interest held by the Plan by reason of an outstanding loan to the Participant will be taken into account in determining the amount of the death benefit or single lump-sum payment
 - 2 Default. In the event that a Participant fails to make a loan payment by the last business day of the calendar month following the calendar month in which the payment is due, a default on the loan shall occur. In the event of such default:
 - a. All remaining payments on the loan shall be immediately due and payable;
 - b. The Participant shall not be allowed to initiate another loan from the Plan until the defaulted amount is repaid; and
 - c. A default may be considered a taxable event.
- f) Repayment
- 1 The Participant shall be required, as a condition to receiving a loan, to enter into an agreement authorizing the Recordkeeper, in accordance with the Committee's direction, to establish and make automatic monthly (ACH) deductions from the Participant's personal bank account only.
 - 2 Notwithstanding paragraph 1, a Participant may prepay the entire outstanding balance of his/her loan at any time, in whole or in part, provided that a partial prepayment shall not change the payment schedule or the interest rate on the loan.
 - 3 If any automatic monthly (ACH) deductions cannot be made in full because of insufficient funds or due to a closed, suspended, or restricted bank account, the Participant shall pay directly to the Plan's Recordkeeper the full amount that would have been deducted from the Participant's bank account, with such payment to be made by the last business day of the calendar month in which the amount would have been deducted. The Participant would be required to re-establish the automatic monthly (ACH) deductions from the Participant's personal bank account with the Plan's Recordkeeper prior to the next amortized scheduled draft date or be considered in default.
- g) Loan Fees
- 1 The Recordkeeper, in accordance with the Committee's direction, will charge and collect a one-time loan fee of one-hundred, twenty-five dollars (\$125.00) for each loan, of which a fee of twenty-five dollars (\$25.00) will be reimbursed back to the Plan by the Recordkeeper to cover any expense incurred by the Plan in operating the loan program. The loan Fee will be deducted from the Participant's Account balance.
- h) Loan Authorization
- 1 The Recordkeeper, in accordance with the Committee's direction, will authorize loans, based on the loan provisions in the IRC Section 72(p), corresponding regulations and terms of the loan program and NDC Plan Document.
- i) The Committee may establish such rules with respect to the loan program as the Committee deems advisable, including without limitation, rules regarding the number of

loans that may be outstanding for any Participant at any time. Maximum number of loans that may be outstanding at any time, regardless of type, is one (1).

- j) Loans are not available from an Employee's Roth Elective Deferral Account, but these Roth 457(b) Accounts may be taken into account in determining the maximum loan that a Participant may obtain under the provisions of this Section.

Article VIII - DISTRIBUTION FROM THE PLAN AND OTHER ELIGIBLE RETIREMENT PLANS

8.1 Distribution to Participants.

- a) Eligibility for Distribution. A Participant will become eligible to receive a distribution of his Account upon the occurrence of any of the following events: (i) the Participant's Severance from Employment with the Employer; (ii) the Participant's attainment of age 70½; or (iii) the Participant's absence from employment for qualifying military service as described in the HEART Act. Except as otherwise provided in Article VII, a Participant may not receive distribution of his or her Account at any time prior to the occurrence of one of the foregoing events.
- b) Distributions to Participants. Upon a Participant's eligibility for a distribution pursuant to Section 8.1(a), the Participant shall be entitled to receive his or her Account, which shall be paid in cash by the Recordkeeper in accordance with one of the methods described in Section 8.1(c) and as of the commencement date elected by the Participant in accordance with the procedures prescribed Section 8.1(e).
- c) Distribution Options. Subject to Section 8.6, any payment made under this Section shall be made in one of the following methods, as the Participant (or, in the case of the death of a Participant, his or her Beneficiary) may elect any of the following:
 - i. A total or partial lump sum payment.
 - ii. Periodic monthly, quarterly, semi-annual or annual installment payments; *provided, however,* that a Participant (or, in the case of the death of a Participant, his or her Beneficiary) may elect to receive (A) an initial installment payment in a specified amount and (B) the balance of his or her Account in periodic monthly, quarterly, semi-annual or annual installment payments. Installment payments may consist of (A) fixed amounts paid on each payment date as designated by the Participant (or in the case of the death of a Participant, his or her Beneficiary), or (B) formulaic amounts determined by the Recordkeeper, based on a fixed period designated by the Participant (or in the case of the death of a Participant, his or her Beneficiary), calculated by dividing the Account on the date of the payment by the number of payments remaining during the fixed period.
 - iii. A Participant who elects to receive installment payments or who is currently receiving installment payments pursuant to Section 8.1(c)(ii) may elect, subject to any limitations set forth by the Committee and in accordance with procedures established by the Recordkeeper, to receive a portion of his or her Account distributed in a lump sum; Such lump sum payments shall not result in a discontinuation of subsequent installment payments; *provided, however,* that such

subsequent payments may be redetermined in accordance with methods and procedures established by the Recordkeeper.

- iv. A Participant who is an eligible retired public safety officer, as defined in Section 402(l) of the Code, may elect, at the time and in the manner prescribed by the Recordkeeper, to have up to \$3,000 per year (or such greater amount as may be permitted under applicable guidance issued by the Internal Revenue Service) of amounts from his or her Before-Tax Deferral Account distributable under the Plan used to pay qualified health insurance premiums for an accident or health plan or long-term care insurance contract covering the Participant and his or her spouse and dependents. Such amounts are excludible from the Participant's gross income to the extent the qualified health insurance premiums are paid directly to the provider of the accident or health plan or long-term care insurance contract (determined in accordance with Section 402(l) of the Code) by deduction from a distribution to the Plan.
- v. For each distribution election under Section 8.1(c), a Participant shall designate the percentage of each distribution that will come from his or her Before-Tax Deferral Account and the percentage that will come from his or her Roth 457(b) Account. For the avoidance of doubt, for purposes of the limitations and restrictions described in this Section 8.1(c), each distribution election made by a Participant and each payment made in accordance thereto shall be deemed to be one election and one payment, even if payment is made both from the Participant's Before-Tax Deferral Account and from his or her Roth 457(b) Account.

Notwithstanding the foregoing, a Participant may not elect an installment period extending beyond the longest of (A) his or her life expectancy, (B) if his or her designated Beneficiary is his or her Spouse, the life expectancy of the Participant and his or her Spouse and (C) if his designated Beneficiary is not his or her Spouse, the life expectancy determined using the applicable table contained in the applicable Treasury Regulation.

- d) Distribution Election. In the case of the Participant's Severance from Employment with the Employer, a distribution election made by the Participant shall specify the form of payment as provided in Section 8.1(c) and the date on which payments shall commence, following the Participant's Severance from Employment; *provided, further* that the timing of any distribution must be in compliance with Section 8.6. Subject to Section 8.6, a Participant who is receiving distributions under the Plan may change both the timing and the method of payment elected subject to any limitations set forth by the Committee and in accordance with procedures established by the Recordkeeper.
- e) Rollover Accounts. Notwithstanding any other provision of Section 8.1, a Participant who has one or more Rollover Accounts shall be permitted to withdraw all or any portion of such Rollover Accounts at any time during a Plan Year; *provided* that such withdrawal shall be paid pursuant to a method of payment elected by the Participant in accordance with Section 8.1(c) and the value of such Rollover Accounts shall be determined in accordance with Section 8.1(d).

8.2 Distributions to Beneficiaries.

If a Participant dies before distribution of his or her Account has commenced, a distribution election made by the Beneficiary shall specify the form of payment as provided in Section 8.1(c) and the date on which payments shall commence. If a Participant dies at any time before his or her entire Account has been distributed, then the Participant's Beneficiary may make subsequent distribution elections as provided in Section 8.1(c). Notwithstanding the foregoing, any distribution to a Beneficiary shall be made in accordance with the provisions of Section 401(a)(9) of the Code and subject to Sections 8.6(d) and (e).

- a) Determination of Benefits Upon Death of a Participant should be carried out in accordance with Section 9.2(a)
 - i. The Plan shall have the authority to retain any funds or property that are subject to any dispute, Beneficiary or otherwise, without liability for the payment of interest, and shall decline to make payment or delivery of such funds or property until a court of competent jurisdiction makes a final adjudication as to the proper disposition of said funds or property.

The Plan's Recordkeeper and/or appointed legal counsel may require such proper proof of death and such evidence of the right of any person to receive payment of the value of the Participant Account of a deceased Participant or Beneficiary, as the Plan's Recordkeeper and/or legal counsel may deem appropriate.

8.3 Distributions to Alternate Payees.

A distribution to an Alternate Payee may be paid in a single lump sum as soon as practicable following the qualification of the Qualified Domestic Relations Order and the close of all appeals to the Qualified Domestic Relations Order if the Alternate Payee consents to such lump sum distribution. In the event that the Alternate Payee does not consent to receive his or her distribution in a single lump sum as soon as practicable following the qualification of the Qualified Domestic Relations Order, the Alternate Payee may make an election to receive a distribution any time after the Earliest Retirement Date, subject to any requirements of Section 401(a)(9) of the Code and Section 8.6, by filing a distribution election specifying the form of payment as provided in Section 8.1(c) and the date on which payments shall commence.

8.4 Eligible Rollover Distributions.

- a) Participant Rollover Distributions. In connection with a Participant's Severance from Employment, the Distributee may elect, at the time and in the manner prescribed by the Recordkeeper, to have all or any portion of the Participant's Accounts that qualifies as an Eligible Rollover Distribution paid directly to the trustee of an Eligible Retirement Plan; *provided* that such other plan provides for the acceptance of such amounts by the trustee. The Plan shall provide written information to Distributees regarding Eligible Rollover Distributions to the extent required by Section 402(f) of the Code.
- b) Beneficiary Rollover Distributions. Upon a Participant's death, a Beneficiary may elect, at the time and in the manner prescribed by the Recordkeeper, under the direction of the Committee and Executive Officer as delegated by the Committee to have all or any portion of the Participant's Accounts that qualifies as an Eligible Rollover Distribution paid directly to the trustee of an individual retirement arrangement (as defined in

Section 7701(a)(37) of the Code) that is established for the purpose of receiving the distribution on behalf of such Beneficiary and that is treated as an inherited IRA in accordance with Code Section 402(c)(11). However, for an Eligible Rollover Distribution to a designated Beneficiary other than a Surviving Spouse, an Eligible Retirement Plan is only an individual retirement Account described in Code Section 408(a) or an individual retirement annuity described in Code Section 408(b) that is treated as an inherited IRA in accordance with Code Section 402(c)(11).

- c) Roth IRA Rollover Distribution. In connection with a Participant's Severance from Employment or upon a Participant's death, as the case may be, a Participant or a Beneficiary may elect, at the time and in the manner prescribed by the Recordkeeper, to have all or any portion of the Participant's Accounts that qualifies as an Eligible Rollover Distribution rolled over to a Roth individual retirement arrangement (as defined in Section 7701(a)(37) of the Code, and designated as a Roth arrangement at the time of its establishment). Such amounts will be included in gross income as if the distribution had been made to such Participant or Beneficiary.
- d) In-Plan ROTH Conversion. A Participant, the surviving Spouse of a deceased Participant, or a Participant's spouse or former spouse who is designated as an Alternate Payee under a Qualified Domestic Relations Order, may elect an In-Plan Roth Conversion in accordance with this section 8.4(d).
 - a. An In-Plan Roth Conversion is a transfer of amounts held in a Participant's account under the Plan that is not a designated Roth Account to a designated Roth Account established on the Participant's behalf. An In-Plan Roth Conversion shall comply with the provisions of Code 402A(c)(4) and the regulations and guidance issued under that Code section.
 - b. An In-Plan Roth Conversion shall be one of two types:
 - i. A "Distributable Amount Conversion," which is a qualified transfer of an amount otherwise distributable under the Plan, as described in Code 402(c)(4); or
 - ii. A "Non-distributable Amount Conversion," which is a qualified transfer of an amount not otherwise distributable under the Plan, as described in Code 402A(c)(4)(E).
 - c. A Distributable Amount Conversion may be accomplished by either a direct transfer within the Plan, or by a distributee's rollover contribution made within the 60 days after receipt of an eligible distribution. A Non-distributable Amount Conversion cannot be made in the form of a 60-day rollover.
 - d. Amounts for any of the Participant's Accounts under the Plan (other than as a current Roth Account), including from an Employer Contribution Account, if applicable, may be transferred to a designated Roth account under the Plan as an In-Plan Roth Conversion.
 - e. A Distributable Amount Conversion is subject to the rollover notice requirements of Code 402(f). A Non-distributable Roth Conversion is not subject to such notice Requirements.
 - f. A designated Roth Account to which a Non-distributable Amount Conversion is transferred will remain subject to the restrictions on distributions that apply to the amounts transferred. Consequently, distributions from such designated Roth Accounts generally cannot be made prior to the Participant's termination of employment or attainment of age 70 1/2.

- g. The Value of either a Distributable Amount Conversion or a Non-distributable Amount Conversion from an In-Plan Roth Conversion is included in the Participant's or other electing individual's gross income for the year of the conversion.

8.5 457 Transfers.

The Participant may transfer his or her Account to another Section 457 maintained by another employer, if:

- a) The Participant has severed employment with the Employer and become an Employee of the other employer;
- b) The other employer's plan provides that such transfer will be accepted; and
- c) The Participant and the employer have signed such agreements as are necessary to assure that the Employer's liability to pay benefits to the Participant has been discharged and assumed by the other employer.

A transfer from an eligible governmental to another eligible governmental plan is permitted if the following conditions are met:

- a) The transfer is from an eligible governmental plan to another eligible governmental plan of the same employer; for this purpose, the employer is not treated as the same employer if the Participant's Compensation is paid by a different entity;
- b) The transferor plan provides for transfers;
- c) The receiving plan provides for receipt of transfers;
- d) The participant or Beneficiary whose amounts deferred are being transferred will have an amount deferred immediately after the transfer at least equal to the amount deferred with respect to that participant or Beneficiary immediately before the transfer; and
- e) The participant or Beneficiary whose deferred amounts are being transferred is not eligible for additional annual Deferrals in the receiving plan unless the participant or Beneficiary is performing services for the entity maintaining the receiving plan.

8.6 Withholding.

The Recordkeeper shall withhold or cause to be withheld from any amounts withdrawn or distributed all federal, state, city or other taxes as shall be required pursuant to any law or governmental ruling or regulation, including Treasury Regulations.

8.7 Required Minimum Distributions.

- a) In General. Notwithstanding any other provision of the Plan to the contrary (except Section 8.7(b)), all distributions under the Plan shall be in accordance with the minimum distribution and timing requirements of Section 401(a)(9) of the Code (including the incidental death benefit requirements of Section 401(a)(9)(G) of the Code) and the final Treasury Regulations under Sections 1.401(a)(9)-2 through 1.401(a)(9)-9, which are incorporated herein by reference. Such provisions shall override any distribution options in the Plan that may be inconsistent with Section 401(a)(9) of the Code. Any distributions made pursuant to this Section 8.7 in order to comply with Section 401(a)(9)

of the Code shall be charged against the Account or Accounts of the Participant in such manner as designated by the Participant in accordance with procedures established by the Recordkeeper; *provided, however*, that if no such designation is made, such distributions shall be charged first against the Before-Tax Deferral Account, second against the Roth 457(b) Account, third against the Rollover Account or Rollover Accounts not relating to Rollover Contributions of amounts from a Qualified Roth Contribution Program, and fourth against the Rollover Account or Rollover Accounts relating to Rollover Contributions of amounts from a Qualified Roth Contribution Program

- b) 2009 Waiver. Notwithstanding anything to the contrary in Section 8.7, a Participant who would have been required to receive required minimum distributions for 2009 but for the enactment of Section 401(a)(9)(H) of the Code ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are (i) equal to the 2009 RMDs or (ii) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's Beneficiary, or for a period of at least 10 years, will not receive those distributions for 2009 unless the Participant or Beneficiary chooses to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence.
- c) Distributions During Participant's Life. The Account of a Participant shall be distributed (or commence to be distributed) to such Participant as soon as practicable after the Required Beginning Date. If the Participant has not made an election pursuant to Section 8.1(c) prior to such Required Beginning Date, then the Account shall be distributed in the form of installment payments commencing on the Required Beginning Date.
- d) Death of a Participant Before the Required Beginning Date.
 - i If a Participant dies before his Required Beginning Date, his Beneficiary (or if the Participant has no Beneficiary, his or her Surviving Spouse or estate, as determined under Section 9.2) shall receive a distribution of the Account over the life of the Beneficiary or over a period not exceeding the life expectancy of the Beneficiary; provided that the distribution commences no later than December 31 of the calendar year immediately following the calendar year in which the Participant dies, except as set forth in Sections 8.7(d)(i)(1) or (2) as follows:
 1. If a Participant dies before his Required Beginning Date, the Beneficiary may elect to receive the remaining portion (if any) of such Participant's Account no later than December 31 of the calendar year containing the fifth anniversary of the Participant's death (determined without regard to 2009); or
 2. If the sole Beneficiary is the Participant's Surviving Spouse, such Surviving Spouse may elect to receive a distribution of the Account over a period not exceeding the life expectancy of the Surviving Spouse (determined as of the date such payments commence); provided that the distribution commences on or before the later of December 31 of the calendar year immediately following the

calendar year in which the Participant dies or December 31 of the calendar year in which the Participant would have attained age 70½; provided, further, that if the Surviving Spouse dies after the Participant but before distributions to the Surviving Spouse commence, Section 8.7(d) (with the exception of Section 8.7(d)(i)(B)) shall apply as if the Surviving Spouse were the Participant. (ii) The Beneficiary may elect to receive payment of the Account as a lump sum or in annual, monthly or quarterly installment payments.

- ii The Beneficiary may elect to receive payment of the Account as a lump sum or in annual, monthly or quarterly installment payments.

e) Death After Required Beginning Date and After Commencement of Distributions.

If a Participant dies on or after the Required Beginning Date, but before his or her entire Account is distributed to him or her, the unpaid portion of his or her Plan Account shall be distributed as follows:

- i. If the Participant has a designated Beneficiary, the longer of the remaining life expectancy of the Participant's Beneficiary and the remaining life expectancy of the Participant determined in accordance with Section 1.409(a)(9)-5 of the Treasury Regulations; or
 - ii. If the Participant does not have a designated Beneficiary, the remaining life expectancy of the Participant determined in accordance with Section 1.409(a)(9)-5 of the Treasury Regulations; *provided, however*, that if a Beneficiary so elects, the Participant's remaining Account may be paid to the Beneficiary at any time in a lump sum so long as the entire Account is paid at least as rapidly as it would be paid under Section 8.7(e)(i) of this adopted Plan Document.
- f) Alternate Payee Accounts. In the case of any Alternate Payee Account, payments to the Alternate Payee must be made in accordance with the Plan and Section 401(a)(9) of the Code.

ARTICLE IX - DESIGNATION OF BENEFICIARIES

9.1 Designation of Beneficiaries.

Each Participant shall file with the Recordkeeper a designation of one or more persons as the Beneficiary who shall be entitled to receive the Account, if any, payable under the Plan upon his or her death. A Participant may from time to time revoke or change his or her Beneficiary designation without the consent of any prior Beneficiary by filing a new designation or change or revocation thereof shall be effective unless received by the Recordkeeper in good order prior to the Participant's death, and in no event shall it be effective as of a date prior to such receipt. For purposes of Article IX, a Beneficiary designation shall be deemed to be received in good order only if the Recordkeeper can reasonably identify the Beneficiary or Beneficiaries named in the designation.

9.2 No Beneficiaries Designated.

- a) If no such Beneficiary designation is in effect at the time of a Participant's death, or if no designated Beneficiary survives the Participant, or if no designated Beneficiary can be located with reasonable diligence by the Recordkeeper, the payment of the Account, if any, payable under the Plan upon the Participant's death shall be made by the Recordkeeper to the Participant's Surviving Spouse, if any, or if the Participant has no Surviving Spouse, or the Surviving Spouse cannot be located with reasonable diligence by the Recordkeeper, then to the deceased estate.
- b) If the Beneficiary so designated by the Participant dies after the death of the Participant but prior to receiving a complete distribution of the amount that would have been paid to such Beneficiary had such Beneficiary's death not then occurred, then, for purposes of the Plan, the distribution that would otherwise have been received by such Beneficiary shall be paid to the Beneficiary's estate.

ARTICLE X - QUALIFIED DOMESTIC RELATIONS ORDERS

10.1 Qualified Domestic Relations Order.

Payments with respect to a Participant's Account may be made by the Recordkeeper to one or more Alternate Payees pursuant to the terms of a Qualified Domestic Relations Order. Upon segregation of the assets payable to the Alternate Payee, any such amounts paid or segregated shall no longer constitute part of the Participant's Account. No liability whatsoever shall be incurred by the Committee, NDC Administrative Staff, the Employer, or the Recordkeeper solely by reason of any act or omission undertaken in accordance with this Article to comply with the terms of a Qualified Domestic Relations Order.

ARTICLE XI - ADMINISTRATION

11.1 Plan Administration.

Except as otherwise provided therein, the operation and administration of the Plan shall be the responsibility of the Committee and the Committee shall have all of the broad, general authority necessary or advisable to operate and administer the Plan

The Committee shall have the power and the duty to take all action and to make all decisions necessary or proper to carry out its responsibilities under the Plan. All determinations of the Committee as to any question involving its responsibilities under the Plan, including interpretation of the Plan or as to any discretionary actions to be taken under the Plan, shall be solely in the Committee's discretion and shall be final, conclusive and binding on all parties.

The Committee may delegate administrative and managerial duties to the Executive Officer.

11.2 Powers and Responsibilities of the Committee.

The primary responsibilities of the Committee is to oversee the governance of the Plan for the benefit of the Participants and their Beneficiaries, subject to the specific terms adopted in the Plan. Under the delegation of the Committee, the Executive Officer will administer the Plan in accordance with its terms and will have the power and discretion, or delegate that power and

discretion to a Recordkeeper under the direction and oversight of the Executive Officer, to construe the terms of the Plan and determine all questions arising in connection with the administration, interpretation, and application of the Plan. Any such determination by the Executive Officer or Recordkeeper under the direction or oversight of the Executive Officer will be conclusive and binding upon all persons. The Committee or Executive Officer may establish administrative procedures and/or direct the Recordkeeper to correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as will be deemed necessary or advisable to carry out the purpose of the Plan under the delegation of the Committee; provided, however, that any procedure, discretionary act, interpretation or construction will be done in a nondiscriminatory manner based upon uniform principles consistently applied and will be consistent with the intent that the Plan will continue to be deemed a qualified plan under the terms of Code Section 457, and will comply with the terms of all Income Tax Regulations issued pursuant thereto. The Executive Officer and/or the Recordkeeper, under the direction and oversight of the Executive officer, will have all powers necessary or appropriate to accomplish duties under this Plan. The Committee will have full power to interpret and construe the Plan in a manner consistent with its terms and the provisions of Code Section 457, including the applicable Income Tax Regulations and to establish practices and procedures conforming to those provisions. In all such cases, the Committee's determination will be final and conclusive upon all persons. It is recognized that unusual circumstances may occur and questions may arise that are not specifically covered by any provision of the Plan, and the Committee will have the right to resolve all such questions.

The Committee will periodically review the performance of any contractor or representative of a contractor to whom duties have been delegated or allocated by it under the provisions of this Plan or pursuant to procedures established hereunder. This requirement may be satisfied by formal periodic review by the Committee or by the Executive Officer, through day-to-day management and oversight, or through other appropriate methods approved by the Committee or Executive Officer. The Executive Officer will be charged with the duties of the general administration of the Plan, and may assign, under the direction of the Executive Officer, particular duties to the Plan's Recordkeeper including, but not limited to, the following:

- a) The discretion to determine all questions relating to the eligibility of Employees and Independent Contractors to participate or remain a Participant hereunder and to receive benefits under the Plan;
- b) To require any person to furnish such information as it may request for the purpose of the proper administration of the Plan as a condition to receiving any benefit under the Plan;
- c) To authorize and direct the Recordkeeper with respect to all disbursements to which a Participant is entitled under the Plan;
- d) To maintain all necessary records for the administration of the Plan;
- e) To make and enforce such rules and regulations and prescribe the use of such forms as it shall deem necessary for the efficient administration of the Plan;
- f) To interpret the Plan and to resolve ambiguities, inconsistencies and omissions in the terms of the Plan or any document related to the Plan, and to assist any Participant regarding his/her rights, benefits, or elections available under the Plan ;

- g) To decide all questions concerning the Plan and the eligibility of any Employer or other individual to participate in the Plan;
- h) To enlarge or diminish any applicable time period set forth in the Plan, subject to applicable law; and
- i) To determine the methods and procedures for the implementation and use of any automated telephone, computer, internet, intranet or other electronic or automated system adopted for purposes of Plan administration.

11.3 Limitation of Liability.

Except as may be prohibited by applicable law, neither the Committee, any member thereof, nor any Administrative Staff member, shall be liable for (a) anything done or omitted to be done by it or by them unless the act or omission claimed to be the basis for liability amounted to a failure to act in good faith or was due to gross negligence or willful misconduct; (b) the payment of any amount under the Plan; or (c) any judgment or reasonable mistake of fact made by it or on its behalf by a member of the Committee or Administrative Staff. No member of the Committee or any Administrative Staff member shall be personally liable under any contract, agreement, or other instrument made or executed by him or her or on his or her behalf in connection with the Plan or Trust fund.

11.4 Trustee.

The Trustee shall have responsibility for the custody and safekeeping of the assets of the Plan in accordance with the terms of the Trust Agreement and the Recordkeeper shall be responsible for implementing the aggregated investment decisions of Participants and beneficiaries by allocating the Plan assets to the various Investment Options.

11.5 Investment Options.

The Committee shall have the power to add or remove one or more Investment Options. The Committee shall periodically review the performance and methods of such Investment Options. The Committee has the right to (i) replace any Investment Option with a successor organization or option, (ii) to select any additional investment option or (iii) remove any Investment Option.

11.6 Delegation.

The Committee may delegate its general authority as it deems appropriate in accordance with the terms of the Plan and all applicable Code sections; provided; however, that such delegation shall be subject to revocation at any time at the discretion of the Committee. Notwithstanding any other provision of the Plan, the Committee's general authority shall include the right to review, revise, modify, revoke, or vacate any decision made or action taken by any party under the Plan to whom authority of the Committee has been delegated or to whom authority with respect to the administration of the Plan or the custody and investment of assets of the Trust Fund has been delegated or assigned under the terms of the Plan, by the Committee or otherwise. The rights of the Committee under Section 11.6 include the right to review, revise, modify, revoke, or vacate any decision of the Recordkeeper.

11.7 Plan Expenses.

- a) Assessment Against the Trust Fund. Subject to 11.7(b), the expenses of administering the Plan, including (i) the fees and expenses of the Investment Options and any Recordkeeper(s) for the performance of their duties under the Plan, including any fees

and expenses associated with a change, termination or addition of an Investment Option, (ii) the fees, if any, of any member of the Committee and any Trustee and the expenses incurred by the Committee or any of its members or the NDC Administrative Staff in the performance of their duties under the Plan, including reasonable Compensation for any legal counsel, certified public accountants, consultants, and Employees of the Committee and cost of services rendered in respect of the Plan and the Trust Agreement (as provided therein), and (iii) all other proper charges and disbursements of the Investment Options, Recordkeeper, the Committee or its members (including settlements of claims or legal actions approved by counsel to the Plan).

- b) Investment Expenses. Unless the Committee determines otherwise, brokerage fees, transfer taxes and any other expenses incident to the purchase or sale of securities for any Investment Option shall be deemed to be part of the cost of such securities, or deducted in computing the proceeds there from, as the case may be. The Recordkeeper shall appropriately deduct any taxes assessed in respect of any assets held, income received, or transactions effected under the Investment Options proportionately against any Accounts that are invested in such Investment Option.

11.8 Review of Claims and Appeals

- a) Initial Claim of Rights or Benefits, Appeals, and Review. Any claims to rights or benefits under the Plan, including any purported Qualified Domestic Relations Order, or request for an Unforeseeable Emergency Withdrawal must be filed in writing with the Recordkeeper. Notice of denial of any claim in whole or part in part by the Recordkeeper, or by such other entity designed by the Recordkeeper, shall include the specific reasons for denial and notice of the rights granted by Section 11.8.
- b) Review of Decision. Any claimant or Participant Account who has received notice of denial or grant, in whole or in part, of a claim made in accordance with the foregoing Section 11.8(a) may file a written request within thirty days of receipt of such denial for review of the decision by the Executive Officer. Within 90 days after receipt of such request for review, the Committee may elect to review and discuss the decision in an open meeting in accordance with the Nevada Open Meeting Law and shall notify the claimant and, as applicable, the Participant, that the claim has been granted or denied, in whole or in part. Notice of denial of any claim in whole or in part by the Committee shall include the specific reasons for denial and shall be final, binding and conclusive on all interested person(s) for all purposes.
- c) 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 Executive Officer and shall include specific details, facts, reasons for dispute, and written proof of wrong doing or damages (if applicable). The Executive Officer 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 may consult and/or involve the State Attorney General, the Department of Administration Director, and the 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 Executive Officer 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 Executive Officer in good order.

11.9 Advisers.

The Committee shall arrange for the engagement and/or the contracting of certified public accountants and other consultants, including an investment consultant and/or investment adviser, for the purposes of the Plan. The Committee and Executive Officer may rely upon the written opinions of the State Attorney General and of, contracted accountants and consultants, and upon any information supplied by the Trustee or Recordkeeper appointed in accordance with the Regulations.

11.10 Limitation on Committee Power.

No member of the Committee shall be entitled to act on or decide any matters relating solely to such member or any of his or her rights or benefit under the Plan.

11.11 Public Meetings.

All actions of the Committee shall be taken at a public meeting in accordance with the Nevada Open Meeting Law. The Committee shall establish its own procedures and the time and place for its meetings and provide for the keeping of minutes of all meetings.

11.12 Defense of Claims.

In the event of a claim or legal action, the Committee and NDC Administrative Staff shall be entitled to defense by the State Attorney General.

ARTICLE XII - ADOPTION BY AND WITHDRAWALS OF PARTICIPATING EMPLOYERS

12.1 Adoption by a Participating Employer.

Effective Date of Adoption. Upon a Participating Employer's adoption of the Plan, such Participating Employer shall file with the NDC Administrative Staff a copy of each resolution or other legal action, consent or approval through which the Participating Employer adopted the Plan. Such Participating Employer's adoption of the Plan shall be effective upon receiving an acknowledgement of receipt of such submission from NDC Administrative Staff and a Committee motion ratifying the Participating Employer's adoption of the Plan.

12.2 Withdrawal of Participating Employer.

- a) Withdrawal by the Participating Employer. Any Participating Employer may terminate its adoption of the Plan by filing with the NDC Administrative Staff a copy of the resolution or other legal action, adopted in the same manner as the resolution or other legal action adopted pursuant to Section 12.1, specifying a termination date which shall be no early than the last Business Day of the month at least 30 days subsequent to the date such notice is received by the NDC Administrative Staff.
- b) Termination of Participating Employer's Participation by the Committee.
 - i. The Committee may terminate any Participating Employer's adoption of the Plan, as of any termination date specified by the Committee, for the failure of the Participating Employer to comply with any provision of the Plan or the Regulations.

- ii. The Committee may terminate a Participating Employer's adoption of the Plan upon complete and final discontinuance of Deferrals and contributions.
- c) Treatment of Participants after Withdrawal. Upon termination of adoption of the Plan by any Participating Employer that was formerly a Participating Employer, such Participating Employer shall not permit any further Deferrals or contributions of Compensation under the Plan and all Participants who are or where Employees of such Participating Employer or if no successor plan is established, payable to or in respect of such Participants as provided in the Plan. Any distributions, transfers or other dispositions of such Participants as provided in the Plan shall constitute a complete discharge of all liabilities under the Plan with respect to such Participating Employer previous adoption of the Plan and any Participant who is or was an Employee of such Participating Employer. The rights of such Participant under the Plan shall be unaffected by the termination of the adoption of the Plan by such Participating Employer with respect to Deferrals and contributions made and Accounts in existence as of the effective date of the termination.
- d) Continued Obligations of Participating Employers. Notwithstanding any other provision in Section 12.2 to the contrary, any Participating Employer who was previously a Participating Employer and whose adoption of the Plan has been terminated pursuant to Section 12.2(a) or 12.2(b) shall cooperate with the Executive Officer and Recordkeeper to provide any information or notifications needed for the continued administration of the Plan to Participants who had Accounts in existence as of the effective date of the termination, until such time as total the value of the Accounts attributable to any Participant who are current or former Employees (or who are Beneficiaries or Alternate Payees of any current or former Employees) of such Participating Employer, has been distributed or transferred to another eligible deferred Compensation plan under Section 457 of the Code, as provided under the Plan.

ARTICLE XIII - AMENDMENT OR TERMINATION

13.1 Power to Amend or Terminate.

Subject to any requirements of State or federal law, the Committee reserves the right at any time and with or without prior notice to any person to amend, suspend or terminate the Plan, to eliminate future Deferrals and contributions for existing Participants, or to limit participation to existing Participants, in whole or in part and for any reason and without the consent of any Participating Employer, Employee, Participant, Beneficiary or other person. No amendment, suspension or termination of any provisions of the Plan or any Deferrals or contributions there under, the Trust Agreement or any Investment Option may be made retroactively, unless such retroactively is allowed under State law, the Code and any other applicable law.

13.2 Termination of the Plan.

Upon any action by the Committee to initiate a Plan termination, no Participating Employer may permit any further Deferrals or contributions of Compensation under the Plan, and the Plan termination shall become effective upon the distribution of all Accounts. After taking an action to initiate a Plan termination, the Committee may distribute all Accounts. Any distributions, transfers or other dispositions of Accounts as provided in the Plan shall constitute a complete discharge of all liabilities under the Plan. The Committee and the Trustee(s) shall remain in existence and the Trust Agreement and all of the provisions of the Plan that the Committee

determines are necessary or advisable for the administration and distribution, transfer or other disposition of interests in the Trust Fund shall remain in force.

13.3 Notice to Participating Employers.

The Committee, through the Executive Officer shall give notice on a reasonably timely basis of any amendment, suspension or termination of the Plan to all Participating Employers.

ARTICLE XIV - GENERAL LIMITATIONS AND PROVISIONS

14.1 Plan Binding on Accounts.

The Plan, as duly amended from time to time, shall be binding on each Participant and his or her Surviving Spouse, Domestic Partner, heirs, legally designated estate administrators, trustees, successors, assigns, and Beneficiaries and all other interested persons.

14.2 No Right to Employment.

Nothing contained shall give any individual the right to be retained in the employment of the Employer or affect the right of the Employer to terminate any individual's employment. The adoption and maintenance of the Plan shall not constitute a contract between the Employer and any individual or consideration for, or an inducement to or condition of, the employment of any individual.

14.3 No Alienation of Accounts.

Except insofar as may otherwise be required by a Qualified Domestic Relations Order or applicable law, no amount payable at any time under the Plan shall be subject in any manner to alienation by anticipation, sale, transfer, assignment, bankruptcy, pledge, attachment, garnishment, charge or encumbrance of any kind, and any attempt to so alienate such amount, whether presently or thereafter payable, shall be void.

14.4 Notices to the Committee or Administrative Staff.

All elections, designations, requests, notices, instructions, and other communications from a Participating Employer, an Employee, a Participant or any other person to the Committee, Administrative Staff, Recordkeeper, or the Employer required or permitted under the Plan shall be in such form as is prescribed by the Executive Officer, shall be mailed by first class mail or delivered electronically in such a form and to such location as shall be prescribed by the Executive Officer from time to time, and shall be deemed to have been given and delivered only upon actual receipt thereof at such location. Copies of all elections, designations, requests, notices, instructions and other communications from an Employee, a Participant, a Beneficiary, a Surviving Spouse or any other person to the Participating Employer shall be promptly filed with the NDC Administrative Staff or the Recordkeeper.

14.5 Notices to Participants.

All notices, statements, reports, and other communications from a Participating Employer, the Trustee, Administrative Staff, or Recordkeeper to any Participant shall be deemed to have been duly given when delivered by email or other form of delivery approved by the Committee including first class mail, postage prepaid, and addressed to such Employee, Participant, Beneficiary, Surviving Spouse or other person at his or her address last appearing on the records of the Recordkeeper, the Administrative Staff, or the Participating Employer.

14.6 Trust Sole Source of Accounts.

The Trust Fund shall be the sole source of benefits under the Plan and, except as otherwise required by applicable law, neither the Committee, Administrative Staff, the Employer nor any officer or Employee of an Employer assume any liability or responsibility for payment of such benefits, and each Participant, his or her spouse or Beneficiary, or other person who shall client the right to any payment under the Plan shall be entitled to look only to the Trust Fund for such payment and shall not have any right, claim, or demand therefore against the Committee or any member thereof, Administrative Staff, the Employer or officer or Employee of an Employer. Nothing in Section 14.7 shall relieve an Employer of its obligation to defer or contribute Amounts Deferred or Contributed to the Trust Fund within two Business Days after the applicable payroll date, in the manner contemplated by Section 4.1.

14.7 Account Assets and Account Vesting.

- a) Account Assets Held in Trust Fund. The entire value of each Account for each Participant shall be held in the Trust Fund pursuant to the Trust Agreement for the exclusive benefit of the applicable Participant and for paying reasonable expenses of the Plan and of the Trust Fund pursuant to Section 11.7, and no part of the Trust Fund shall revert to any Employer; provided, however, that the setting-aside of any amounts to be held in the Trust Fund is expressly conditioned upon the following: If an amount is set aside to be held in the Trust Fund by an Employer in a manner which is inconsistent with any of the requirements of Section 457(b) of the Code.
- b) Vesting. Each Participant shall be 100 percent vested at all times in his or her Account.

14.8 Several Liability.

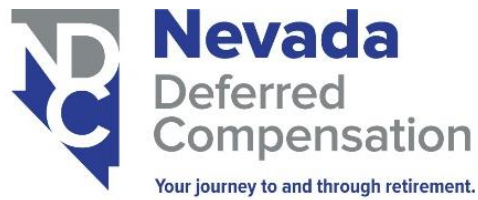
The duties and responsibilities allocated to each person under the Plan and the Trust Agreement shall be the several and not joint responsibility of each and no such person shall be liable for the act or omission of any other person.

14.9 Interpretation.

(i) The term "including" means by way of example and not by way of limitation, and (ii) the heading preceding the sections hereof have been inserted solely as a matter of convenience and in no way define or limit the scope or intent of any provisions hereof.

14.10 Construction.

The Plan and all rights there under shall be governed by the construed in accordance with the Code and the laws of the State.



Nevada Public Employees' Deferred Compensation Program

FICA Alternative Plan Document

(Attachment A)

Effective and amended May 21, 2018

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PURPOSE

The purpose of this Plan is to require all part-time, seasonal or temporary employees of the State of Nevada or Nevada System of Higher Education (NSHE) participate in the Nevada FICA Alternative Deferred Compensation Plan, if hired on or after January 1, 2004 (State Government) or July 1, 2005 (NSHE). FICA is the Federal Insurance Contributions Act (FICA). This is an alternative to Social Security coverage as permitted by the federal Omnibus Budget Reconciliation Act of 1990 (OBRA). Participants are not subject to tax on compensation under the Old Age, Survivors and Disability Income portion of FICA.

In accordance with Section 457 of the Code, all amounts of Compensation deferred under the Plan, all property and rights purchases with such amounts and all income attributable to such amounts and all property and rights are held in trust for the exclusive benefit of Participants and their Beneficiaries and Alternate Payees pursuant to the applicable Trust Agreement.

The Plan and Trust Agreement are intended to satisfy the requirements for an eligible deferred compensation plan under Section 457(e)(1)(A) of the Code, and shall be construed and administered accordingly. To the extent that any term of the Plan is inconsistent with the provisions of Section 457 of the Code applicable to governmental employers, the inconsistent term shall, to the fullest extent possible, be treated for all purposes of the Plan as amended and reformed to conform to the applicable provisions of Section 457 of the Code.

Except as otherwise provided herein, this amendment and restatement of the Plan is effective as of the restatement date.

ARTICLE I - DEFINITIONS

1.1 Plan Definitions

For purposes of this Plan, the following words and phrases shall have the meaning set forth below, unless a different meaning is plainly required by the context:

"Account" means each separate account established and maintained for a Participant under the Plan, including, as applicable, each Before-Tax Account, Rollover Account, Alternate Payee Account and Beneficiary Account.

"Administrative Staff" refers to the appointed Executive Officer and any other administrative personnel under his or her authority or assigned to the Administration of the Plan under the authority of the State of Nevada Department of Administration Director.

"Alternate Payee" means the person who is or was the spouse or domestic partner of the Participant or is the child of the Participant to the extent that such person is entitled to any or all of a Participant's Account under a court order that the Committee has determined to be Plan approved Qualified Domestic Relations Order.

"Alternate Payee Account" means the Account established for an Alternate Payee pursuant to a Qualified Domestic Relations Order (QDRO).

"Amounts Deferred" means the aggregate of Compensation deferred by a Participant pursuant to Article III.

"Before Tax Account" means the Account established under the Plan to record a Participant's Before-Tax Deferrals, and the income, gains and losses crediting thereto. A Beneficiary Account or Alternate Payee Account corresponding to the deceased or relevant Participant's Before-Tax Deferrals may also be referred to as a Before-Tax Deferral Account.

"Beneficiary" means the designated person or person(s) (or if none, the Participant's estate) who is entitled to receive benefits under the Plan after the death of a Participant pursuant to Article XIII to receive the amount, if any, payable under the Plan upon death of such Participant or Surviving Spouse.

"Beneficiary Account" means the Account established for a Beneficiary in accordance with Article IX.

"Code" means the Internal Revenue Code of 1986 as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.

"Compensation" means:

- a) All cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses and overtime pay that is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the employer includible in the Employee's gross income for the calendar year

but for a compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including an election to defer compensation under Article III)..

- b) Any differential wage payments defined in Code Section 3401(h)(2) pursuant to the HEART act;
- c) Any accumulated sick pay, accumulated vacation pay and back pay paid to a Participant by his or her Employer, provided that such accumulated sick pay, accumulated vacation pay and back pay is received by the Plan in accordance with the timing requirements of the Treasury Regulations promulgated under Section 457 of the Code.

"Committee" means the Deferred Compensation Committee of the State of Nevada as authorized under Nevada Revised Statute (NRS) 287.250 to 287.370. The Committee has all of the power and authority to formally take action and deliberate on Plan design and Investment options on behalf of the Plan. The Committee may delegate administrative and managerial duties under this Plan to the appointed Executive Officer.

"Deferrals" means the amount of Compensation deferred by a Participant to the Plan, comprising of Employer directed Non-elective Contributions or Employer contribution when permitted.

"Distributee" means a person receiving funds, including a Participant or a Participant's designated Beneficiary. In addition, the Participant's spouse or former spouse who is the Alternate Payee under the Qualified Domestic Relations Order as defined in Code Section 414(p) is a Distributee with regard to the interest of the spouse or former spouse.

"Domestic Partner" means a domestic partner as defined in NRS 122A.030. Pursuant to IRS Revenue Ruling 2013-17, Domestic Partners cannot be treated as spouses for purposes of federal tax purposes. However, Domestic Partners shall be treated as spouses under this Plan to the extent permitted under the applicable laws of the State of Nevada..

"Eligible Retirement Plan" means (i) an individual retirement account described in Section 408(a) of the Code, (ii) an individual retirement annuity described in Section 408(b) of the Code, (iii) a qualified trust under Section 401(a) or 401(k) of the Code, (iv) an annuity contract described in Section 403(b) and 403(a) of the Code and (v) an eligible deferred compensation plan described in Section 457 of the Code that is maintained by a state, political subdivision of a state, any agency or instrumentality of state or political subdivision of a state. However, for an Eligible Rollover Distribution to a designated Beneficiary other than a Surviving Spouse, an Eligible Retirement Plan is only an individual retirement Account described in Code Section 408(a) or an individual retirement annuity described in Code Section 408(b) that is treated as an inherited IRA in accordance with Code Section 402(c)(11).

"Eligible Rollover Distribution" means all or any portion of the balance of the Plan to the credit of the Distributee, or a Beneficiary of a Participant, except that an Eligible Rollover Distribution shall not include (a) any distribution that is (i) one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's Beneficiary or (ii) for a specified period of ten years or more, (b) any distribution to the extent such distribution is required under Section 401(a) (9) of the Code.

"Employee" means any natural person or individual who receives Compensation for services from the Employer, including (a) any elected or appointed officer or employee of the Employer, (b) an officer or employee of an institution under management and control of Nevada System of Higher Education (NSHE), and (c) any employee who is included in a unit of employees covered by a negotiated bargaining agreement that specifically provides for participation in the Plan. An Employee shall not include an independent contractor, a consultant or any other individual classified by the Employer as not eligible to participate in the Plan.

"Employer" means the State of Nevada and each Participating Employer, including but not limited to the Nevada System of Higher Education (NSHE), any authorized political subdivision of the State of Nevada, and any authorized agency or instrumentality of the State of Nevada.

"Executive Officer" means the State of Nevada Department of Administration division administrator for the Plan appointed pursuant to NRS 232.215. The Executive Officer serves as the primary contact and support for the Committee. As delegated by the Committee, the Executive Officer manages the day-to-day operation of the Plan and oversees and serves as the appointed certified contract manager of contracts and contractors of the Plan.

"HEART Act" means the Heroes Earnings Assistance and Relief Tax Act of 2008.

"Includible Compensation" means an Employee's actual wages in box 1 of Form W-2 for a year for services to the Employer, but subject to a maximum of \$200,000 (or such higher maximum as may apply under section 401(a)(17) of the Code) and increased (up to the dollar maximum) by any compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including an election to defer Compensation under Article 3). The amount of Includible Compensation is determined without regard to any community property laws. Pursuant to Section 1.457-4(d)(1) of the Income Tax Regulations, Includible Compensation will include any payments made to a Participant who has had a Severance from Employment, provided that the Includible Compensation is paid by the later of 2 ½ months after the Participant's Severance from Employment or the end of the calendar year that contains the date of such Participant's Severance from Employment. In addition, pursuant to Section 1.457-4(d)(1) of the Income Tax Regulations, Includible Compensation will include payments made to an individual who does not currently perform services for the Employer by reason of qualified military service (as defined in Code Section 414(u)(5)) to the extent those payments do not exceed the amount the individual would have received if the individual had continued to perform services for the Employer rather than enter qualified military service. Includible Compensation will not include Employee pick-up contributions described in Code Section 414(h)(2)..

"Investment Option" means the investment option(s) made available by the Committee through the Plan in accordance with Article IV.

a)

"NDC" refers to the State of Nevada Public Employees' Deferred Compensation Plan.

"Non-elective Contribution" means an Employer directed non-elective Deferrals of 7.5% of the Employees Compensation.

"Participant" means an individual or Employee who is currently deferring Compensation, or who has previously deferred Compensation under the Plan by salary reduction of Non-elective Contributions and who has not received a distribution of his or her entire benefit under the Plan. Only individuals who perform services for the Employer, as an Employee who does not otherwise qualify to participate in the State of Nevada's prescribed Defined Benefit Public Employee Pension Plan (NVPERS), may defer Compensation under the Plan. This includes any, Employee, former Employee, beneficiary, or alternate payee who is not deceased and who has an Account or Rollover Account under the Plan and as defined in Code Section 414(p)(8).

"Participant Account" means the following accounts established for the Participant and maintained in the Trust Fund for each Participant pursuant to Article VI, including any earnings and losses attributable thereon:

- (a) Before Tax Deferral Account
- (b) Rollover Account

"Participating Employer" means any eligible governmental employer, the governing body of which has adopted the Plan by appropriate resolution with the consent and authorization of the Committee and, with the written approval of such body or entity.

"Plan" means State of Nevada FICA Alternative Deferred Compensation Plan and Other Participating Jurisdictions, as the same may be amended from time to time.

"Plan Year" means the calendar year.

"Qualified Domestic Relations Order" (QDRO) means a order, judgment or decree, including approval of property settlement agreement, that has been determined by the Plan appointed legal counsel or Recordkeeper, under the direction and oversight of the Executive Officer, to meet the requirements of a qualified domestic relations order within the meaning of Section 414(q) of the Code.

"Recordkeeper" means a contracted third party administrator that the Plan contracts with and delegates certain administrative authority to establish and keep track of Participant Accounts, including contributions, withdrawals, balances, transactions (e.g. fund transfers), and other activities authorized by the Committee and Administrative Staff. Recordkeeper(s) serve at the pleasure of the Committee and under the day-to-day oversight and management of the Program's Executive Officer who serves as the primary contact and support for the Committee, but is appointed by and serves at the pleasure of the Director of the State of Nevada Department of Administration.

"Required Beginning Date" means April 1 of the calendar year following the later of the calendar year in which the Participant: (a) attains age 70½, or (b) severs from employment.

"Rollover Account" means the Account or Accounts established and maintained in respect of a Participant or a Beneficiary who is a Participant's Surviving Spouse or, if applicable, by a spousal Alternate Payee, pursuant to Section 5.2(c).

"Rollover Contributions" means a cash amount contributed by a Participant, Beneficiary who is a Participant's Surviving Spouse or Alternate Payee to a Rollover Account, or if applicable, an Alternate Payee Account determined as a Eligible Rollover Distribution in accordance with Code Section 402(c)(4), and provided that the distributing Eligible Retirement Plan shall have separately accounted for all amounts included in the Rollover Contribution.

"Section 457 Transfer" means a transfer made into an Account pursuant to Section 8.5.

"Severance from Employment" means the date that the Employee dies, retires, or otherwise has a severance from employment with the Employer, as determined by the Executive Officer and taking into account guidance issued under Section 457 of the Code.

"State" means the State of Nevada.

"Surviving Spouse" means the survivor of a deceased Participant to whom such Participant was legally married on the date of the Participant's death. No later than June 26, 2013, for all purposes under the Plan, the term "spouse" shall include an individual married to a person of the same sex if the individual was lawfully married to a Participant under applicable laws of the state in which the marriage was celebrated, and the term "marriage" shall include such a marriage between individuals of the same sex that was validly entered into in a state whose laws authorize the marriage of two individuals of the same sex regardless of where such individuals are domiciled.

"Treasury Regulations" means the regulations promulgated by the Treasury Department under the Code, as now in effect or as hereafter amended. All citations to sections of the Treasury Regulations are to such sections as they may from time to time be amended or renumbered.

"Trust Agreement" means a written agreement (or declaration) entered into in respect of the Plan between the State of Nevada and one or more Trustees pursuant to which all cash and other rights and properties and all income attributable to such cash and rights and properties are held in a Trust Fund, as such agreement may be amended from time to time.

"Trust Fund" means the assets of the Plan, including cash and other rights and properties arising from Amounts Deferred, Section 457 Transfers and Rollover Contributions which are held and administered by the Trustee created pursuant to and under the Trust Agreement.

"Trustee" means the trustee or trustees duly appointed and currently serving under the Trust Agreement, and any successors thereto.

ARTICLE II - PARTICIPATION

2.1 Enrollment.

Each authorized and participating Employer will determine an employee's eligibility and shall automatically enroll the employee effective with his or her initial compensation. It is mandatory that each participant declare a beneficiary at the time of enrollment by the Employer.

2.2 Mandatory Participation.

Participation in the Plan by Employees shall be mandatory as determined by the Employer.

2.3 Cessation of Participation.

The participation of a Participant shall cease upon payment to the Participant of the entire value of his or her Account or upon the Participant's death prior to such payment.

2.4 Corrective Action.

If an individual is erroneously included or excluded from participation, corrective action will be taken as soon as administratively practicable to correct such erroneous inclusion or exclusion.

ARTICLE III - CONTRIBUTIONS AND LIMITATIONS

3.1 Non-Elective Contributions and Deferrals.

The Employer shall defer 7.5% of an Employee's Compensation in accordance with Internal Revenue Service Section 3121(b)(7)(f).

3.2 Employer Contributions.

Nothing in this Plan prohibits the Employer from making deposits to a Participant's Account as an additional compensation for services rendered, subject to the Participant's contribution limit.

3.3 Military Service.

a) USERRA. In accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), an Employee whose employment is interrupted by qualified military service under Code Section 414(u) or who is on a leave of absence for qualified military service under Code Section 414(u) may elect to make additional Amounts Deferred or Contributed upon resumption of employment with the Employer equal to the maximum amount that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the such amounts, if any, actually made for the Employee during the period of the interruption or leave. This right applies for five years following the resumption of employment, or if sooner, for a period equal to three times the period of the interruption or leave.

b) HEART Act. Effective for deaths occurring on or after January 1, 2007, if a Participant dies while performing qualified military service (as defined in Code Section 414(u)(5)), this Plan shall provide all applicable benefits required in accordance with Code Section 401(a)(37), but the provisions of Code Section 414(u)(9) shall not apply to this Plan. Under Section 401(a)(37), qualified retirement Plans must provide that, in the case of a participant who dies while

performing qualified military service, the survivors of the participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would have been provided under the Plan had the participant resumed employment and then terminated employment on account of death.

ARTICLE IV - INVESTMENT OF AMOUNTS DEFERRED

4.1 Remittance of Deferrals and Contributions.

All Amounts Deferred in accordance with Article III shall be paid by the applicable Employer or payroll center as promptly as possible to the Recordkeeper. Thereafter, Amounts Deferred or Contributed shall be invested by the Recordkeeper, in accordance with the investment instructions, as soon as administratively practicable.

4.2 Allocation of Deferrals and Contributions.

A Participant who has enrolled in the Plan pursuant to Article II shall be invested in an interest bearing account selected and authorized by the Committee pursuant to the guidelines in IRC Section 3121.

4.3 Fund Mapping or Similar Activity.

Notwithstanding anything in Article IV to the contrary, if the Committee eliminates the Investment Option or undertakes similar activity on behalf of the Plan, the Committee shall be authorized to liquidate without a Participant's consent and without the need for prior notice to the Participant the portion of each Account invested in such eliminated Investment Option and direct the proceeds of such liquidation in one or more remaining or replacement Investment Options in accordance with such liquidation and transfer procedures as the Committee may determine to be necessary or advisable in connection with such elimination.

ARTICLE V - ROLLOVERS AND TRANSFERS

5.1 Transfers from another Governmental 457 Plan.

Compensation previously deferred (or contributed on behalf of) a Participant, a Beneficiary or a spousal Alternate Payee pursuant to another eligible deferred compensation plan under Section 457 of the Code maintained by another employer described in Section 457(e)(1)(A) of the Code shall be accepted for a plan-to-plan transfer to the Plan by the Recordkeeper in the form and in the manner prescribed by the Committee. All such Section 457 Transfers shall be credited to the applicable Participant's corresponding Account shall be invested in accordance with Section 4.2.

5.2 Acceptance of Assets from an Eligible Retirement Plan.

- a) Rollover Contributions in General. Amounts previously deferred by (or contributed on behalf of) a Participant, a Beneficiary or a spousal Alternate Payee under another Eligible Retirement Plan that (i) are distributed to the Participant, the Beneficiary or the spousal Alternate Payee or (ii) are directly rolled over to the Plan as an eligible rollover distribution from such Eligible Retirement Plan, may be accepted as a Rollover Contribution by the Recordkeeper in the form and in the manner specified by Recordkeeper. The Recordkeeper shall not accept any Rollover Contribution, or any portion thereof, that represents Deferrals or contributions under another Eligible

Retirement Plan that were made from compensation that was included in the Participant, Beneficiary or spousal Alternate Payee's gross income in the year the amounts were deferred or contributed.

- b) Written Request; Acceptance of Assets. The Recordkeeper, in accordance with the Code and procedures established by the Committee, shall, as soon as practicable following its receipt of the written request of a Participant, a Beneficiary who is a Participant's Surviving Spouse or spousal Alternate Payee, determine whether the Rollover Contribution shall be accepted by the Plan. Any written request filed by a Participant, a Beneficiary who is a Participant's Surviving Spouse or a spousal Alternate Payee pursuant to Section 5.2(a) shall set forth the fair market value of such Rollover Contribution and a statement in a form satisfactory to the Recordkeeper that the amount to be transferred constitutes a Rollover Contribution.
- c) Rollover Account. The Rollover Contribution shall be maintained in a separate, fully vested Rollover Account for the benefit of the contributing Participant or the Beneficiary and, in the case of a spousal Alternate Payee, the Alternate Payee Account, and shall be invested in accordance with the investment direction of the applicable Participant pursuant to Article IV. All amounts so transferred shall be credited to the Participant's Rollover Account or Alternate Payee Account and shall be available for distribution at any time during the Plan Year. No other contributions shall be allocated to the Rollover Account. At the election of the Participant, Beneficiary who is a Participant's Surviving Spouse or spousal Alternate Payee, any Rollover Contributions or 457 Transfers from an eligible deferred compensation plan under Section 457(b) of the Code may be held in separately designated and maintained Rollover Accounts for 457(b) Rollover Contributions; provided that any such amounts shall be segregated and held in separately designated and maintained 457(b) Rollover Accounts.

ARTICLE VI - ACCOUNTS AND RECORDS OF THE PLAN

6.1 Participant Accounts.

- a) In General. The Committee shall establish and maintain one or more Accounts for each Participant, including a Before-Tax Deferral Account, and, as necessary, one or more Rollover Accounts with respect to each Participant. Each Account shall record the value of the portion allocable to that Account, the value of the portion of the Account, if any, that is invested in the Investment Option (both in the aggregate and by Account) and other relevant data pertaining thereto. With respect to each Participant, all Amounts Deferred, all Section 457 Transfers and all Rollover Contributions shall be credited to his or her Before-Tax Deferral Account or Rollover Account, as applicable.
- b) Written Statement. Each Participant shall be furnished with a written statement of his or her Accounts (including the value of the interest he or she has, if any, in the Investment Option and the amount of and explanation for each allocation to or deduction from his or her Accounts) at least annually, which statement shall be delivered in a manner prescribed by the Committee.

6.2 Beneficiary Accounts.

The Recordkeeper shall establish and maintain one or more Beneficiary Accounts, including, as applicable, separate Before-Tax Deferral Accounts, and Rollover Accounts with respect to each Beneficiary of a deceased Participant. Each such Account shall record the value of the portion of the deceased Participant's Account allocable to each of the Beneficiary's Accounts, the value of the portion of the Account, if any, that is invested in the Investment Option (both in the aggregate and by Account) and other relevant data pertaining thereto. Each Beneficiary shall be furnished with a written statement of his or her Accounts in the same manner set forth in Section 6.1(b).

6.3 Alternate Payee Accounts.

The Recordkeeper shall establish and maintain one or more Alternate Payee Accounts, including, as applicable, separate Before-Tax Deferral Accounts, and Rollover Accounts with respect to each Alternate Payee. The Alternate Payee Account shall separately account for all amounts received (i) from the Participant's Rollover Account and (ii) from all amounts rolled into the Plan by a spousal Alternate Payee, pursuant to Sections 5.1 or 5.2. Each such Account shall record the value of the portion of the Participant's Account allocable to the Alternate Payee's Account, the value of the portion of the Account, if any, that is invested in the Investment Option (both in the aggregate and by Account) and other relevant data pertaining thereto. Each Alternate Payee shall be furnished with a written statement of his or her Alternate Payee Accounts in the same manner set forth in Section 6.1(b).

ARTICLE VII - CASH OUT PROVISION

7.1 Cash Out Provision.

- a) A Participant with an Account, not including the amount in the Participant's Rollover Accounts, of \$5,000 or less (or such greater amount as may be permitted by Section 401(a)(11) of the Code) may elect at any time to receive a lump sum distribution, not to exceed \$5,000, of his or her Account and Rollover Account, which distribution will be made in accordance with procedures established by the Recordkeeper, *provided* that both of the following conditions have been met: (a) there has been no Amount Deferred or Contributed by such Participant during the two-year period ending on the date of distribution; and (b) there has been no prior distribution made to such Participant pursuant to this Section 7.1.
- b) At any time the Committee can direct the Recordkeeper, under the direction and oversight of the Executive Officer, to automatically cash out a participant's Account if a Participant's Account:
 - i. Does not exceed \$1,000; and
 - ii. Participant has separated from service, but not elected a distribution;

ARTICLE VIII - DISTRIBUTION FROM THE PLAN AND OTHER ELIGIBLE RETIREMENT PLANS

8.1 Distribution to Participants.

- a) Eligibility for Distribution. A Participant will become eligible to receive a distribution of his Account upon the occurrence of any of the following events: (i) the Participant's Severance from Employment with the Employer; (ii) the Participant's attainment of age

70½; or (iii) the Participant's absence from employment for qualifying military service as described in the HEART Act. Except as otherwise provided in Article VII, a Participant may not receive distribution of his or her Account at any time prior to the occurrence of one of the foregoing events.

- b) Distributions to Participants. Upon a Participant's eligibility for a distribution pursuant to Section 8.1(a), the Participant shall be entitled to receive his or her Account, which shall be paid in cash by the Recordkeeper in accordance with one of the methods described in Section 8.1(c) and as of the commencement date elected by the Participant in accordance with the procedures prescribed Section 8.1(c).
- c) Distribution Options. Subject to Section 8.6, any payment made under this section shall be made in one of the following methods, as the Participant (or in the case of the death of a Participant, his or her Beneficiary) may elect any of the following:
 - i A total or partial lump sum payment.
 - ii Periodic monthly, quarterly, semi-annual or annual installment payments; provided, however, that a Participant (or, in the case of the death of a Participant, his or her Beneficiary) may elect to receive (A) an initial installment payment in a specified amount and (B) the balance of his or her Account in periodic monthly, quarterly, semi-annual or annual installment payments. Installment payments may consist of (A) fixed amounts paid on each payment date as designated by the Participant (or in the case of the death of a Participant, his or her Beneficiary), or (B) formulaic amounts determined by the Recordkeeper, based on a fixed period designated by the Participant (or in the case of the death of a Participant, his or her Beneficiary), calculated by dividing the Account on the date of the payment by the number of payments remaining during the fixed period.
 - iii A Participant who elects to receive installment payments or who is currently receiving installment payments pursuant to Section 8.1(c)(ii) may elect, subject to any limitations set forth by the Committee and in accordance with procedures established by the Recordkeeper, to receive a portion of his or her Account distributed in a lump sum; Such lump sum payments shall not result in a discontinuation of subsequent installment payments; provided, however, that such subsequent payments may be re-determined in accordance with methods and procedures established by the Recordkeeper. Notwithstanding the foregoing, a Participant may not elect an installment period extending beyond the longest of (A) his or her life expectancy, (B) if his or her designated Beneficiary is his or her Spouse, the life expectancy of the Participant and his or her Spouse and (C) if his designated Beneficiary is not his or her Spouse, the life expectancy determined using the applicable table contained in the applicable Treasury Regulation.
- d) Distribution Election. In the case of the Participant's Severance from Employment with the Employer, a distribution election made by the Participant shall specify the form of payment as provided in Section 8.1(c) and the date on which payments shall commence, following the Participant's Severance from Employment; provided, further that the

timing of any distribution must be in compliance with Section 8.6. Subject to Section 8.6, a Participant who is receiving distributions under the Plan may change both the timing and the method of payment elected subject to any limitations set forth by the Committee and in accordance with procedures established by the Recordkeeper.

- e) Rollover Accounts. Notwithstanding any other provision of Section 8.1, a Participant who has one or more Rollover Accounts shall be permitted to withdraw all or any portion of such Rollover Accounts at any time during a Plan Year; provided that such withdrawal shall be paid pursuant to a method of payment elected by the Participant in accordance with Section 8.1(c) and the value of such Rollover Accounts shall be determined in accordance with Section 8.1(d).

8.2 Distributions to Beneficiaries.

If a Participant dies before distribution of his or her Account has commenced, a distribution election made by the Beneficiary shall specify the form of payment as provided in Section 8.1(c) and the date on which payments shall commence. If a Participant dies at any time before his or her entire Account has been distributed, then the Participant's Beneficiary may make subsequent distribution elections as provided in Section 8.1(c). Notwithstanding the foregoing, any distribution to a Beneficiary shall be made in accordance with the provisions of Section 401(a)(9) of the Code and subject to Sections 8.6(c) and (d).

- a) Determination of Benefits Upon Death of a Participant should be carried out in accordance with Section 9.2(a)
 - i. The Plan shall have the authority to retain any funds or property that are subject to any dispute, Beneficiary or otherwise, without liability for the payment of interest, and shall decline to make payment or delivery of such funds or property until a court of competent jurisdiction makes a final adjudication as to the proper disposition of said funds or property.

The Plan's contracted Recordkeeper and/or appointed legal counsel may require such proper proof of death and such evidence of the right of any person to receive payment of the value of the Participant Account of a deceased Participant or Beneficiary, as the Plan's contracted Recordkeeper and/or legal counsel may deem appropriate.

8.3 Distributions to Alternate Payees.

A distribution to an Alternate Payee may be paid in a single lump sum as soon as practicable following the qualification of the Qualified Domestic Relations Order and the close of all appeals to the Qualified Domestic Relations Order if the Alternate Payee consents to such lump sum distribution. In the event that the Alternate Payee does not consent to receive his or her distribution in a single lump sum as soon as practicable following the qualification of the Qualified Domestic Relations Order, the Alternate Payee may make an election to receive a distribution any time after the Earliest Retirement Date, subject to any requirements of Section 401(a)(9) of the Code and Section 8.6, by filing a distribution election specifying the form of payment as provided in Section 8.1(c) and the date on which payments shall commence.

8.4 Eligible Rollover Distributions.

- a) Participant Rollover Distributions. In connection with a Participant's Severance from Employment, the Distributee may elect, at the time and in the manner prescribed by the

Recordkeeper, to have all or any portion of the Participant's Accounts that qualifies as an Eligible Rollover Distribution paid directly to the trustee of an Eligible Retirement Plan; provided that such other plan provides for the acceptance of such amounts by the trustee. The Plan shall provide written information to Distributees regarding Eligible Rollover Distributions to the extent required by Section 402(f) of the Code.

Beneficiary Rollover Distributions. Upon a Participant's death, a Beneficiary may elect, at the time and in the manner prescribed in the by the Recordkeeper, under the direction of the Committee and Executive Officer as delegated by the Committee, to have all or any portion of the Participant's Accounts that qualifies as an Eligible Rollover Distribution paid directly to the trustee of an individual retirement arrangement (as defined in Section 7701(a)(37) of the Code) that is established for the purpose of receiving the distribution on behalf of such Beneficiary and that is treated as an inherited IRA in accordance with Code Section 402(c)(11). However, for an Eligible Rollover Distribution to a designated Beneficiary other than a Surviving Spouse, an Eligible Retirement Plan is only an individual retirement Account described in Code Section 408(a) or an individual retirement annuity described in Code Section 408(b) that is treated as an inherited IRA in accordance with Code Section 402(c)(11).

8.5 457 Transfers.

The Participant may transfer his or her Account to another Section 457 maintained by another employer, if:

- a) The Participant has severed employment with the Employer and become an employee of the other employer;
- b) The other employer's plan provides that such transfer will be accepted; and
- c) The Participant and the employer have signed such agreements as are necessary to assure that the Employer's liability to pay benefits to the Participant has been discharged and assumed by the other employer.

A transfer from an eligible governmental to another eligible governmental plan is permitted if the following conditions are met:

- a) The transfer is from an eligible governmental plan to another eligible governmental plan of the same employer; for this purpose, the employer is not treated as the same employer if the participant's compensation is paid by a different entity;
- b) The transferor plan provides for transfers;
- c) The receiving plan provides for receipt of transfers;
- d) The Participant or Beneficiary whose amounts deferred are being transferred will have an amount deferred immediately after the transfer at least equal to the amount deferred with respect to that Participant or Beneficiary immediately before the transfer; and
- e) The Participant or Beneficiary whose deferred amounts are being transferred is not eligible for additional annual Deferrals in the receiving plan unless the Participant or Beneficiary is performing services for the entity maintaining the receiving plan.

8.6 Withholding.

The Recordkeeper shall withhold or cause to be withheld from any amounts withdrawn or distributed all federal, state, city or other taxes as shall be required pursuant to any law or governmental ruling or regulation, including Treasury Regulations.

8.7 Required Minimum Distributions.

- a) In General. Notwithstanding any other provision of the Plan to the contrary (except Section 8.7(b)), all distributions under the Plan shall be in accordance with the minimum distribution and timing requirements of Section 401(a)(9) of the Code (including the incidental death benefit requirements of Section 401(a)(9)(G) of the Code) and the final Treasury regulations under Sections 22.1401(a)(9)-2 through 1.401(a)(9)-9, which are incorporated herein by reference. Such provisions shall override any distribution options in the Plan that may be inconsistent with Section 401(a)(9) of the Code. Any distributions made pursuant to this Section 8.7 in order to comply with Section 401(a)(9) of the Code shall be charged against the Account or Accounts of the Participant in such manner as designated by the Participant in accordance with procedures established by the Recordkeeper; provided, however, that if no such designation is made.
- b) 2009 Waiver. Notwithstanding anything to the contrary in Section 8.7, an Participant who would have been required to receive required minimum distributions for 2009 but for the enactment of Section 401(a)(9)(H) of the Code (2009 RMDs), and who would have satisfied that requirement by receiving distributions that are (i) equal to the 2009 RMDs or (ii) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's Beneficiary, or for a period of at least 10 years, will not receive those distributions for 2009 unless the Participant or Beneficiary chooses to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence.
- c) Distributions During Participant's Life. The Account of a Participant shall be distributed (or commence to be distributed) to such Participant as soon as practicable after the Required Beginning Date. If the Participant has not made an election pursuant to Section 8.1(c) prior to such Required Beginning Date, then the Account shall be distributed in the form of installment payments commencing on the Required Beginning Date.
- d) Death of a Participant Before the Required Beginning Date.
 - i If a Participant dies before his Required Beginning Date, his Beneficiary (or if the Participant has no Beneficiary, his or her Surviving Spouse or estate, as determined under Section 9.2) shall receive a distribution of the Account over the life of the Beneficiary or over a period not exceeding the life expectancy of the Beneficiary; provided that the distribution commences no later than December 31 of the calendar year immediately following the calendar year in which the Participant dies, except as set forth in Sections 8.7(d)(i)(A) or (B) as follows:

- A. If a Participant dies before his Required Beginning Date, the Beneficiary may elect to receive the remaining portion (if any) of such Participant's Account no later than December 31 of the calendar year containing the fifth anniversary of the Participant's death (determined without regard to 2009); or
 - B. If the sole Beneficiary is the Participant's Surviving Spouse, such Surviving Spouse may elect to receive a distribution of the Account over a period not exceeding the life expectancy of the Surviving Spouse (determined as of the date such payments commence); provided that the distribution commences on or before the later of December 31 of the calendar year immediately following the calendar year in which the Participant dies or December 31 of the calendar year in which the Participant would have attained age 70½; provided, further, that if the Surviving Spouse dies after the Participant but before distributions to the Surviving Spouse commence, Section 8.7(d) (with the exception of Section 8.7(d)(i)(B)) shall apply as if the Surviving Spouse were the Participant. (ii) The Beneficiary may elect to receive payment of the Account as a lump sum or in annual, monthly or quarterly installment payments.
- e) Death After Required Beginning Date and After Commencement of Distributions. If a Participant dies on or after the Required Beginning Date, but before his or her entire Account is distributed to him or her, the unpaid portion of his or her Plan Account shall be distributed as follows:
- i If the Participant has a designated Beneficiary, the longer of the remaining life expectancy of the Participant's Beneficiary and the remaining life expectancy of the Participant determined in accordance with Section 1.409(a)(9)-5 of the Treasury Regulations; or
 - ii If the Participant does not have a designated Beneficiary, the remaining life expectancy of the Participant determined in accordance with Section 1.409(a)(9)-5 of the Treasury Regulations; provided, however, that if a Beneficiary so elects, the Participant's remaining Account may be paid to the Beneficiary at any time in a lump sum so long as the entire Account is paid at least as rapidly as it would be paid under Section 8.7(e)(i) of this adopted Plan Document.
- f) Alternate Payee Accounts. In the case of any Alternate Payee Account, payments to the Alternate Payee must be made in accordance with the Plan and Section 401(a)(9) of the Code.

ARTICLE IX - DESIGNATION OF BENEFICIARIES

9.1 Designation of Beneficiaries.

Each Participant shall file with the Recordkeeper a designation of one or more persons as the Beneficiary who shall be entitled to receive the Account, if any, payable under the Plan upon his or her death. A Participant may, from time to time revoke or change his or her Beneficiary designation without the consent of any prior Beneficiary by filing a new designation or change or revocation thereof. No new designation or change or revocation shall be effective unless

received by the Recordkeeper in good order prior to the Participant's death, and in no event shall it be effective as of a date prior to such receipt. For purposes of this Article IX, a Beneficiary designation shall be deemed to be received in good order only if the Recordkeeper can reasonably identify the Beneficiary or Beneficiaries named in the designation.

9.2 No Beneficiaries Designated.

- a) If no such Beneficiary designation is in effect at the time of a Participant's death, or if no designated Beneficiary survives the Participant, or if no designated Beneficiary can be located with reasonable diligence by the Recordkeeper, the payment of the Account, if any, payable under the Plan upon the Participant's death shall be made by the Recordkeeper to the Participant's Surviving Spouse, if any, or if the Participant has no Surviving Spouse, or the Surviving Spouse cannot be located with reasonable diligence by the Recordkeeper, then to the deceased estate.
- b) If the Beneficiary so designated by the Participant dies after the death of the Participant but prior to receiving a complete distribution of the amount that would have been paid to such Beneficiary had such Beneficiary's death not occurred, then, for purposes of the Plan, the distribution that would otherwise have been received by such Beneficiary shall be paid to the Beneficiary's estate.

ARTICLE X - QUALIFIED DOMESTIC RELATIONS ORDERS

10.1 Qualified Domestic Relations Order.

Payments with respect to a Participant's Account may be made by the Recordkeeper to one or more Alternate Payees pursuant to the terms of a Qualified Domestic Relations Order. Upon segregation of the assets payable to the Alternate Payee, any such amounts paid or segregated shall no longer constitute part of the Participant's Account. No liability whatsoever shall be incurred by the Committee, NDC Administrative Staff, the Employer, or the Recordkeeper solely by reason of any act or omission undertaken in accordance with this section to comply with the terms of a Qualified Domestic Relations Order.

ARTICLE XI - ADMINISTRATION

11.1 Plan Administration.

Except as otherwise provided therein, the operation and administration of the Plan shall be the responsibility of the Committee and the Committee shall have all of the broad and general authority necessary or advisable to operate and administer the Plan.

The Committee shall have the power and duty to take all action and to make all decisions necessary or proper to carry out its responsibilities under the Plan. All determinations of the Committee as to any question involving its responsibilities under the Plan, including interpretation of the Plan or as to any discretionary actions to be taken under the Plan, shall be solely in the Committee's discretion and shall be final, conclusive and binding on all parties.

The Committee may delegate administrative and managerial duties to the Executive Officer.

11.2 Powers and Responsibilities of the Committee.

The primary responsibilities of the Committee is to oversee the governance of the Plan for the benefit of the Participants and their Beneficiaries, subject to the specific terms adopted in the Plan. Under the delegation of the Committee, the Executive Officer will administer the Plan in accordance with its terms and will have the power and discretion, or delegate that power and discretion to a Recordkeeper under the direction and oversight of the Executive Officer, to construe the terms of the Plan and determine all questions arising in connection with the administration, interpretation, and application of the Plan. Any such determination by the Executive Officer or Recordkeeper under the direction or oversight of the Executive Officer will be conclusive and binding upon all persons. The Committee or Executive Officer may establish administrative procedures and/or direct the Recordkeeper to correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as will be deemed necessary or advisable to carry out the purpose of the Plan under the delegation of the Committee; provided, however, that any procedure, discretionary act, interpretation or construction will be done in a nondiscriminatory manner based upon uniform principles consistently applied and will be consistent with the intent that the Plan will continue to be deemed a qualified plan under the terms of Code Section 457, and will comply with the terms of all Income Tax Regulations issued pursuant thereto. The Executive Officer and/or the Recordkeeper, under the direction and oversight of the Executive officer, will have all powers necessary or appropriate to accomplish duties under this Plan. The Committee will have full power to interpret and construe the Plan in a manner consistent with its terms and the provisions of Code Section 457, including the applicable Income Tax Regulations and to establish practices and procedures conforming to those provisions. In all such cases, the Committee's determination will be final and conclusive upon all persons. It is recognized that unusual circumstances may occur and questions may arise that are not specifically covered by any provision of the Plan, and the Committee will have the right to resolve all such questions.

The Committee will periodically review the performance of any contractor or representative of a contractor to whom duties have been delegated or allocated by it under the provisions of this Plan or pursuant to procedures established hereunder. This requirement may be satisfied by formal periodic review by the Committee or by the Executive Officer, through day-to-day management and oversight, or through other appropriate methods approved by the Committee or Executive Officer. The Executive Officer will be charged with the duties of the general administration of the Plan, and may assign, under the direction of the Executive Officer, particular duties to the Plan's Recordkeeper including, but not limited to, the following:

- a) The discretion to determine all questions relating to the eligibility of Employees and Independent Contractors to participate or remain a Participant hereunder and to receive benefits under the Plan;
- b) To require any person to furnish such information as it may request for the purpose of the proper administration of the Plan as a condition to receiving any benefit under the Plan;
- c) To authorize and direct the Recordkeeper with respect to all disbursements to which a Participant is entitled under the Plan;
- d) To maintain all necessary records for the administration of the Plan;

- e) To make and enforce such rules and regulations and prescribe the use of such forms as it shall deem necessary for the efficient administration of the Plan;
- f) To interpret the Plan and to resolve ambiguities, inconsistencies and omissions in the terms of the Plan or any document related to the Plan, and to assist any Participant regarding his/her rights, benefits, or elections available under the Plan;
- g) To decide all questions concerning the Plan and the eligibility of any Employer or other individual to participate in the Plan, and to assist any Participant regarding his/her rights, benefits, or elections available under the Plan;
- h) To enlarge or diminish any applicable time period set forth in the Plan, subject to applicable law; and
- i) To determine the methods and procedures for the implementation and use of any automated telephone, computer, internet, intranet or other electronic or automated system adopted by the Committee for purposes of Plan administration.

11.4 Limitation of Liability.

Except as may be prohibited by applicable law, neither the Committee, any member thereof, nor any Administrative Staff member, shall be liable for (a) anything done or omitted to be done by it or by them unless the act or omission claimed to be the basis for liability amounted to a failure to act in good faith or was due to gross negligence or willful misconduct; (b) the payment of any amount under the Plan; or (c) any judgment or reasonable mistake of fact made by it or on its behalf by a member of the Committee or Administrative Staff. No member of the Committee or any Administrative Staff member shall be personally liable under any contract, agreement, or other instrument made or executed by him or her or on his or her behalf in connection with the Plan or Trust fund.

11.5 Trustee.

The Trustee shall have responsibility for the custody and safekeeping of the assets of the Plan in accordance with the terms of the Trust Agreement and the Recordkeeper shall be responsible for implementing the aggregated investment decisions of Participants and beneficiaries by allocating the Plan assets to the various Investment Options.

11.6 Investment Options.

The Committee shall have the power to add or remove the Investment Options. The Committee shall periodically review the performance and methods of such Investment Options. The Committee has the right to (i) replace any Investment Option with a successor organization or option, (ii) to select any additional Investment Option or (iii) remove any Investment Option.

11.7 Delegation.

The Committee may delegate its general authority as it deems appropriate in accordance with the terms of the Plan and all applicable Code sections; provided; however, that such delegation shall be subject to revocation at any time at the discretion of the Committee. Notwithstanding any other provision of the Plan, the Committee's general authority shall include the right to review, revise, modify, revoke, or vacate any decision made or action taken by any party under the Plan to whom authority of the Committee has been delegated or to whom authority with

respect to the administration of the Plan or the custody and investment of assets of the Trust Fund has been delegated or assigned under the terms of the Plan, by the Committee or otherwise. The rights of the Committee under Section 11.6 include the right to review, revise, modify, revoke, or vacate any decision of the Recordkeeper.

11.8 Plan Expenses.

- a) Assessment Against the Trust Fund. Subject to 11.7(b), the expenses of administering the Plan, including (i) the fees and expenses of the Investment Options and any Recordkeeper(s) for the performance of their duties under the Plan, including any fees and expenses associated with a change, termination or addition of an Investment Option, (ii) the fees, if any, of any member of the Committee and any Trustee and the expenses incurred by the Committee or any of its members or the NDC Administrative Staff in the performance of their duties under the Plan, including reasonable Compensation for any legal counsel, certified public accountants, consultants, and Employees of the Committee and cost of services rendered in respect of the Plan and the Trust Agreement (as provided therein), and (iii) all other proper charges and disbursements of the Investment Options, Recordkeeper, the Committee or its members (including settlements of claims or legal actions approved by counsel to the Plan).
- b) Investment Expenses. Unless the Committee determines otherwise, brokerage fees, transfer taxes and any other expenses incident to the purchase or sale of securities for any Investment Option shall be deemed to be part of the cost of such securities, or deducted in computing the proceeds there from, as the case may be. The Recordkeeper shall appropriately deduct any taxes assessed in respect of any assets held, income received, or transactions effected under the Investment Options proportionately against any Accounts that are invested in such Investment Option.

11.9 Review of Claims and Appeals.

- a) Initial Claim of Rights or Benefits, Appeals, and Review. Any claims to rights or benefits under the Plan, including any purported Qualified Domestic Relations Order must be filed in writing with the Recordkeeper. Notice of denial of any claim in whole or part in part by the Recordkeeper, or by such other entity designed by the Recordkeeper, shall include the specific reasons for denial and notice of the rights granted by Section 11.8.
- b) Review of Decision. Any claimant or Participant Account who has received notice of denial or grant, in whole or in part, of a claim made in accordance with the foregoing Section 11.8(a) may file a written request within thirty (30) days of receipt of such denial for review of the decision by the Executive Officer. Within ninety (90) days after receipt of such request for review, the Committee may elect to review and discuss the decision in an open meeting in accordance with the Nevada Open Meeting Law and shall notify the claimant and, as applicable, the Participant, that the claim has been granted or denied, in whole or in part. Notice of denial of any claim in whole or in part by the Committee shall include the specific reasons for denial and shall be final, binding and conclusive on all interested persons for all purposes.
- c) 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 Administrative Staff and shall include specific details, facts, reasons for dispute, and written proof of wrong doing or damages (if applicable). The appropriate NDC Administrative Staff member 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 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 Executive Officer 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 Executive Officer in good order.

11.10 Advisers.

The Committee shall arrange for the engagement and/or the contracting of legal counsel and certified public accounts, who may be counsel or accountants for the Employer, and other consultants, including an investment consultant and/or investment adviser, and make use of agents and clerical or other personnel, for the purposes of this Plan. The Committee and Executive Officer may rely upon the written opinions of the State Attorney General and of such counsel, accountants and consultants, and upon any information supplied by the Trustee or Recordkeeper appointed in accordance with the Regulations.

11.11 Limitation on Committee Power.

No member of the Committee shall be entitled to act on or decide any matters relating solely to such member or any of his or her rights or benefit under the Plan.

11.12 Public Meetings.

All actions of the Committee shall be taken at a public meeting in accordance with the Nevada Open Meeting Law. The Committee shall establish its own procedures and the time and place for its meetings and provide for the keeping of minutes of all meetings.

11.13 Defense of Claims.

In the event of a claim or legal action, the Committee and Administrative Staff shall be entitled to defense by the State Attorney General.

ARTICLE XII - ADOPTION BY AND WITHDRAWALS OF PARTICIPATING EMPLOYERS

12.1 Adoption by a Participating Employer.

- a) Effective Date of Adoption. Upon a Participating Employer's adoption of the Plan, such Participating Employer shall file with NDC Administrative Staff a copy of each resolution or other legal action, consent or approval through which the Participating Employer adopted the Plan. Such Participating Employer's adoption of the Plan shall be effective upon receiving an acknowledgement of receipt of such submission from NDC Administrative Staff and a Committee motion ratifying the Participating Employer's adoption of the Plan.

12.2 Withdrawal of Participating Employer.

- a) Withdrawal by the Participating Employer. Any Participating Employer may terminate its adoption of the Plan by filing with the NDC Administrative Staff a copy of the resolution or other legal action, adopted in the same manner as the resolution or other legal action adopted pursuant to Section 12.1(a), specifying a termination date which shall be no earlier than the last business day of the month at least 30 days subsequent to the date such notice is received by the NDC Administrative Staff.
- b) Termination of Participating Employer's Participation by the Committee.
 - i The Committee may terminate any Participating Employer's adoption of the Plan, as of any termination date specified by the Committee, for the failure of the Participating Employer to comply with any provision of the Plan or the Regulations.
 - ii The Committee may terminate a Participating Employer's adoption of the Plan upon complete and final discontinuance of Deferrals and contributions.
- c) Treatment of Participants after Withdrawal. Upon termination of adoption of the Plan by any Participating Employer that was formerly a Participating Employer, such Participating Employer shall not permit any further Deferrals or contributions of Compensation under the Plan and all Participants who are or were Employees of such Participating Employer or if no successor plan is established, payable to or in respect of such Participants as provided in the Plan. Any distributions, transfers or other dispositions of such Participants as provided in the Plan shall constitute a complete discharge of all liabilities under the Plan with respect to such Participating Employer previous adoption of the Plan and any Participant who is or was an Employee of such Participating Employer. The rights of such Participant under the Plan shall be unaffected by the termination of the adoption of the Plan by such Participating Employer with respect to Deferrals and contributions made and Accounts in existence as of the effective date of the termination.
- d) Continued Obligations of Public Employers. Notwithstanding any other provision in Section 12.2 to the contrary, any Participating Employer who was previously a Participating Employer and whose adoption of the Plan has been terminated pursuant to Section 12.2(a) or 12.2(b) shall cooperate with the Executive Officer and Recordkeeper to provide any information or notifications needed for the continued administration of the Plan to Participants who had Accounts in existence as of the effective date of the termination, until such time as total the value of the Accounts attributable to any Participant who are current or former Employees (or who are Beneficiaries or Alternate Payees of any current or former Employees) of such Participating Employer, has been distributed or transferred to another eligible deferred Compensation plan under Section 457 of the Code, as provided under the Plan.

ARTICLE XIII - AMENDMENT OR TERMINATION

13.1 Power to Amend or Terminate.

Subject to any requirements of state or federal law, the Committee reserves the right at any time and with or without prior notice to any person to amend, suspend or terminate the Plan, to eliminate future Deferrals for existing Participants, or to limit participation to existing Participants, in whole or in part and for any reason and without the consent of any Participating

Employer, Employee, Participant, Beneficiary or other person. No amendment, suspension or termination of any provisions of the Plan or any Deferrals or contributions there under, the Trust Agreement or any Investment Option may be made retroactively, unless such retroactively is allowed under state law, the Code and any other applicable law.

13.2 Termination of the Plan.

Upon any action by the Committee to initiate a Plan termination, no Participating Employer may permit any further Deferrals of Compensation under the Plan, and the Plan termination shall become effective upon the distribution of all Accounts. After taking an action to initiate a Plan termination, the Committee may distribute all Accounts. Any distributions, transfers or other dispositions of Accounts as provided in the Plan shall constitute a complete discharge of all liabilities under the Plan. The Committee and the Trustee(s) shall remain in existence and the Trust Agreement and all of the provisions of the Plan that the Committee determines are necessary or advisable for the administration and distribution, transfer or other disposition of interests in the Trust Fund shall remain in force.

13.3 Notice to Participating Employers.

The Committee, through the Executive Officer, shall give notice on a reasonably timely basis of any amendment, suspension or termination of the Plan to all Participating Employers.

ARTICLE XIV - GENERAL LIMITATIONS AND PROVISIONS

14.1 Plan Binding on Accounts.

The plan, as duly amended from time to time, shall be binding on each Participant and his or her Surviving Spouse, Domestic Partner, heirs, administrators, trustees, successors, assigns, and Beneficiaries and all other interested persons.

14.2 No Right to Employment.

Nothing contained shall give any individual the right to be retained in the employment of the Employer or affect the right of the Employer to terminate any individual's employment. The adoption and maintenance of the Plan shall not constitute a contract between the Employer and any individual or in consideration for, or an inducement to or condition of, the employment of any individual.

14.3 No Alienation of Accounts.

Except insofar as may otherwise be required by a Qualified Domestic Relations Order or applicable law, no amount payable at any time under the Plan shall be subject in any manner to alienation by anticipation, sale, transfer, assignment, bankruptcy, pledge, attachment, garnishment, charge or encumbrance of any kind, and any attempt to so alienate such amount, whether presently or thereafter payable, shall be void.

14.4 Notices to the Committee or Administrative Staff.

All elections, designations, requests, notices, instructions, and other communications from a Participating Employer, an Employee, a Participant or any other person to the Committee, NDC Administrative Staff, Recordkeeper, or the Employer required or permitted under the Plan shall be in such form as is prescribed by the Executive Officer, shall be mailed by first class mail or

delivered electronically in such a form and to such location as shall be prescribed by the Executive Officer from time to time, and shall be deemed to have been given and delivered only upon actual receipt thereof at such location. Copies of all elections, designations, requests, notices, instructions and other communications from an Employee, a Participant, a Beneficiary, a Surviving Spouse or any other person to the Participating Employer shall be promptly filed with the NDC Administrative Staff or the Recordkeeper.

14.5 Notices to Participants.

All notices, statements, reports, and other communications from a Participating Employer, the Trustee, Administrative Staff, or Recordkeeper to any Participant shall be deemed to have been duly given when delivered to, or when mailed by electronic delivery or other form of delivery approved by the Committee or by first class mail, postage prepaid and addressed to such Employee, Participant, Beneficiary, Surviving Spouse or other person at his or her address last appearing on the records of the Recordkeeper, the Administrative Staff, or the Participating Employer.

14.6 Account Assets and Account Vesting.

- a) Account Assets Held in Trust Fund. The entire value of each Account for each Participant shall be held in the Trust Fund pursuant to the Trust Agreement for the exclusive benefit of the applicable Participant and for paying reasonable expenses of the Plan and of the Trust Fund pursuant to Section 11.7, and no part of the Trust Fund shall revert to any Employer; provided, however, that the setting-aside of any amounts to be held in the Trust Fund is expressly conditioned upon the following: If an amount is set aside to be held in the Trust Fund by an Employer in a manner which is inconsistent with any of the requirements of Section 457(b) of the Code.
- b) Vesting. Each Participant shall be 100 percent vested at all times in his or her Account.

14.7 Several Liability.

The duties and responsibilities allocated to each person under the Plan and the Trust Agreement shall be the several and not joint responsibility of each, and no such person shall be liable for the act or omission of any other person.

14.8 Interpretation.

- a) The term "including" means by way of example and not by way of limitation, and
- b) The heading preceding the sections hereof have been inserted solely as a matter of convenience and in no way define or limit the scope or intent of any provisions hereof.

14.9 Construction.

The Plan and all rights there under shall be governed by the construed in accordance with the Code and the laws of the State.



Administrative Manual

Nevada Public Employees' Deferred Compensation Program

Updated December 2015

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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 and strives to provide quality investment options at minimal costs while maintaining high standards of customer service. The Committee and ~~its Program Coordinator~~ *State Department of Administration appointed Executive Officer, Administrative Staff, or designee* monitor the *NDC contracted* Recordkeepers ~~(also referred to as Providers or Administrators)~~, 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 ~~and are subsidized through the revenue sharing of the individual investment options~~ *by revenue generated from the Plans adopted fee 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;
- (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* Recordkeepers ~~provides~~ *quality service and education* to the participants.

1.3 - FICA-Alternative 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. 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 and/or the Nevada System of Higher Education.

1.5 - Program Rules and Regulations

The Program's Rules and Regulations are designated in the Program's *Plan Documents* for the State of Nevada Deferred Compensation Committee, 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 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 one to serve as Vice-Chair of the Committee for a term of one year or until a successor has been designated.

2.5 - NAGDCA

The Program will maintain membership *and participation* in the National Association of Governmental Defined Contribution Administrators (NAGDCA), including attendance at designated meetings, 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 ~~biennial~~-*Program* compliance audit *performed every one to four years and 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.

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 to discuss audit process, scope and 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 ~~investment provider~~*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 ~~investment providers~~ *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~~ *issues*.

Staff and auditors, ~~if appropriate,~~ 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 Program~~ *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 ~~and provide~~ 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* Recordkeepers, making comparisons when appropriate concerning plan assets, ~~new—enrollments~~*enrollment analysis, increase/decrease—contribution amounts**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 7.6) 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 whenever possible in March (spring issue), June (summer), September (fall), and December (winter) 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 Expenses~~Revenue; if any

~~Following the end of each calendar year, The Committee has the authority to create and maintain an administrative account in which Plan's generated revenue used to administer the Program will be managed in. 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, calculate NDC Administrative Staff will reconcile and manage the amount of expenses-revenue generated by fees collected through the Program. paid by providers versus amounts contractually guaranteed. In the event that the amount billed to the providers for expenses is less than that which is contractually guaranteed for any given plan year, the Recordkeepers will remit payment of the remaining amount 60 days following the end of the plan year at the direction of the Nevada Deferred Compensation Staff 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. Unused plan expenses will be credited to participant accounts proportionately based on their end of the year (December 31) account balance. Participants whose credit is less than \$10 will not receive any unused plan expenses; rather these monies will be distributed to the other eligible participants whose credit is greater than \$10 in the same manner described above.~~

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, 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.

7.2 – NDC Administrative Staff

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

- Operations management, including but not limited to the day to day oversight; employer relations; budget oversight; and participant customer service.
- Committee business management, including but not limited to preparation and organization of agendas and meeting materials.
- Contractual management, including but not limited to Program Administration, investment management oversight, and legislative management.
- Handling all participant complaints or concerns at the Plan level to ensure resolution if possible. The ~~Program Coordinator~~*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 ~~Program Coordinator~~*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 ~~Program Coordinator~~ *Executive Officer*, under the direction and discretion of the ~~Committee~~ *State of Nevada Department of Administration*, may contract with an independent employment company to employ a part-time or temporary administrative ~~assistant~~ *personnel* to assist with meeting preparation, transcription of minutes, processing participant change forms, and other duties as assigned by the ~~Program Coordinator~~ *Executive Officer* or *requested by* the Committee on an as needed basis.

7.43 – ~~Program Coordinator~~ *Executive Officer's* Review Process

The ~~Committee~~ *State of Nevada Department of Administration Director* will *be responsible for* ~~conduct a~~ *conducting* performance reviews ~~annually at the scheduled meeting closest to the hiring anniversary date~~ of the ~~Program Coordinator~~ *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 ~~S~~ *State* employees.

7.54 - 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.

7.65 – Political Sub-~~D~~ivisions/~~Alliance Partners~~

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 ~~alliance partner~~ *political sub-division* representatives to ensure compliance with current federal and state rules and regulations.

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 ~~two weeks~~(30) *thirty days* of an employee termination

The designated representative(s) (~~Deferred Compensation Liaison~~*appointed approved representatives*) will complete the necessary certification. *NDC Administrative* Staff will work with each *of the political sub-division* ~~Deferred Compensation Liaison~~*designated representative(s)* to ensure each entity has an understanding of the Program requirements.

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 ~~service provider(s)~~*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.*

7.76 - Professional Advisors

The Committee shall ~~contract with~~*employ* 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.

7.87 - Recordkeeper(s)

The NDC Administrative Staff and *the Plan's contracted* Recordkeeper(~~s~~) will work *together, under the direction and oversight of the NDC Executive Officer-to, to* ensure the following are being administered in accordance with Plan rules and regulations:

- To ensure compliance with IRC Section ~~402~~*457*(~~bg~~) *and 414(v)*, excess deferrals must be distributed to the participant, with allocable net income, as soon as administratively practicable after the Plan, ~~Recordkeepers~~, *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.50660, 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 Chair and 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 ~~Program Coordinator~~ *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 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 or events.

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 approval by the Committee and the availability of funds.

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 members* 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 *NDC Administrative Staff* must obtain prior authorization to travel from the ~~Committee Chair and the Program Coordinator~~ *State of*

Nevada Department of Administration through the NDC Administrative Staff who will verify adequate ~~Committee and~~ 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.* ~~Any personal travel must be clearly identified in a request for approval to the NDC Committee Chair and Program Coordinator.~~ 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
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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.



Opt in Enrollment Form

State of Nevada

Submitted On:

January 10th, 2019 @ 3:06pm

Submitted By

Micah Salerno

Last Name	Salerno
First Name	Micah
Middle Initial	A
Mailing Address	100 N. Stewart St.
City	Carson City
State	Nevada
Zip	89701
Best Contact Number	775-684-3398
Email	msalerno@defcomp.nv.gov
Social Security Number	-wR7RUZMPgYDNbHlr75ZEee30MWhen21wEFcXQ3yG-k8_tffG4z0pE=
Birth Date	10/10/1970
Employer:	State of Nevada
Department	Admin
Employee ID	123
Please select Pre Tax Or Roth	Pre Tax
Please select a Pre Tax donation amount:	125
Select the Applicable Option:	Opt Out
Do you want to add an annual deferral increase amount?	Yes
Automatic annual deferral increase amount:	75
Please add the month you want the auto increase to happen.	October
Full Name Primary Beneficiaries	Albert Salerno
Relationship	Spouse
Percentage (whole number only)	100
Full Name of Contingent Beneficiaries	Andrew Salerno C Salerno

Relationship	Son Son
Percentage (whole number only)	50 50
I acknowledge I have read the terms and conditions.	Yes
First and Last Name:	Micah Salerno
Employer:	State of Nevada
Department:	Admin
Signature Data	<p>First Name: Micah Last Name: Salerno Email Address: msalerno@defcomp.nv.gov</p>  <p>Signed at: 01/10/2019 12:05PM</p>
Signature date	1 10 2019



Opt out Enrollment Form

State of Nevada

Submitted On:
January 10th, 2019 @ 2:55pm

I acknowledge I have read the terms and conditions.	Yes
First and Last Name:	Micah Salerno
Employer:	State of Nevada
Department:	Administration
Signature Data	<div>First Name: Micah</div> <div>Last Name: Salerno</div> <div>Email Address: msalerno@defcomp.nv.gov</div> <div>Micah Salerno</div> <div>Signed at: 01/10/2019 11:55AM</div>
Signature date	1 10 2019



Payroll Contribution Form

State of Nevada

Submitted On:

January 10th, 2019 @ 3:27pm

Submitted By

Micah Salerno

Name	Micah Salerno
Employee ID#	123
Employer:	State of Nevada
Agency Name	Admin
Daytime Phone	775-684-3399
Paycheck Deduction Options	Increase
Pre-Tax \$	125
Post-Tax (Roth) \$	0
Choose Catch-up, if applicable:	Age 50+ Catch-Up - enter birth date below
Date of Birth	1 11 1955
Signature Data	First Name: Micah Last Name: Salerno Email Address: msalerno@defcomp.nv.gov <i>Micah Salerno</i> Signed at: 01/10/2019 12:27PM
Signature Date	1/10/2018

Political Subdivision	Number	Assets	# of Participants
Unidentified	0001	\$ 1,698,429.19	31
Elko County	1008	\$ 7,501,175.17	152
City of Elko	1009	\$ 1,385,445.33	52
Humboldt County	1010	\$ 5,479,076.25	92
Douglas County	1011	\$ 18,946,431.07	303
Churchill County Comptrollers	1012	\$ 5,028,389.06	110
CC Communications	1013	\$ 1,941,208.51	34
Virgin Valley Water District	1014	\$ 634,806.75	12
Eureka County	1017	\$ 937,271.08	25
Beatty Water & Sanitation	1018	\$ 7,948.92	1
RTC of Washoe County	1019	\$ 3,539,740.68	47
City of Mesquite	1020	\$ 1,902,231.63	27
Mt. Grant General Hospital	1021	\$ 736,976.77	21
Minden-Gardnerville Sanitation District	1022	\$ 515,294.42	13
Carson City	1025	\$ 26,132,384.45	399
Douglas County Sewer District No. 1	1026	\$ 1,112,328.33	13
RSCVA	1028	\$ 4,903,637.19	70
Elko Convention & Visitors Authority	1029	\$ 81,603.36	8
Incline Village Crystal Bay Visitors Bureau	1030	\$ 167,120.27	3
Nevada Tahoe Conservation District	1031	\$ 165,997.97	5
East Fork Fire Protection District	1032	\$ 2,536,645.11	41
City of Fernley	1033	\$ 263,223.07	22
White Pine County	1034	\$ 163,533.40	23
White Pine County Tourism & Recreation	1035	\$ 24,537.18	3
North Lyon County Fire Protection District	1037	\$ 82,083.27	8
Oasis Academy	1038	\$ 52,363.52	9
Pershing County	1040	\$ 22,967.01	9
Smith Valley Fire Protection District	1041	\$ -	-
City of Sparks	2092	\$ 37,412,647.47	456
Henderson Public Libraries	2139	\$ 1,490,476.33	35
North Lake Tahoe Fire Protection District	2141	\$ 8,373,973.83	67
City of West Wendover	2142	\$ 927,887.12	24
City of Wells	2147	\$ 67,218.73	7
Lyon County	2160	\$ 5,380,200.09	128
Tahoe Douglas Fire Protection District	2186	\$ 7,943,570.54	107
Nevadaworks	2237	\$ 358,413.48	5
Nevada Workforce Connections	2252	\$ 246,136.85	12
Reno Housing Authority	2266	\$ 2,747,207.15	49
Truckee Meadows Fire Protection District	2275	\$ 4,315,599.10	104
City of Fallon	2329	\$ 3,335,002.90	38
Indian Hills General Improvement District	2334	\$ 306,117.53	9
City of Winnemucca	2335	\$ 812,380.62	17
Reno-Tahoe Airport Authority	2357	\$ 15,242,544.79	168
Storey County	2389	\$ 1,946,146.63	64
Truckee Meadows Regional Planning Agency	2942	\$ 87,065.66	5
Central Lyon County Fire District	2966	\$ 1,569,450.28	28
Total		\$ 178,524,888.06	2,856
Total with Balances \$1,000 or less			213

666783 - State Agency	Number	Assets	# of Participants
Central Payroll	1001	\$ 544,311,072.12	10,566
PERS	1002	\$ 1,703,598.36	74
NDOT	1003	\$ 5,985,471.92	327
LCB	1006	\$ 9,199,136.59	124
Board Architecture	1007	\$ 191,153.61	7
Board of Cosmetology	1015	\$ 233,274.10	15
Board of Pharmacy	1016	\$ 1,623,086.24	11
Board of Nursing	1023	\$ 1,503,452.44	13
Board of Osteopathic Medicine	1024	\$ 79,916.42	3
Board of Dental Examiners	1027	\$ 11,825.56	4
Board of Funeral & Cemetery Services	1036	\$ 44,884.78	3
Board of Chiropractors	1042	\$ -	-
Board of Massage Therapy	1043	\$ -	-
Board of Accountancy	2002	\$ 349,702.73	2
Board of Alcohol, Drugs, & Gambling	2003	\$ -	-
Board of Examiners for Social Workers	2004	\$ 178,711.95	3
Board of Medical Examiners	2005	\$ 346,231.88	26
Board of Occupational Therapy	2006	\$ 147,343.04	1
Board of Veterinary Medical Examiners	2007	\$ 32,283.96	1
TOTAL		\$ 565,941,145.70	11,180
Total with Balances \$1,000 or less			1,470

666971 - NSHE	Number	Assets	# of Participants
Business Center North	1004	\$ 36,092,600.58	450
Business Center South	1005	\$ 24,668,974.59	332
Total		\$ 60,761,575.17	782
Total with Balances \$1,000 or less			82

FICA	Number	Assets	# of Participants
Central Payroll	1001	\$ 1,467,064.77	1,012
NDOT	1003	\$ 117,560.86	81
Business Center North	1004	\$ 14,174,736.36	9,161
Business Center South	1005	\$ 18,964,811.67	11,690
Douglas County	1011	\$ 219,272.80	238
Carson City	1025	\$ 908,932.13	702
RSCVA	1028	\$ 202,981.55	175
East Fork Fire Protection District	1032	\$ 448.18	3
Board of Examiners for Social Workers	2004	\$ 7,647.45	2
City of Sparks	2092	\$ 713,612.57	527
Tahoe Douglas Fire Protection District	2186	\$ 37,865.18	25
Total		\$ 36,814,933.52	23,616

Voya Financial® Year End Review

January 16, 2019

Based on Voya Retirement
Insurance and Annuity
Company records as of
12/31/2018

- ***You should consider the investment objectives, risks, and charges and expenses of the variable product and its underlying fund options, carefully before investing. The fund prospectuses and information booklet containing this and other information can be obtained by contacting your local representative. Please read the information carefully before investing.***
- Group annuities are intended as long-term investments designed for retirement purposes. Money taken from the annuity will be taxed as ordinary income in the year the money is distributed. Account values fluctuate with market conditions, and when surrendered the principal may be worth more or less than its original amount invested. An annuity does not provide any additional tax deferral benefit, as tax deferral is provided by the plan. Annuities may be subject to additional fees and expenses to which other tax-qualified funding vehicles may not be subject. However, an annuity does provide other features and benefits, such as lifetime income payments and death benefits, which may be valuable to you.
- Insurance products, annuities and funding agreements are issued by Voya Retirement Insurance and Annuity Company (“VRIAC”), Windsor, CT. VRIAC is solely responsible for its own financial condition and contractual obligations. Plan administrative services provided by VRIAC or Voya Institutional Plan Services LLC (“VIPS”). VIPS does not engage in the sale or solicitation of securities. All companies are members of the Voya family of companies. **Securities distributed by Voya Financial Partners LLC (member SIPC) or third parties with which it has a selling agreement.** All products and services may not be available in all states.
- Nevada Deferred Compensation is not affiliated with Voya.
- Registered representative of & securities offered through Voya Financial Advisors, Inc. (member SIPC)
- For Plan Sponsor Use Only

25406324_04/2017

One-on-Ones

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	% to Goal	Total Production	2017 Goal
Jamie Cooke				108	109	159	106	112	102	102	101	105	96%	1004	1050
Eric Honea	102	100	105	103	104	108	111	100	106	111	111	115	98%	1276	1300
Jacob Honea	109	129	111	121	106	106	115	130	103	111	130	104	106%	1375	1300
Dianna Patane	114	116	113	121	114	109	123	113	107	110	111	80	102%	1331	1300
Carrie Onorato	126	112	159	129	116	130	125	109	119	129	122	114	115%	1490	1300
Eric Wyer	130	113	110	110	112	114	109	113	109	111	110	107	104%	1348	1300
Total	581	570	598	692	661	726	689	677	646	674	685	625	104%	7824	7550

Contractual Obligation = 7,520 104% of Goal

State Offices = 412

- Executive Branch
 - 25 Departments
 - 300+ Divisions
- Legislative Branch
 - 3 Departments
- Judicial Branch
 - 1 Department
 - 10 Divisions

Political Subdivision
Offices = 108

Nevada System of Higher
Education

- 2 Universities
 - Multiple Campuses
- 7 Colleges
 - Multiple Campuses

Group Visits

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	% to Goal	Total Production	2018 Goal
Jamie Cooke				2	7	13	10	9	10	9	9	7	84%	76	90
Eric Honea	7	7	5	6	10	6	8	12	10	12	12	5	100%	100	100
Jacob Honea	7	5	5	5	7	5	8	9	10	15	17	7	100%	100	100
Dianna Patane	1	9	0	5	11	3	6	5	6	9	3	3	102%	61	60
Carrie Onorato	8	5	11	0	9	11	8	9	13	15	10	9	108%	108	100
Eric Wyer	8	8	8	9	9	9	9	11	10	11	11	6	109%	109	100
Total	31	34	29	27	53	47	49	55	59	71	62	37	101%	554	550

Contractual Obligation = 550 100% of Goal

Enrollments

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	% to Goal	YTD Total Production	2018 Goal
Jamie Cooke				1	6	19	13	12	14	17	15	30	79%	127	160
Eric Honea	24	39	19	41	44	20	28	18	35	30	19	26	135%	343	255
Jacob Honea	52	63	22	54	20	38	35	30	36	32	27	33	173%	442	255
Dianna Patane	14	14	5	7	6	5	3	1	3	1	3	3	108%	65	60
Carrie Onorato	39	30	27	41	24	28	48	14	41	41	19	25	148%	377	255
Eric Wyer	28	49	24	43	27	38	30	26	28	15	24	27	141%	359	255
Total	157	195	97	187	127	148	157	101	157	136	107	144	138%	1713	1240

Transfers/Rollovers into the Plan

	Jamie Cooke		Eric Honea		Jacob Honea		Dianna Patane		Carrie Onorato		Eric Wyer		Total Production	
January			8	\$ 209,201.97	13	\$ 236,185.10	3	\$ 51,957.69	2	\$ 1,844.79	1	\$ 21,080.28	27	\$ 520,269.83
February			10	\$ 204,873.85	8	\$ 380,015.82	1	\$ 665.84	5	\$ 91,730.06	4	\$ 56,632.08	28	\$ 733,917.65
March			3	\$ 9,321.38	5	\$ 349,768.06	0	\$ -	2	\$ 2,068.37	3	\$ 10,805.95	13	\$ 371,963.76
Qtr Total	0	\$ -	21	\$ 423,397.20	26	\$ 965,968.98	4	\$ 52,623.53	9	\$ 95,643.22	8	\$ 88,518.31	68	\$1,626,151.24
YTD Total	0	\$ -	21	\$ 423,397.20	26	\$ 965,968.98	4	\$ 52,623.53	9	\$ 95,643.22	8	\$ 88,518.31	68	\$1,626,151.24
April	0	\$ -	8	\$ 227,456.58	8	\$ 95,002.11	0	\$ -	2	\$ 24,260.93	5	\$ 59,327.33	23	\$ 406,046.95
May	0	\$ -	9	\$ 119,957.92	10	\$ 209,379.54	0	\$ -	3	\$ 4,174.89	6	\$ 233,499.68	28	\$ 567,012.03
June	2	\$ 12,917.86	6	\$ 152,409.70	7	\$ 217,569.76	2	\$ 10,866.08	3	\$ 16,613.98	2	\$ 60,487.52	22	\$ 470,864.90
Qtr Total	2	\$ 12,917.86	23	\$ 499,824.20	25	\$ 521,951.41	2	\$ 10,866.08	8	\$ 45,049.80	13	\$ 353,314.53	73	\$1,443,923.88
YTD Total	2	\$ 12,917.86	44	\$ 923,221.40	51	\$1,487,920.39	6	\$ 63,489.61	17	\$ 140,693.02	21	\$ 441,832.84	141	\$3,070,075.12
July	1	\$ 282.59	4	\$ 149,453.04	3	\$ 58,252.15	1	\$ 8,300.00	0	\$ -	7	\$ 85,746.02	16	\$ 302,033.80
August	4	\$189,156.96	6	\$ 89,930.74	7	\$ 259,920.09	0	\$ -	5	\$ 174,819.94	6	\$ 42,795.86	28	\$ 756,623.59
September	1	\$ 2,000.00	5	\$ 58,141.69	3	\$ 816,830.61	2	\$ 58,800.83	3	\$ 55,938.61	7	\$ 29,287.92	21	\$1,020,999.66
Qtr Total	6	\$191,439.55	15	\$ 297,525.47	13	\$1,135,002.85	3	\$ 67,100.83	8	\$ 230,758.55	20	\$ 157,829.80	65	\$2,079,657.05
YTD Total	8	\$204,357.41	59	\$1,220,746.87	64	\$2,622,923.24	9	\$ 130,590.44	25	\$ 371,451.57	41	\$ 599,662.64	206	\$5,149,732.17
October	4	\$149,986.58	8	\$ 77,935.58	8	\$ 158,879.68	0	\$ -	2	\$ 8,821.70	7	\$ 195,449.82	29	\$ 591,073.36
November	4	\$ 64,839.03	5	\$ 211,954.39	12	\$ 657,039.14	0	\$ -	1	\$ 17,194.42	4	\$ 55,494.10	26	\$1,006,521.08
December	5	\$279,829.63	7	\$ 311,162.81	5	\$ 555,964.91	2	\$ 50,018.80	3	\$ 21,553.98	7	\$ 214,838.22	29	\$1,433,368.35
Qtr Total	13	\$494,655.24	20	\$ 601,052.78	25	\$1,371,883.73	2	\$ 50,018.80	6	\$ 47,570.10	18	\$ 465,782.14	84	\$3,030,962.79
YTD Total	21	\$699,012.65	79	\$1,821,799.65	89	\$3,994,806.97	11	\$ 180,609.24	31	\$ 419,021.67	59	\$1,065,444.78	290	\$8,180,694.96

Historical Comparisons

Enrollments	Q1	<u>Q2</u>	Q3	Q4	Total	Internal Goal
2015	551	510	472	353	1886	1440 Annually
2016	431	400	464	326	1621	
2017	392	455	332	330	1509	
2018	449	462	415	387	1713	
Group Meetings	Q1	<u>Q2</u>	Q3	Q4	Total	Contracted Goal
2015	424	213	154	181	972	550 Annually
2016	163	169	147	173	652	
2017	150	120	167	155	592	
2018	94	127	163	170	554	
One-on-Ones	Q1	<u>Q2</u>	Q3	Q4	Total	Contracted Goal
2015	2,374	1,849	1,815	2,069	8,107	7,500 Annually
2016	2,243	2,423	2,691	2,434	9,791	
2017	2,586	2,012	1,820	2,139	8,557	
2018	1,749	2,079	2,012	1,984	7,824	



Consumer & Digital Trends



NDC Plan Engagement Metrics



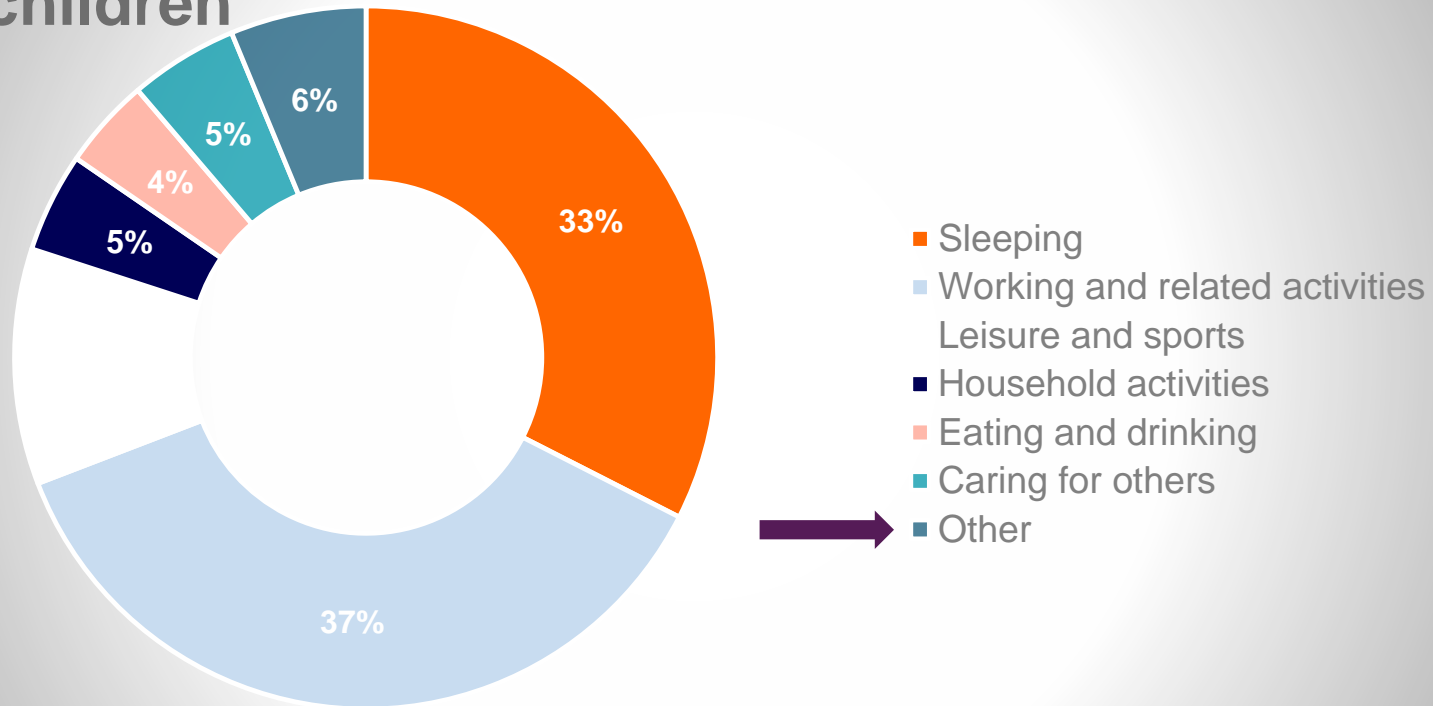
Personalized Messaging & Data Driven Insights



2019 Goals & Communication Calendar

Personal time is limited

Average work day for employed persons ages 25-54 with children

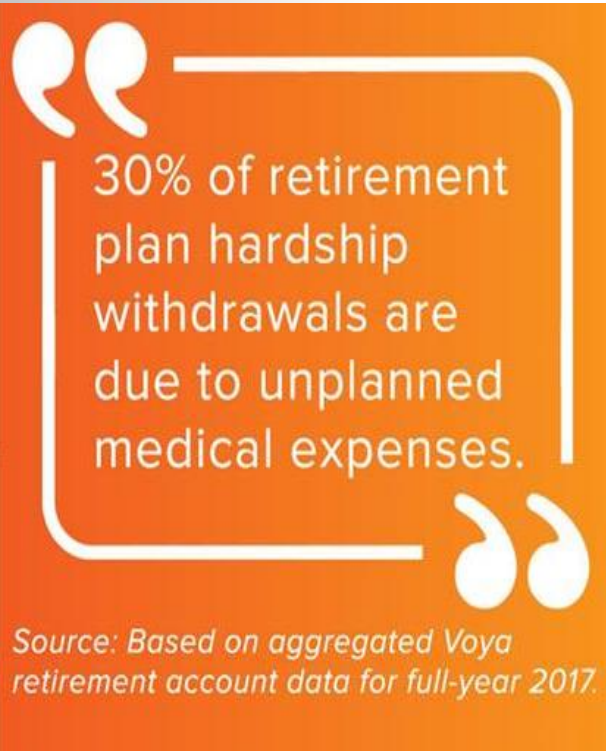


Source: Bureau of Labor Statistics, American Time Use Survey

Note: Data includes employed persons on days they worked, ages 25 to 54, who lived in households with children under 18; non-holiday weekdays and are annual averages for 2015; related travel for each activity; working and related activities (8.8 hours), sleeping (7.8 hours); time use on an average work day for employed persons ages 25 to 54 with children.

Competing financial needs impact retirement savings

When retirement plans are used for **emergency funds**, this impacts retirement readiness of workforce



- Only **33% of U.S. workers** keep a budget
- **51%** of Millennials and **57%** of Gen Xers withdraw retirement plan money for unexpected expenses
- **25¢ of every dollar** deposited into workplace retirement plan is withdrawn each year for non-retirement spending
- **28%** of employees have outstanding retirement plan loan(s)

Technology continues to shape consumer behavior

U.S. adults and device ownership in 2018



Cell phone = **95%**



Smartphone = **77%**



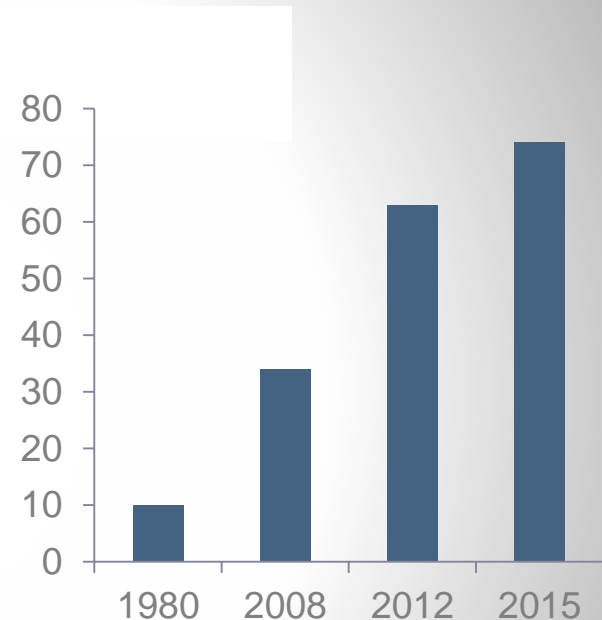
Desktop/laptop = **73%**



Tablet = **43%**

Source: Pew Research Center, 2018

GB of data delivered per day per person



74 GB = nine DVDs worth of data per person per day

Source: "How Much Media? 2013 Report on American Consumers,"

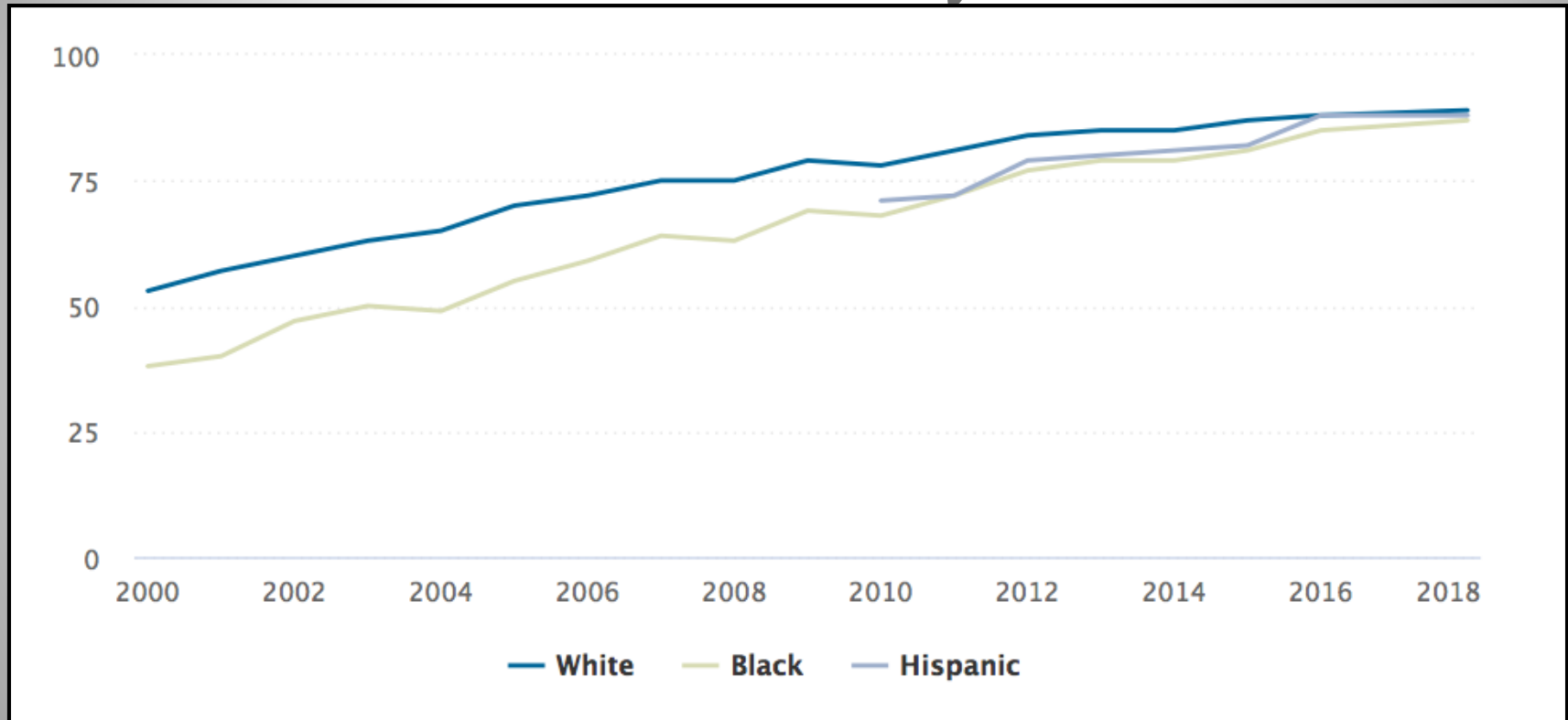
USC Marshall School of Business and research from San Diego Supercomputer Center (SDSC) at University of California, San Diego

Smartphone usage is high among all demos



Nevada
Deferred
Compensation
Your journey starts here.

% of U.S. adults who use the internet, by race/ethnicity

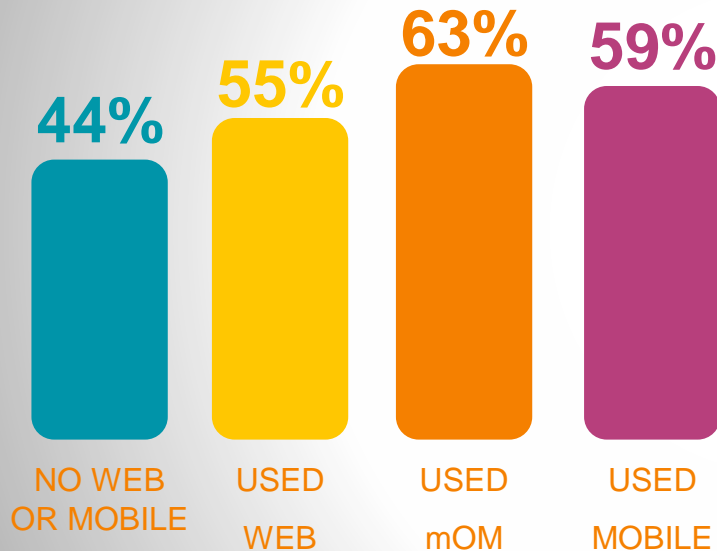


Source: Pew Research Center, surveys conducted 2000-2016. Data for each year based on a pooled analysis of all surveys conducted during that year.

Deferred Compensation Plan Engagement

INCOME REPLACEMENT RATE

ENGAGEMENT IMPACT



PARTICIPANT ENGAGEMENT

30%
ADOPTED
E-DELIVERY

51%
INCOME AVERAGE
PARTICIPANTS ON
TRACK TO REPLACE

OVER
11,500



ENGAGED
OVER LAST
12 MONTHS

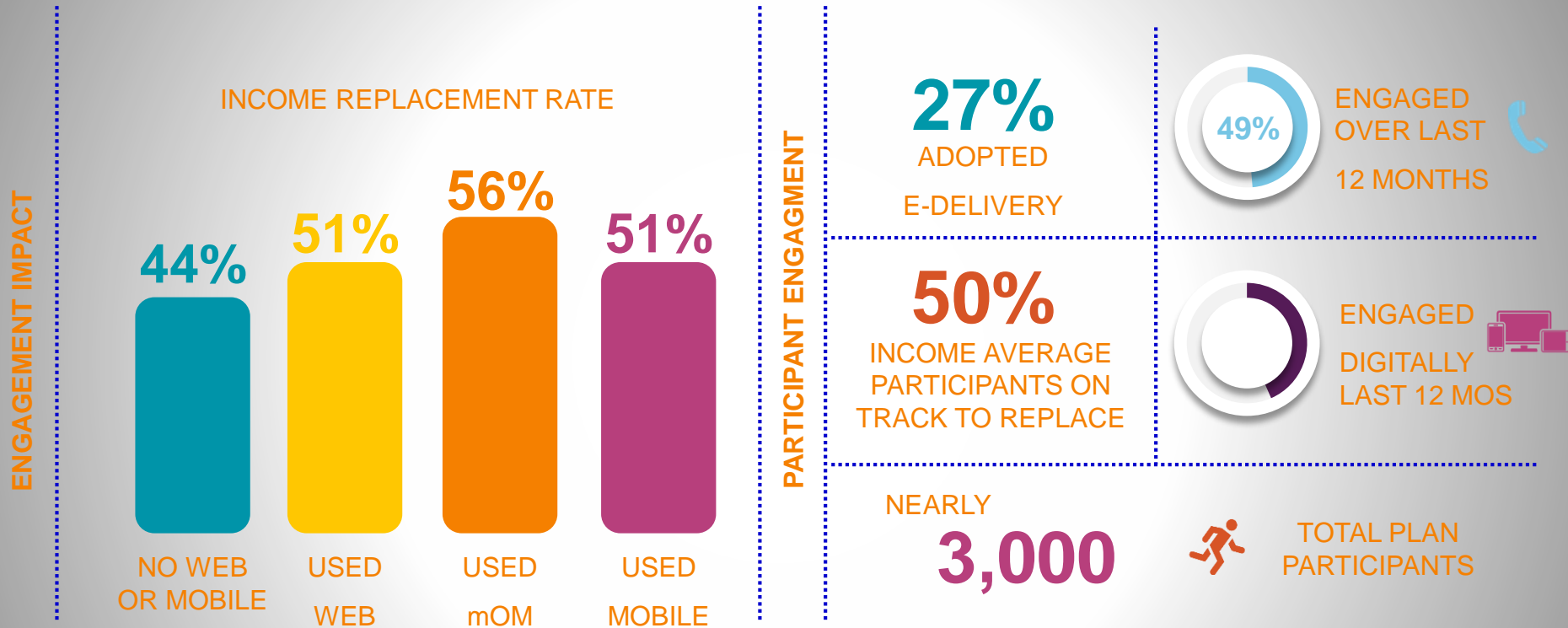


ENGAGED
DIGITALLY
LAST 12 MOS



TOTAL PLAN
PARTICIPANTS

Political Subdivision Plan Engagement

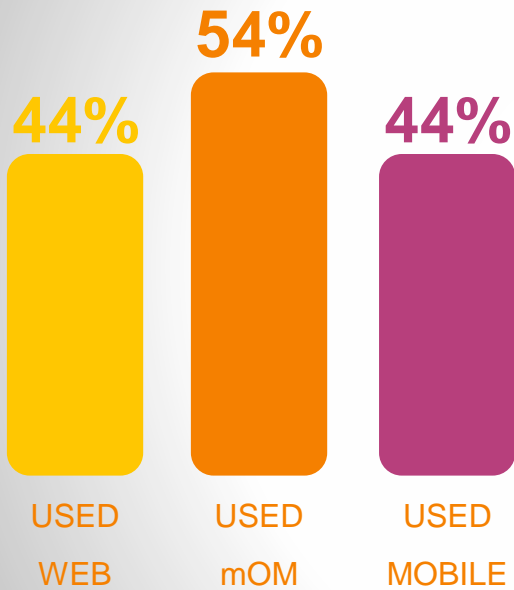


NDC Political Subdivision Plan (#666970) as of September 30, 2018

NSHE Plan Engagement

ENGAGEMENT IMPACT

INCOME REPLACEMENT RATE

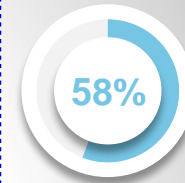


PARTICIPANT ENGAGEMENT

32%
ADOPTED
E-DELIVERY

42%
INCOME AVERAGE
PARTICIPANTS ON
TRACK TO REPLACE

NEARLY
900



ENGAGED
OVER LAST
12 MONTHS



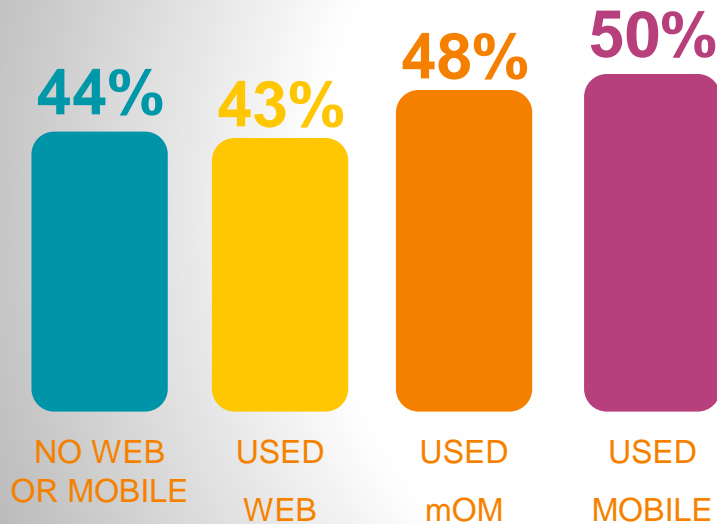
TOTAL PLAN
PARTICIPANTS

NDC NSHE Plan (#666971) as of September 30, 2018

FICA Alternative Plan Engagement

ENGAGEMENT IMPACT

INCOME REPLACEMENT RATE



PARTICIPANT ENGAGEMENT

7%
ADOPTED
E-DELIVERY



ENGAGED
OVER LAST
12 MONTHS

44%
INCOME AVERAGE
PARTICIPANTS ON
TRACK TO REPLACE



ENGAGED
DIGITALLY
LAST 12 MOS

NEARLY

26,000



TOTAL 457 PLAN
PARTICIPANTS

NDC FICA Alternative Plan (#666782) as of September 30, 2018

PRODUCTS March 16, 2018

Predictive Analytics Can Help Solve Retirement Plan Challenges

The Power Of 'Predictive Analytics' In 401ks

There was a subset of employees that never participated, and researchers wanted to know why

BENEFITS

'Big Data' Can Improve Value of Health and Savings Plans

Data analytics can target communications to those most in need of aid

By SHRM Online staff
Apr 29, 2015

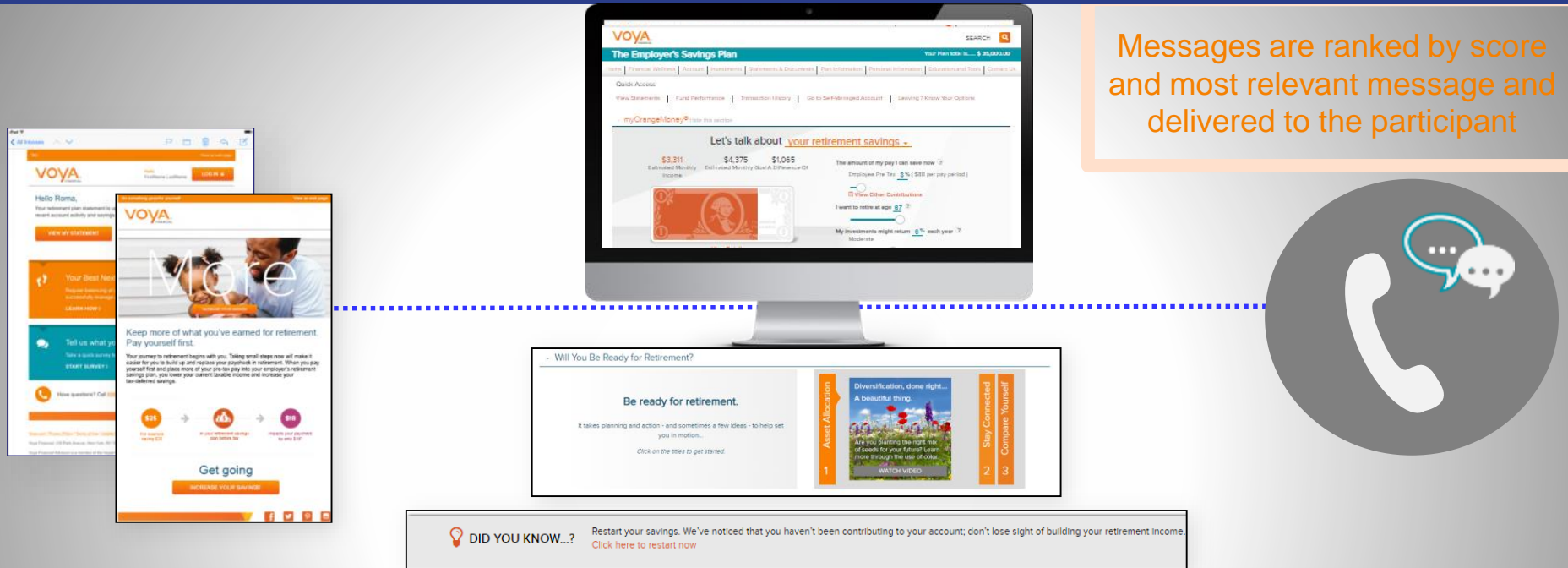
We use predictive modeling to create multi-touch, automated journeys that reach participants with a targeted message that is relevant to them in the format or media that they prefer.

Right Message

Right Time

Right Media

Delivering personalized messages



Messages are ranked by score and most relevant message and delivered to the participant

- Emails (2018)
- Quarterly e-statements (2017)
- Accordion message (2013)
- Light bulb message
- Customer service associates (2011)



Diversification Journey

Participant Criteria for Inclusion:

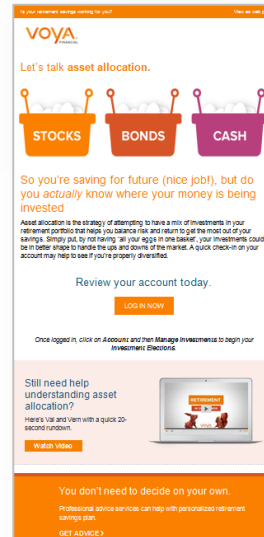
- Signed up for e-Delivery
- If participant is in two or less funds and
 - Not allocated to a target date fund OR
 - Not in a self-directed brokerage account
- Not current Morningstar user

Campaign Success:

- Participant logs in to manage investments
- Participant contacts for more advice
- Participant engages with educational material

1

Initial Email and Reminder Email

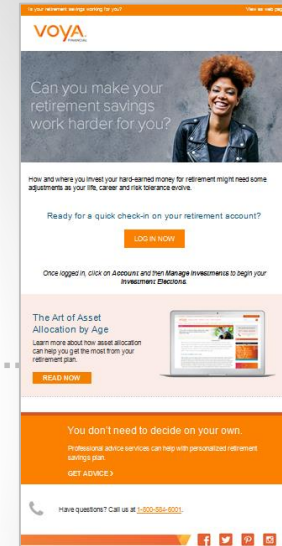


Fred is identified as newly eligible for this journey. Email #1 is sent with a 'diversify' reminder.

7 days later, he receives email #2 with the same content (different subject line) because he did not take an action.

2

Second Reminder and Final Email



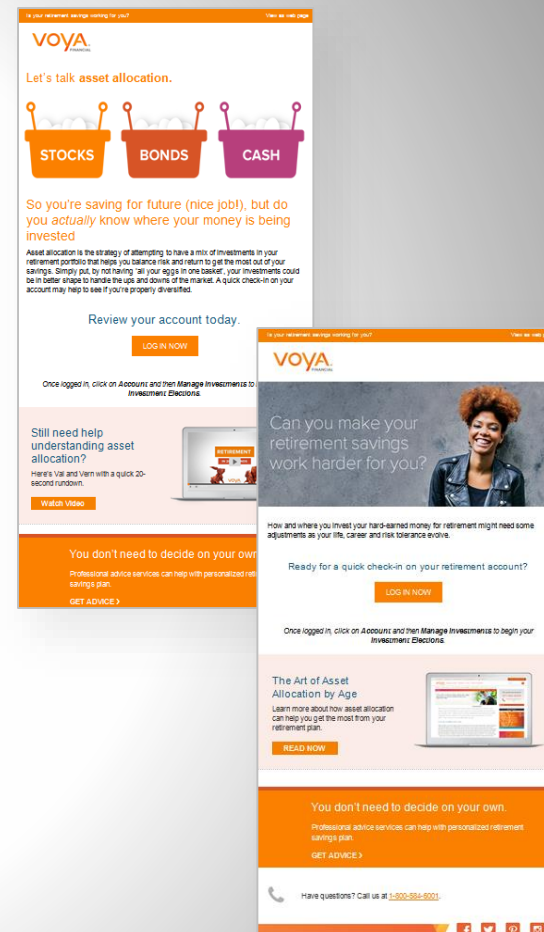
If Fred still does not take an action, he will receive another touch-point reminding him of the importance of diversifying 14 days after email #1.

If we still don't have Fred's attention, he will receive a final touch-point 14 days later (28 days after the first email). He has 15 days to take action before we measure if he's taken action as a result of the email.

Diversification Journey Results

199 (2%) of participants targeted diversified their account after opening a diversification email

Unique Participant Activity	Dec. 7, 2018
Participants reached (Delivered)	24,292
Participants interested (Opens)	12,213 (50%)
Participants engaged (Email clicks)	1,558 (13%)
Participants took action after opening	199 (2%)



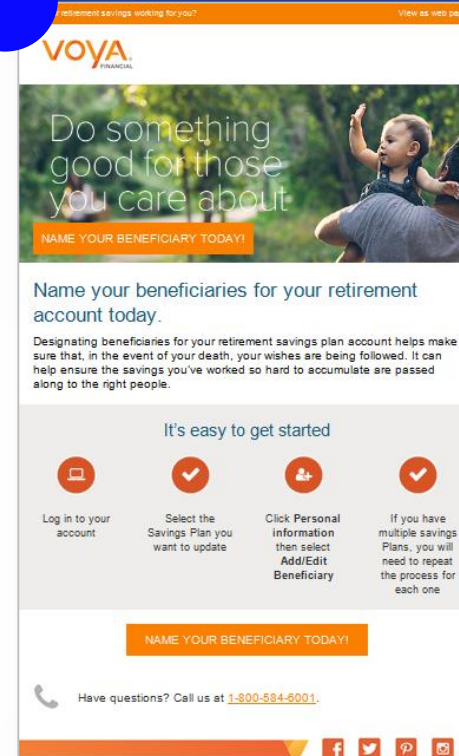
Beneficiary Journey

Participant Criteria for Inclusion:

- Signed up for e-Delivery
- Plan allows online beneficiary changes
- No beneficiary listed on file
- Sent once a year on Plan entry anniversary

Campaign Success:

- Primary beneficiary now on file



Alyssa is identified as not having a beneficiary listed for her retirement plan. Email is sent with an 'importance of naming a beneficiary' reminder. If she doesn't take action, she will receive the email each year on her plan entry anniversary.

Beneficiary Journey Results

5,075 (7%) of participants targeted named a beneficiary on their account after opening the beneficiary email

Unique Participant Activity	Dec. 7, 2018
Participants reached (Delivered)	169,093
Participants interested (Opens)	70,336 (42%)
Participants engaged (Email clicks)	11,831 (17%)
Participants took action after opening	5,075 (7%)

is your retirement savings working for you? [View as web page](#)

VOYA
FINANCIAL





Do something good for those you care about

NAME YOUR BENEFICIARY TODAY!

Name your beneficiaries for your retirement account today.





Designating beneficiaries for your retirement savings plan account helps make sure that, in the event of your death, your wishes are being followed. It can help ensure the savings you've worked so hard to accumulate are passed along to the right people.

It's easy to get started

-  Log in to your account
-  Select the Savings Plan you want to update
-  Click Personal information then select Add/Edit Beneficiary
-  If you have multiple savings Plans, you will need to repeat the process for each one

NAME YOUR BENEFICIARY TODAY!

Have questions? Call us at [1-800-584-6001](tel:1-800-584-6001).

Financial Wellness/Education Journey

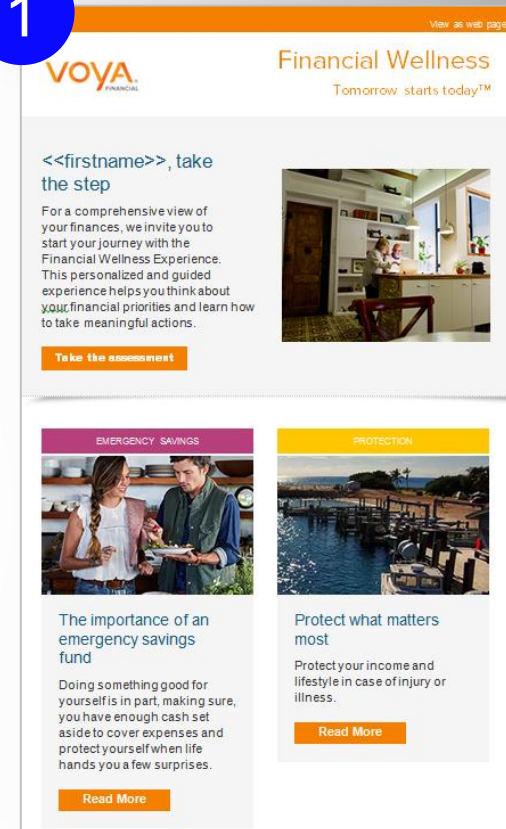
Participant Criteria for Inclusion:

- All participants with e-Delivery

Campaign Success:

- Participant takes FW assessment
- Participant engages with educational material

1



Beth has signed up for e-delivery. She receives a quarterly email with education on topics to help with her overall financial wellness.

2019 Goals and Objectives

Improve Enrollment Rates

- Quarterly campaign targeting a specific low participation agency
(Dept. of Corrections, Child & Family Services, Dept. of Veteran Affairs, Dept. of Education)
 - Quarterly general enrollment email campaign
 - Annual non-participating print campaign
-

Enhance Overall Financial Wellness

- Increase participant online account registration
 - Greater awareness of online account security importance
 - Drive more myOrangeMoney interaction
 - Improve e-Delivery sign up rates
-

Increase Plan Engagement

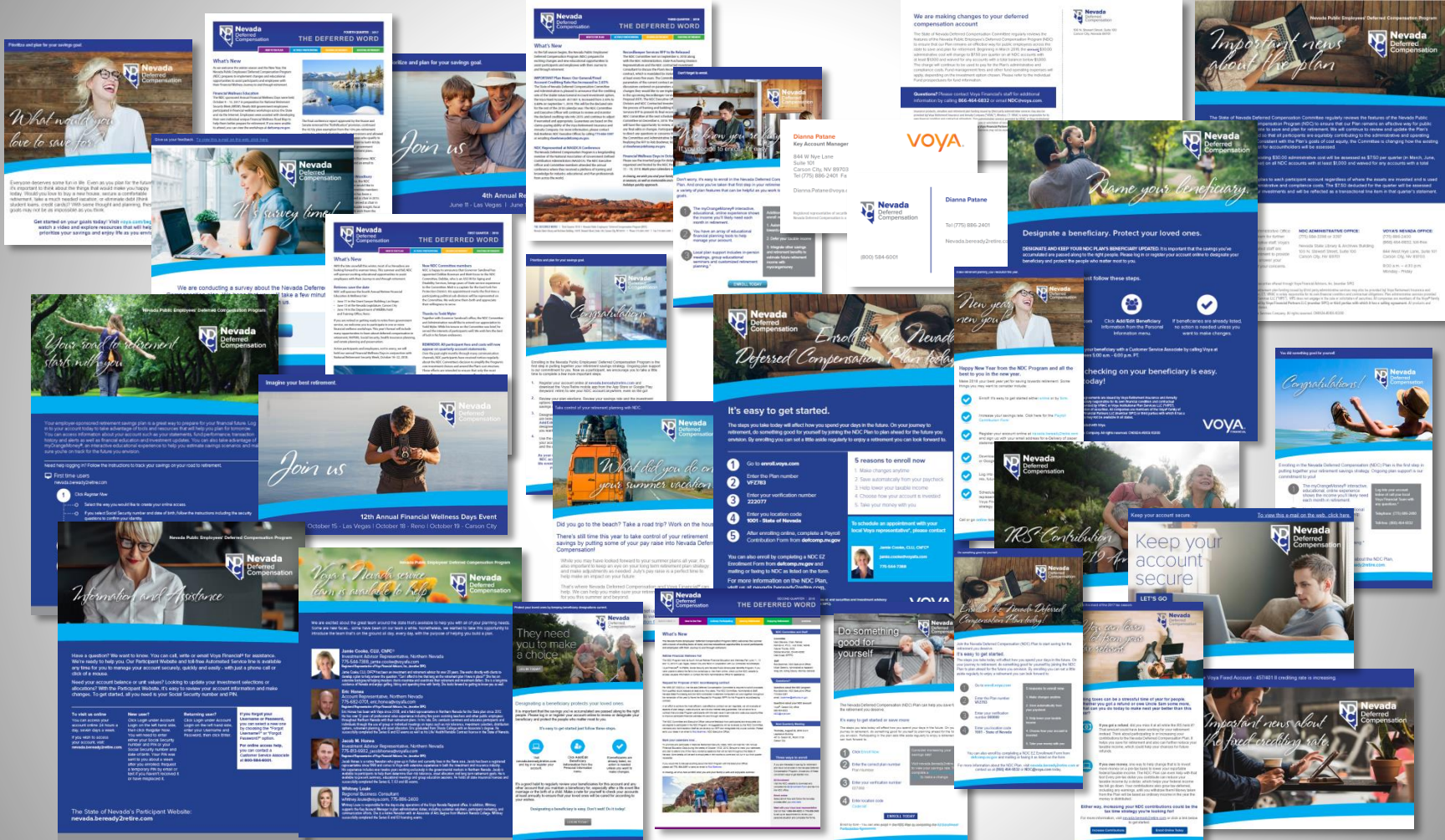
- Turn on Plans for automated email messaging
- Increase individual appointments with local Voya team
- Execute agreed upon communication calendar



MISSION

Creating market-leading experiences and outcomes for your employees while providing information to participants when, where, and how they want it.

2018 NDC Communications



2018 Targeted DMV Enrollment Campaign



Nevada
Deferred
Compensation
Your journey starts here.

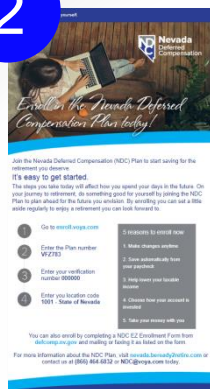
1



Enroll Postcard

- Mailed to **1,176** non-participating DMV employees
- Contact information personalized to one of **4** local reps

2



Enroll Email

- Sent to **630** of the 1,176 non-participating DMV employees
- **94%** (595) delivered
- **12%** (75) total opened
- **19%** (14) unique clicks

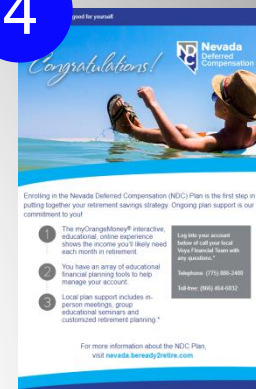
3



Reminder Email

- Sent to **621** of the previous 630 DMV emails
- **94%** (585) delivered
- **9%** (54) total opened
- **6%** (3) unique clicks

4



Congratulations

- **8** DMV employees enrolled in the 1st month

2019 Participant Engagement Calendar



Nevada
Deferred
Compensation

2019

JAN

APR

JUL

OCT

DEC

FINANCIAL WELLNESS
EDUCATION / EVENTS



★
America
Saves
Week



★
Retiree
Financial
Wellness
Fair



★
Financial
Wellness
Days
(NRSW)

ACTION
CAMPAIGNS



PLAN
COMMUNICATIONS



Morningstar Managed Account Review

State of Nevada



James Headley, Regional Sales Director

January, 2019

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Morningstar Investment Management

Our Mission

We strive to create better investing outcomes by leveraging leading proprietary research that reflects a deep understanding of investor needs through a holistic set of solutions—from managed portfolios and indexes to advisory and retirement services.

Guiding Investment Principles

We invest for the long term

We are research-driven investors

We always put investors first

Morningstar Investment Management LLC

About Us: Workplace Solutions

We know none of your employees are average. Within our Workplace Solutions group, we help our clients choose a retirement solution that suits the unique needs of their employee population.

Overview of Workplace Solutions

Assets below represent AUM and AUA through September 30, 2018

\$135.6 billion

¹Total AUM/AUA

Managed Accounts

\$63 billion

- ▶ 22 provider clients
- ▶ 100,000+ plans offer managed accounts
- ▶ 15.3 million participants with access to managed accounts
- ▶ 1.4 million+ participants enrolled

Custom Models

\$29.5 billion

- ▶ 11 provider clients
- ▶ 774 plan sponsor clients

Fiduciary Services

\$43.1 billion

- ▶ 13 provider clients
- ▶ 17,000+ plan sponsor clients

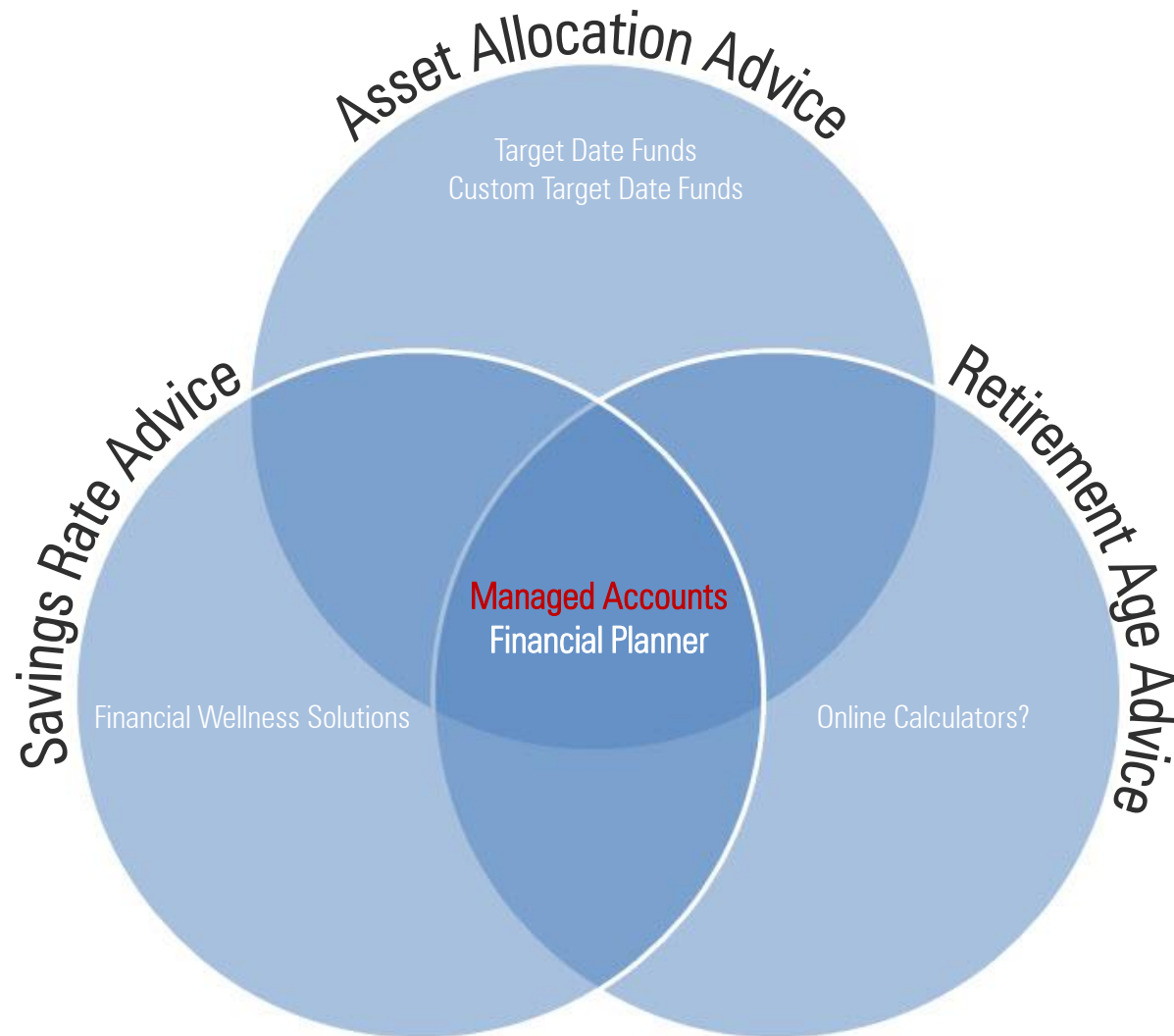
In total, our Workplace Solutions are available to:

- ▶ **Almost 25 million participants**
- ▶ **More than 242,000 plans**
- ▶ **31 plan providers**

¹As of September 30, 2018.

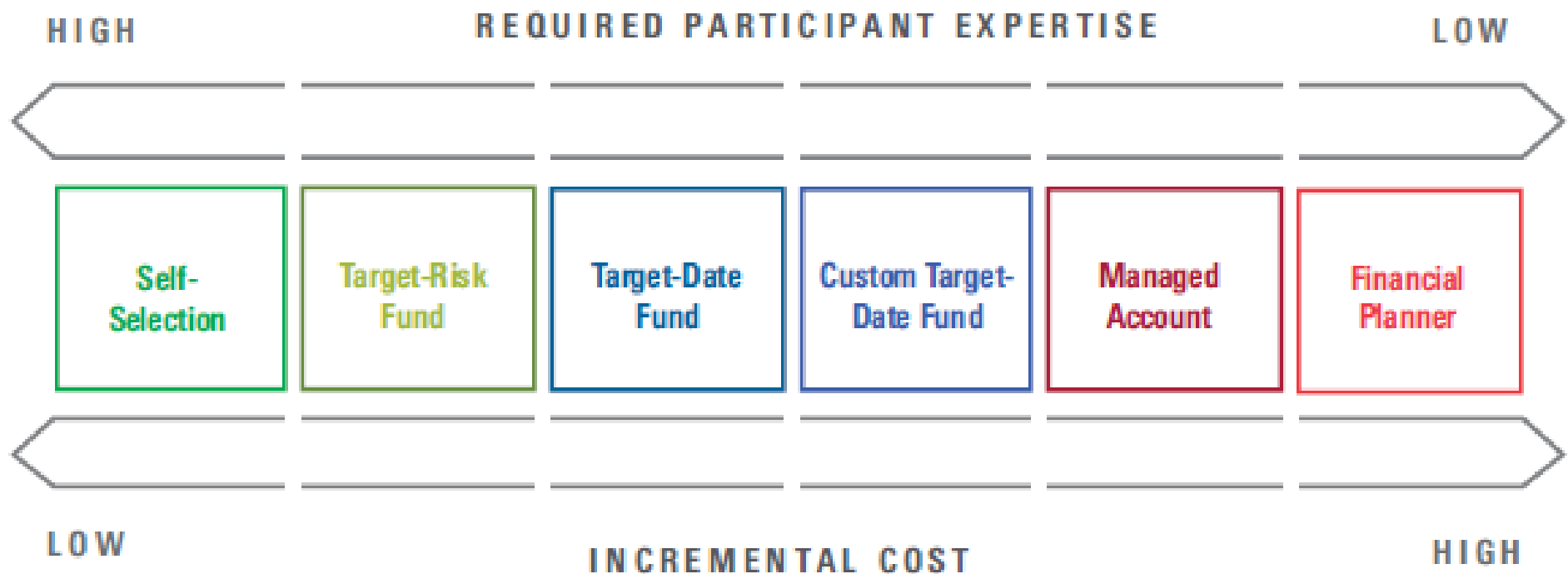
Morningstar Managed Accounts

Solving the Retirement Puzzle



Trends in Default Investing

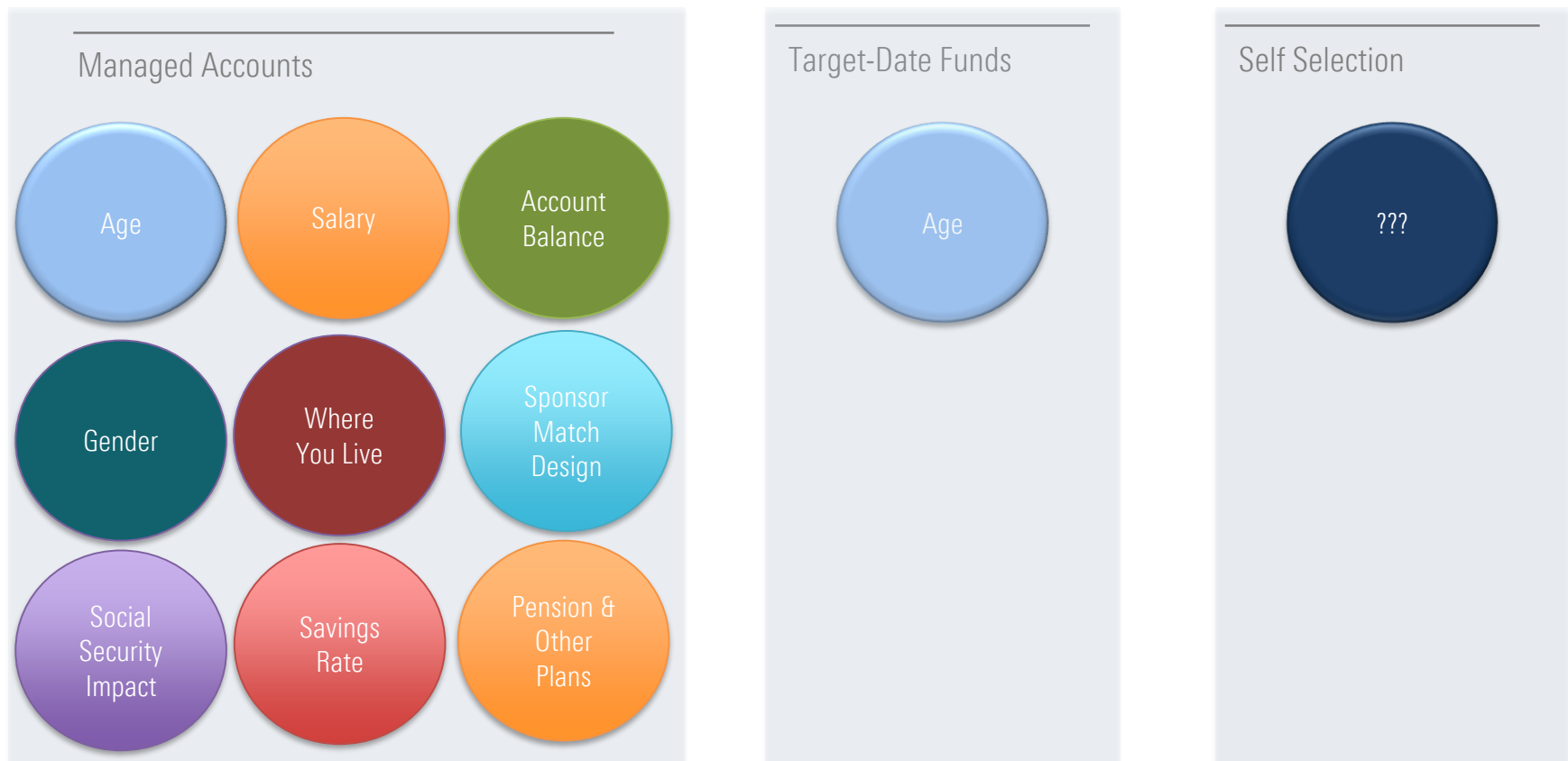
The Evolution Toward Custom Solutions



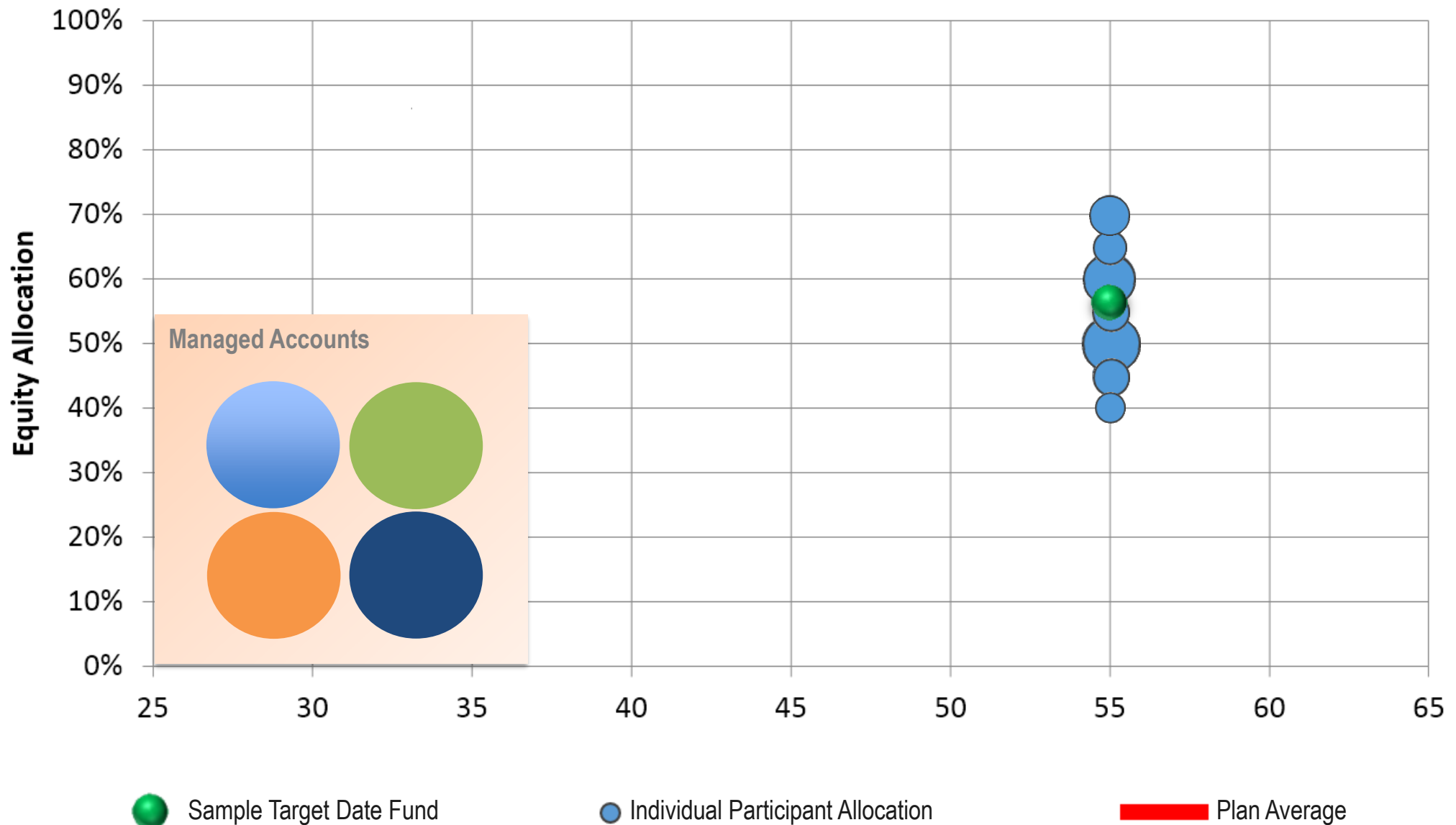
Leveraging Available Data

Advantages of Managed Accounts

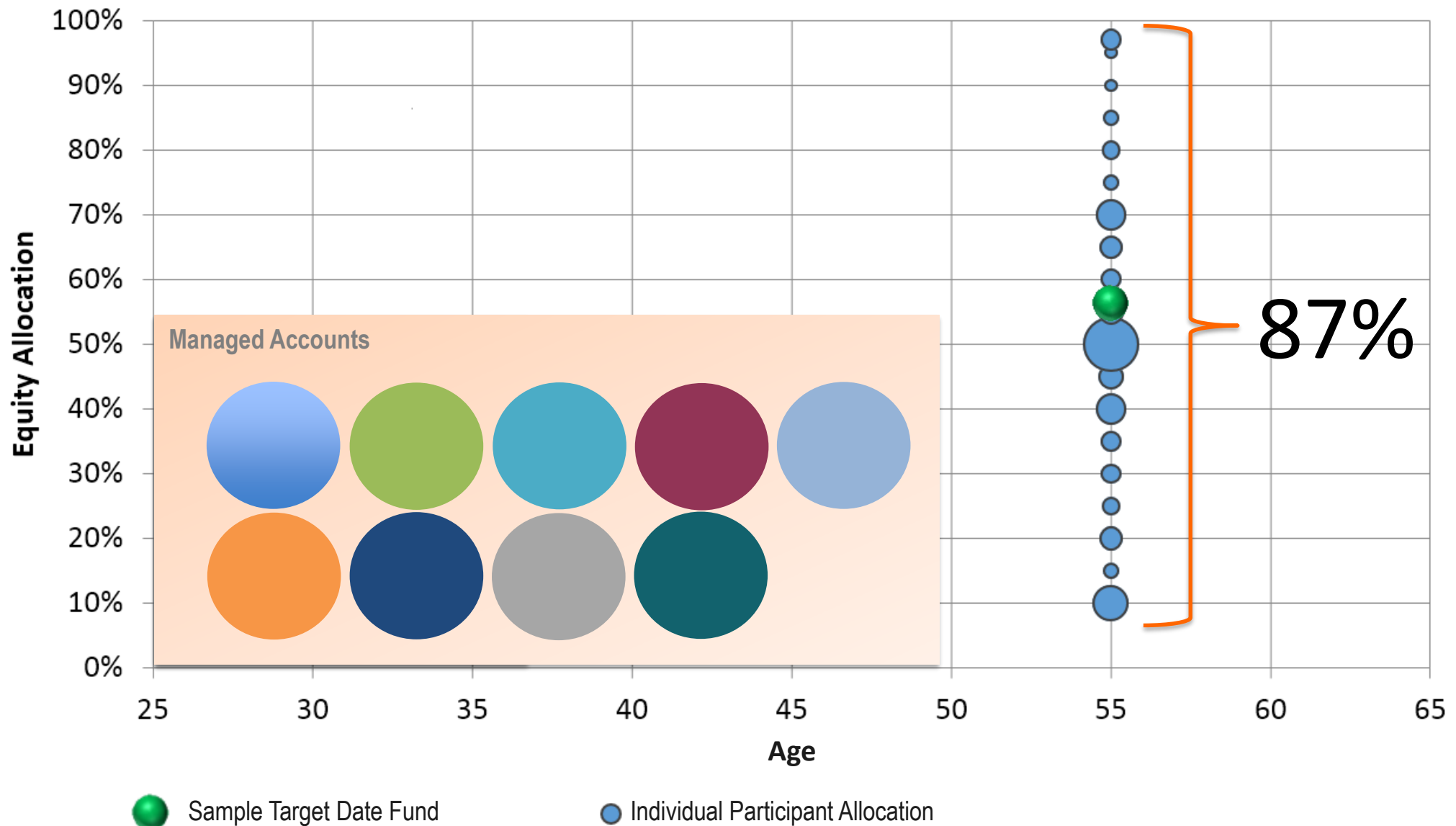
Managed Accounts is able to use all available data about each participant; this allows us to offer each individual fully tailored advice.



Managed Accounts – Basic Data from Record Keeper



Managed Accounts – Greater Breadth of Data

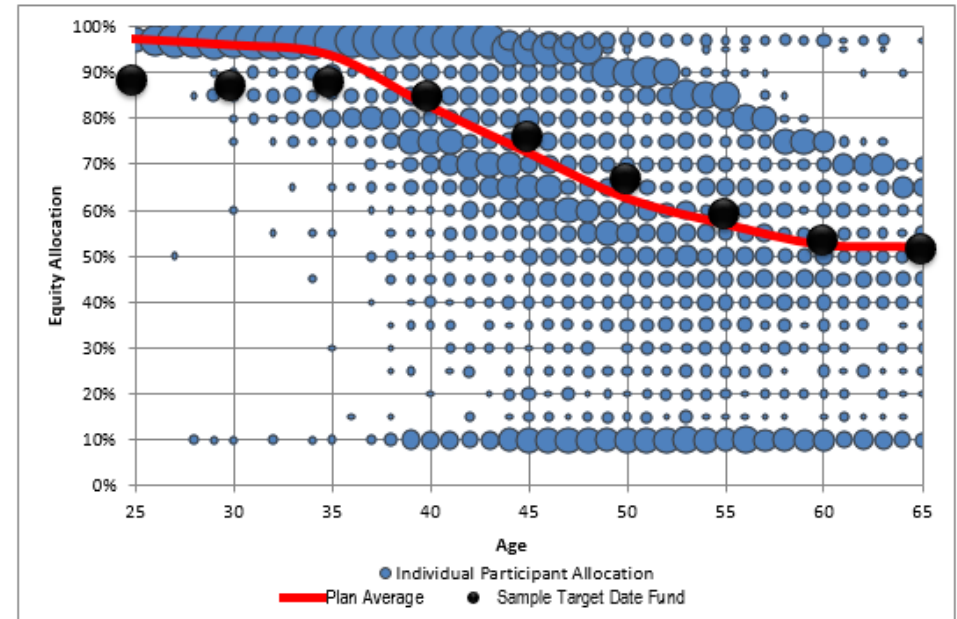
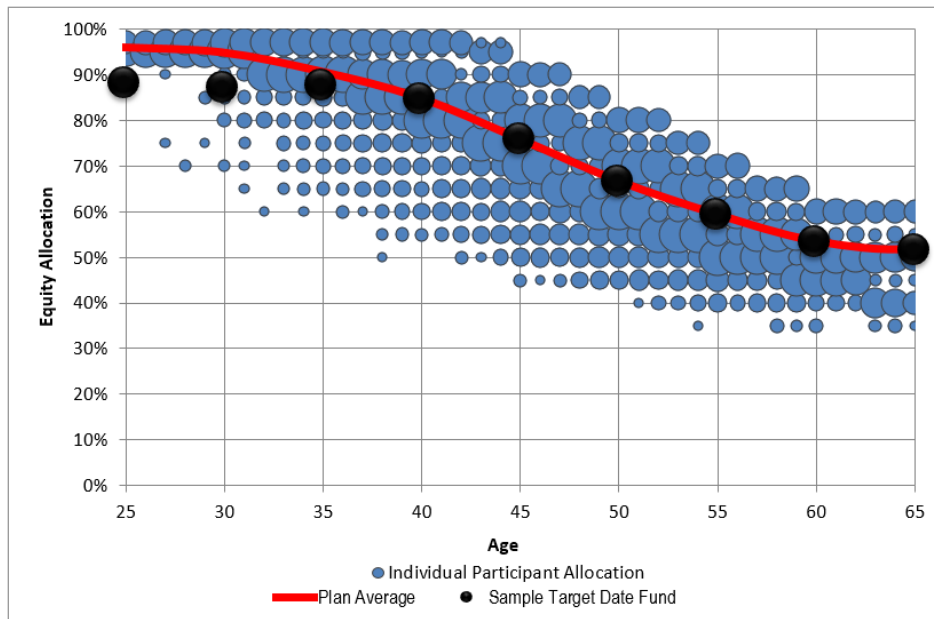


Morningstar Managed Accounts

The Impact of Complete Data

The value of Managed Accounts is that **every participant in your plan is placed in a portfolio that is appropriate for them.**

At Conversion ►►►►►►►►►►►►►►►► One Year Later



Retirement Manager Screen-Shot

Morningstar Retirement Manager | Provided By **VOYA**

Profile Accounts/Expenses **Our Advice** Finalize

Good to see you, Nathan.
We can help get you closer to your goal today.
(These are projections with a 70% chance of happening.)

Chart View
How is all this calculated?

Where you are:
\$4,262 saved, that's
\$25,056 a year in retirement

With our advice:
\$27,396 a year in retirement

10 \$0 \$40,500/year

Here's Our Advice

Build your plan around these key numbers. [Edit](#)

Overall Annual Savings

2% → 4%

Started At Going Forward

OVERALL SAVINGS INCLUDES

Current Employer Plan	4%
Your Other Account	0%

Retire At

65 → 65

Started At Going Forward

Take Social Security At

67 → 67

Started At Going Forward

ESTIMATED ANNUAL BENEFIT

Our Estimate: \$24,294/year

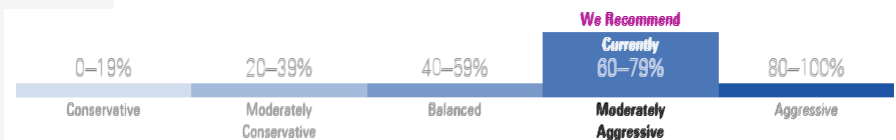
Take on an aggressive amount of risk overall. [View](#)

Contribute to these investments within Your Employer Plan. [View](#)

[Back](#) [Continue](#)

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Methodology
Fees
Advisory Agreement
Privacy Policy
Firm Brochure
Contact Us



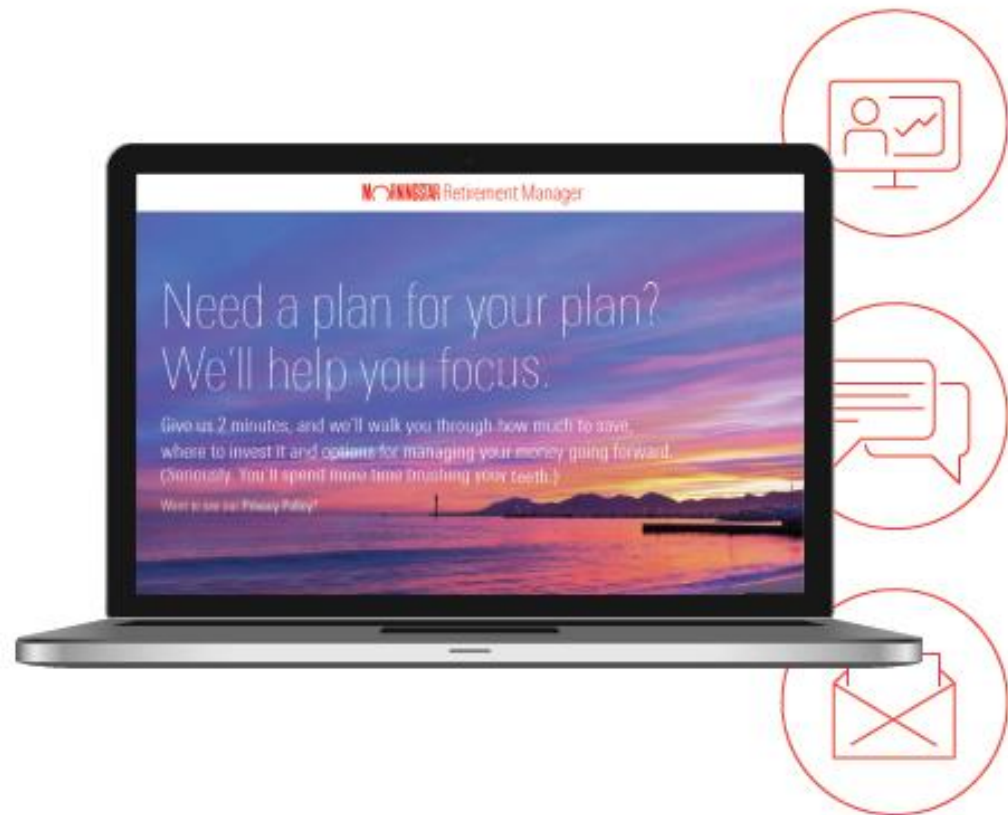
To learn more about how we determine your risk level, visit our [Methodology](#).

This is how we're going to modify your investments:

Investments	Current % of your account	Change your balance and future savings to this
Schwab Bank Savings (3)	40%	0%
Schwab Fdmtl Intl Lg Co Idx	40%	0%
Schwab International Index	0%	18%
Schwab® S&P 500 Index	0%	18%
VY® Baron Growth S	0%	13%

Morningstar's Support for the State of Nevada

- Online Webinars
- Annual participation in financial wellness days
- Back office support for participant questions



Stop Guessing: Using Plan Participant Data to Select a QDIA Preliminary Analysis

Prepared for State of Nevada
By Morningstar Investment Management LLC
January 16, 2019

MORNINGSTAR®



Stop Guessing: Using Plan Participant Data to Select a QDIA

Overview

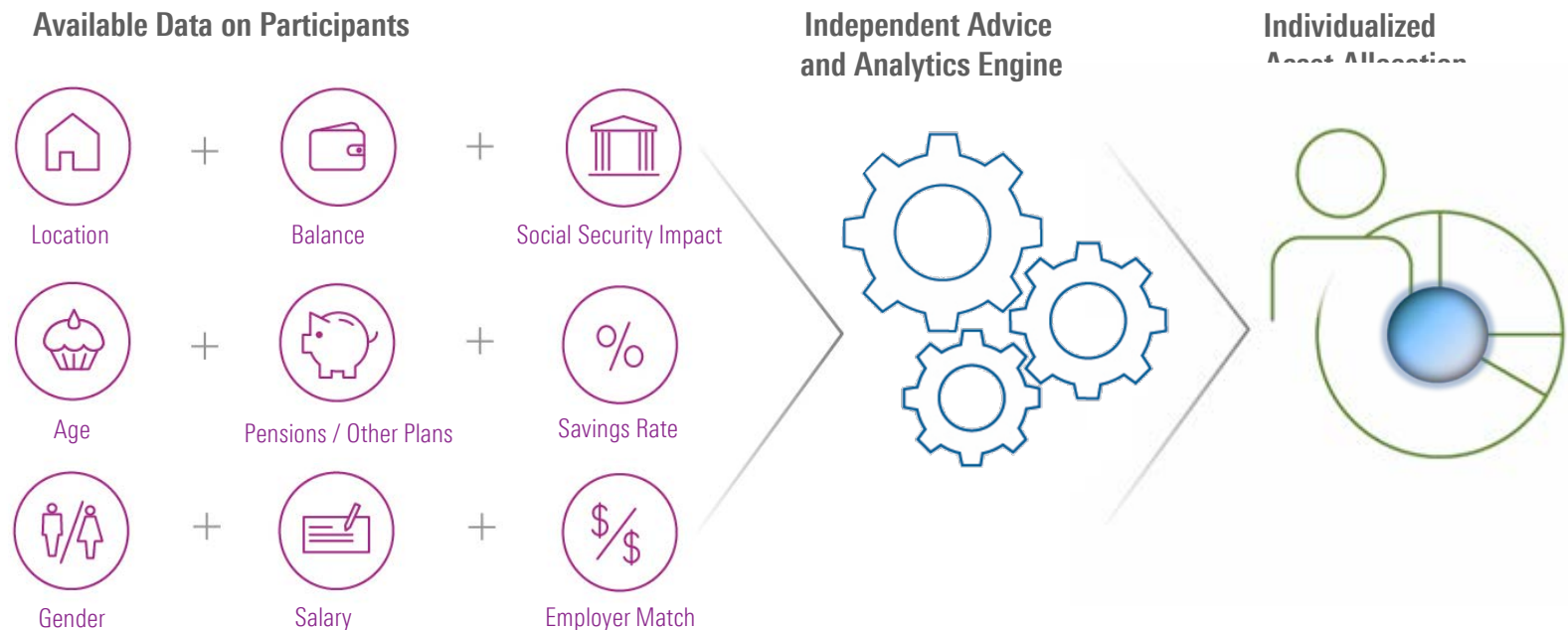
Morningstar's (QDIA) selection methodology uses participant demographic data and Morningstar's Retirement Advice Engine* to arrive at an independent, data-driven estimate of the most appropriate asset allocation for each participant. This enables plan sponsors to choose the best-fit QDIA and to quantify the benefit of a better fit QDIA. The methodology is based on the paper, "Stop Guessing: Using Plan Participant Data to Select a QDIA."

*Morningstar's Retirement Advice Engine refers to the Morningstar Wealth Forecasting Engine. Please see disclosure slide for additional information.

Stop Guessing: Using Plan Participant Data to Select a QDIA

Morningstar Plan Analysis—How Does it Work?

Our analysis uses data from recordkeepers to arrive at individualized asset allocation recommendations.



Example:

Quantifying Asset Allocation Fit for a Plan

A 10 Participant Sample Plan

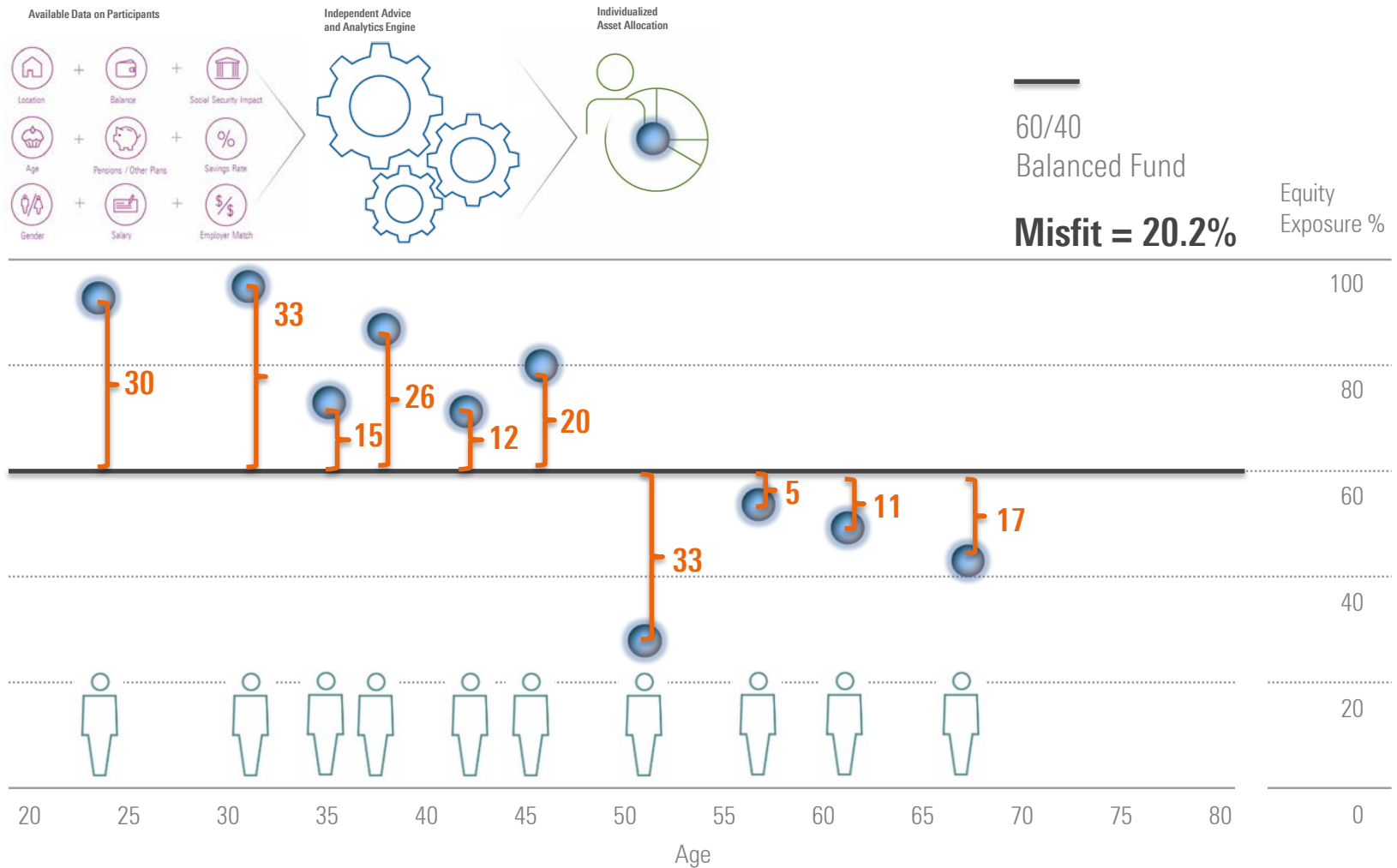
2 Potential QDIA Options

60/40 Balanced Fund

Conservative Target-Date Fund Family

Stop Guessing: Using Plan Participant Data to Select the Optimal QDIA

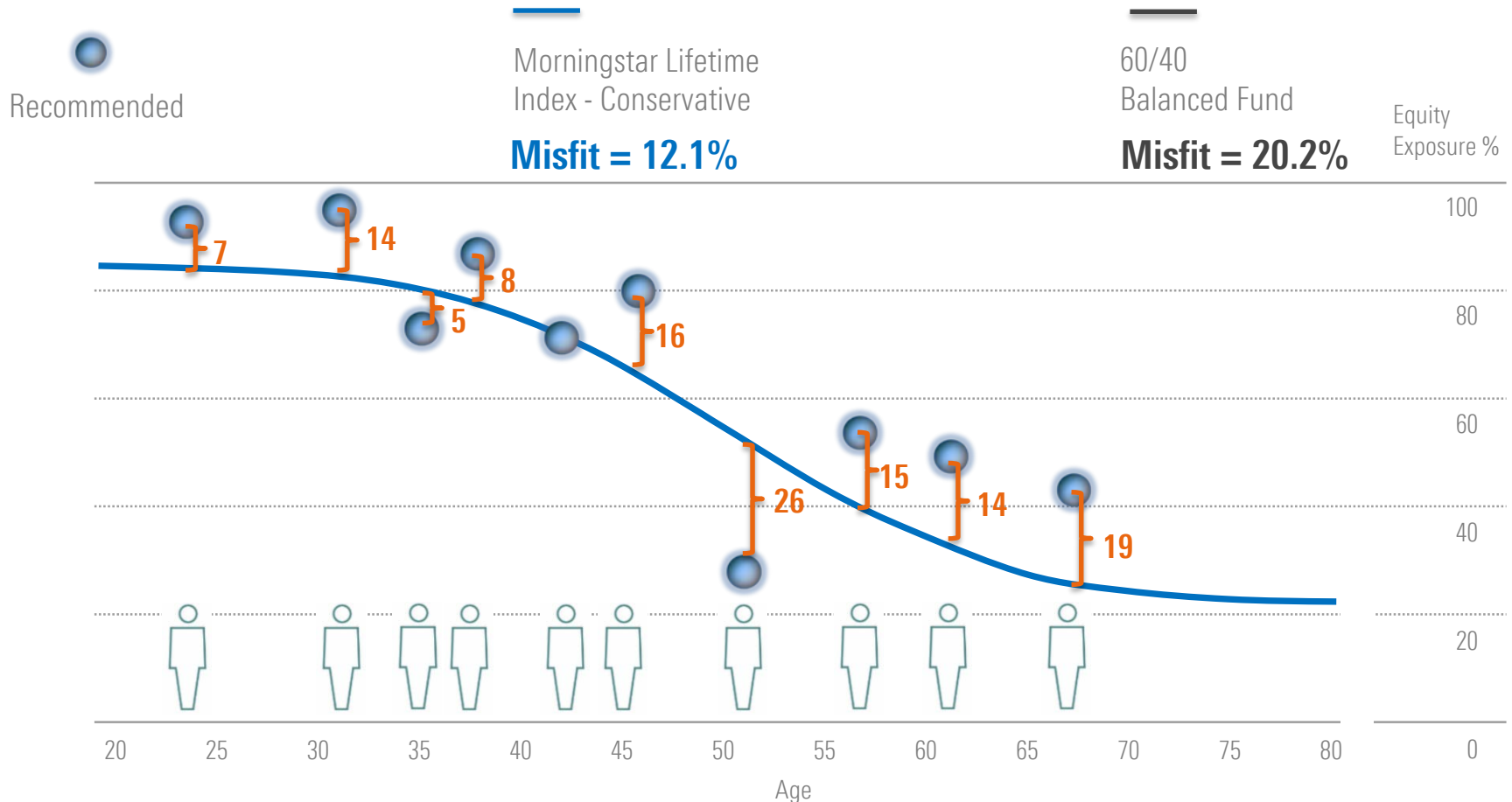
Option 1: 60/40 Balanced Fund



Stop Guessing: Using Plan Participant Data to Select the Optimal QDIA

Option 2: Target-Date Fund Family with Conservative Glide Path

For a given QDIA, we can determine how far each participant is from the investment option.



Plan Participant Data

State of Nevada's Plan Highlights

We began with 15,609 participants and ended up running analysis using 6,703 participants

- ▶ 8,903 participants removed due to zero or missing total effective savings and/or salary data or a salary below \$15k

Summary statistics for 6,703 participant sample

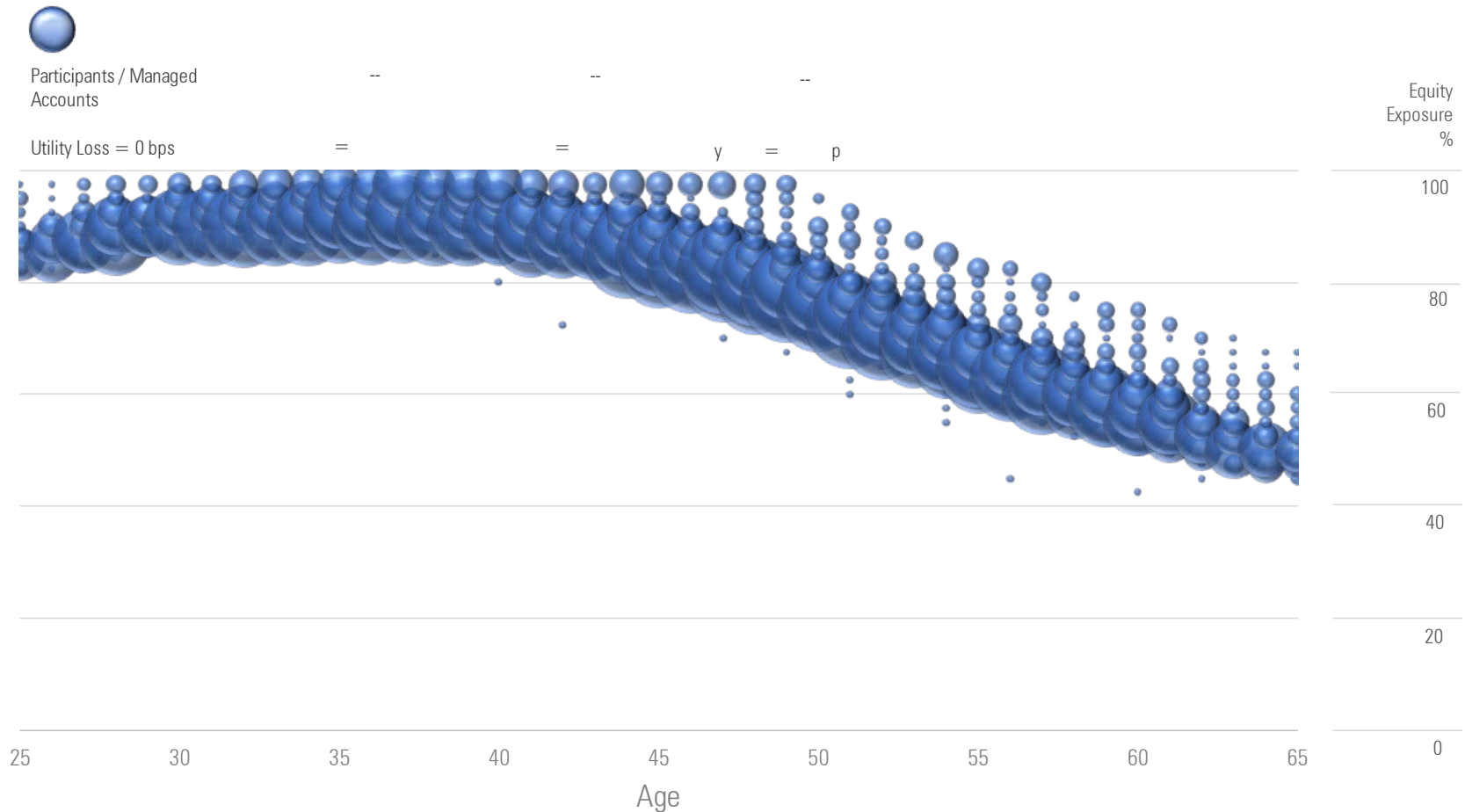
- ▶ Sample size balance total: ~\$110 Mil
- ▶ Additional data points used
 - Tenure
 - Gender
 - Pension (estimated at 60% of current salary)

State of Nevada's Plan	Age	Balance	Total Effective Savings	Salary
Average Participant	46.15	\$60,445	3.98%	\$16,388
Median Participant	47.00	\$56,413	2.08%	\$2,912

Stop Guessing: Using Plan Participant Data to Select a QDIA

State of Nevada

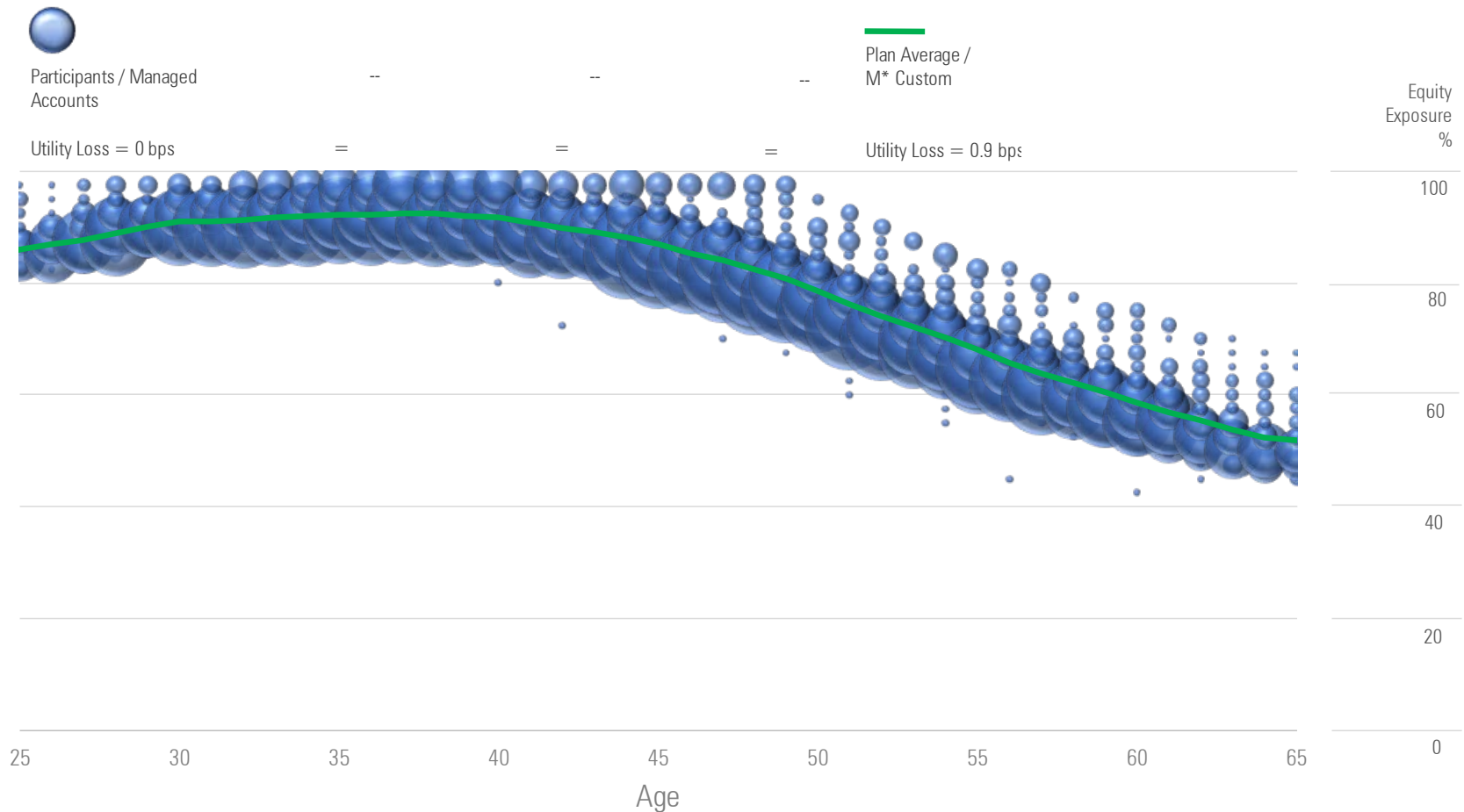
The blue bubbles represent the ideal equity levels for participants of different ages.



Stop Guessing: Using Plan Participant Data to Select a QDIA

State of Nevada

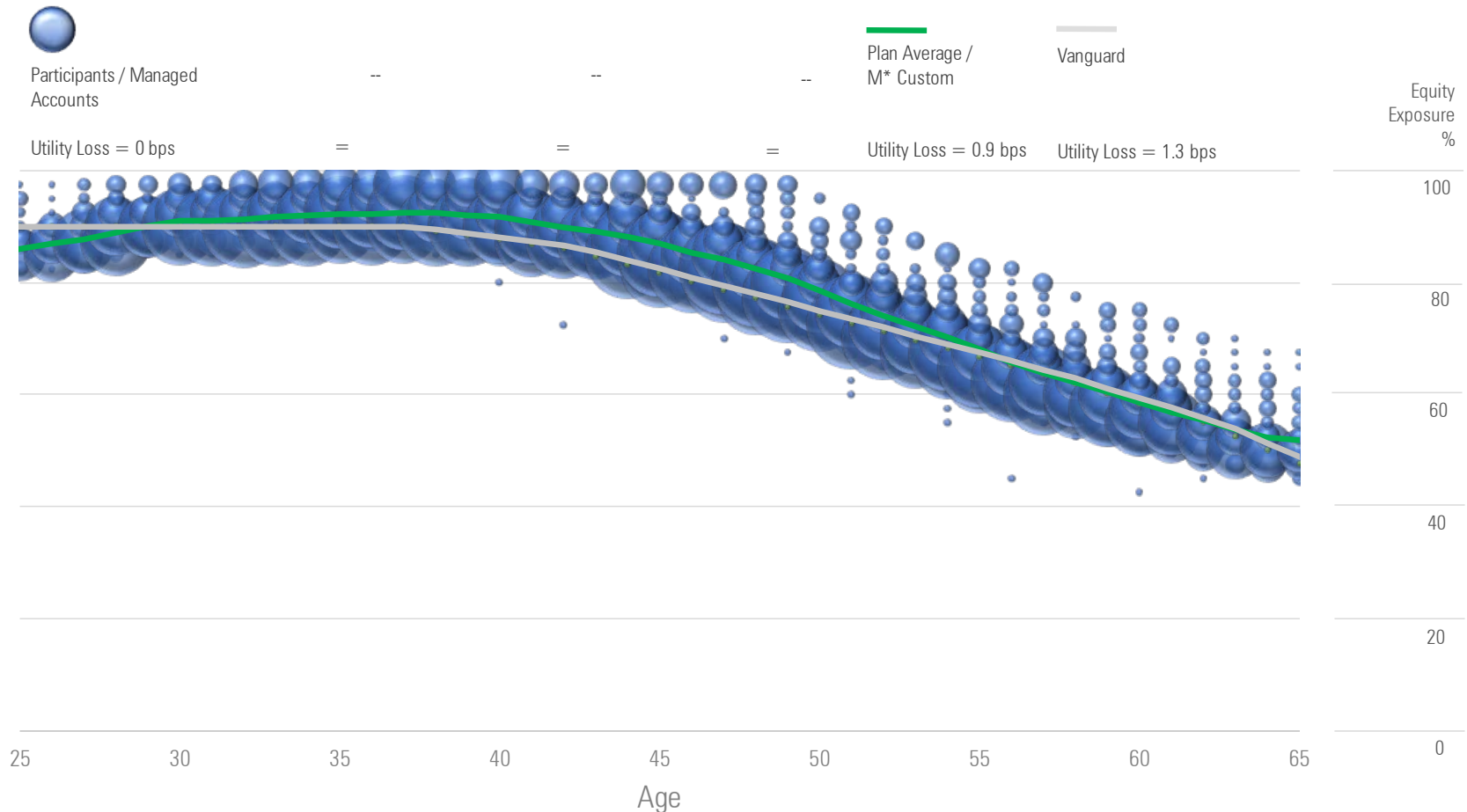
The green line is the average recommend equity level for participants of a given age.



Stop Guessing: Using Plan Participant Data to Select a QDIA

State of Nevada

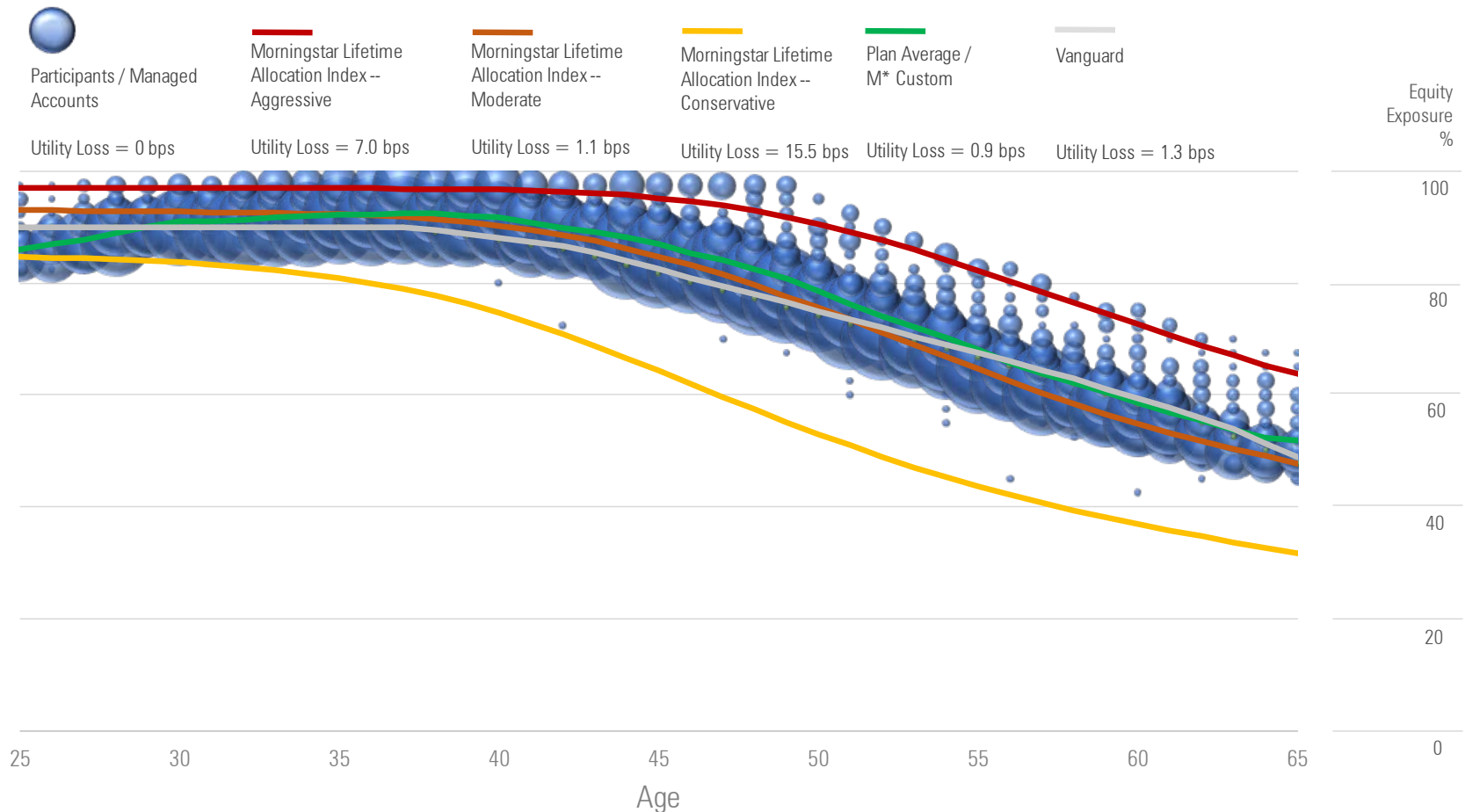
Here we have added in Vanguard. It has an excellent fit based on the analysis.



Stop Guessing: Using Plan Participant Data to Select a QDIA

State of Nevada

We have added in the three Morningstar glide paths. The Morningstar Moderate fits the best of the different glide paths.



Stop Guessing: Using Plan Participant Data to Select a QDIA State of Nevada

Summary Results

	Morningstar Aggressive	Morningstar Moderate	Morningstar Conservative	Vanguard
Utility Loss In annual basis points	7.0	1.1	15.5	1.3
Product Fees* In annual basis points	10.0	10.0	10.0	9.0
Total Cost / Loss In annual basis points	17.0	11.1	25.5	10.3

Important Disclosures

Source: Idzorek, Thomas. David Blanchett, and Daniel Bruns. 2018. "Stop Guessing: Using Plan Participant Data to Select a QDIA." Morningstar White Paper.

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This commentary contains certain forward-looking statements. We use words such as "expects", "anticipates", "believes", "estimates", "forecasts", and similar expressions to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially and/or substantially from any future results, performance or achievements expressed or implied by those projected in the forward-looking statements for any reason. Past performance does not guarantee future results.

Morningstar® Wealth Forecasting EngineSM utilizes the intellectual property and research from Morningstar Investment Management LLC, which leverages the former Ibbotson Associates' rich history of innovative research and asset allocation expertise. Ibbotson Associates, Inc. was acquired by Morningstar, Inc. in 2006 and was merged into Morningstar Investment Management LLC as of the close of business on December 31, 2015

The content on some of the slides includes plan participant data from a real record keeper and analysis may be subject to change. For the purpose of this presentation, all data is strictly for illustrative purposes only.

Throughout this presentation, "Morningstar" may refer to "Morningstar, Inc" or "Morningstar Investment Management LLC"

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This service is provided for informational purposes only to assist the plan sponsor or other fiduciary in the determination of an appropriate glide path for their plan. The information, data, analyses, and opinions presented herein do not constitute investment advice, are provided solely for informational purposes and therefore are not an offer to buy or sell a security. Please note that references to specific securities or other investment options within this piece should not be considered an offer (as defined by the Securities and Exchange Act) to purchase or sell that specific investment. Morningstar Investment Management shall not be responsible for any trading decisions, damages, or other losses resulting from, or related to, the information, data, analyses or opinions or their use.

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State of Nevada
Department of Administration

Purchasing Division

515 E. Musser Street, Suite 300
Carson City, NV 89701



~~Stephen F.~~Steve. Sisolak
Governor

Patrick Cates
Director

Jeffrey Haag
Administrator

State of Nevada

Purchasing Division

Request for Proposal: [REDACTED]

For

**457 (b) AND FICA ALTERNATIVE PLAN
RECORD KEEPER SERVICES**

Release Date: [REDACTED]

Deadline for Submission and Opening Date and Time: **Date @ 2:00 PM**

Refer to Section 7, RFP Timeline for the complete RFP schedule

For additional information, please contact:

Ronda Miller, Purchasing Officer II

State of Nevada, Purchasing Division

515 E. Musser Street, Suite 300

Carson City, NV 89701

Phone: 775-684-0182

Email address: rlmiller@admin.nv.gov

(TTY for Deaf and Hard of Hearing: 1-800-326-6868

Ask the relay agent to dial: 1-775-684-0182/V.)

Refer to Section 8 for instructions on submitting proposals

VENDOR INFORMATION SHEET FOR RFP ****

Vendor Shall:

- A) Provide all requested information in the space provided next to each numbered question. The information provided in Sections V1 through V6 shall be used for development of the contract;
- B) Type or print responses; and
- C) Include this Vendor Information Sheet in Section III of the Technical Proposal.

V1	Company Name		
V2	Street Address		
V3	City, State, ZIP		
V4	Telephone Number		
	Area Code:	Number:	Extension:
V5	Facsimile Number		
	Area Code:	Number:	Extension:
V6	Toll Free Number		
	Area Code:	Number:	Extension:
V7	<i>Contact Person for Questions / Contract Negotiations, including address if different than above</i>		
	Name:		
	Title:		
	Address:		
	Email Address:		
V8	Telephone Number for Contact Person		
	Area Code:	Number:	Extension:
V9	Facsimile Number for Contact Person		
	Area Code:	Number:	Extension:
V10	<i>Name of Individual Authorized to Bind the Organization</i>		
	Name:		Title:
V11	<i>Signature (Individual shall be legally authorized to bind the vendor per NRS 333.337)</i>		
	Signature:		Date:

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Prospective vendors are advised to review Nevada's ethical standards requirements, including but not limited to NRS 281A, NRS 333.800, and NAC 333.155.

All applicable Nevada Revised Statutes (NRS) and Nevada Administrative Code (NAC) documentation can be found at: www.leg.state.nv.us/law1.cfm.

1. PROJECT OVERVIEW

The State of Nevada's Purchasing Division, on behalf of Nevada Public Employees' Deferred Compensation Program (NDC), is seeking proposals from qualified firms to provide plan administration and record keeping services, participant on-site support, communication and education services for the State's 457 Deferred Compensation Plan and Federal Insurance Contribution Act (FICA/3131 plan) Alternative Plan (Programs). In addition, the scope of services is to evaluate providers proposed stable value investment products. Each Scope will be evaluated separately, and the State will issue two separate contracts; one for the 457 services and a separate contract for the FICA Alternative Plan. Interested vendors may propose on only the FICA Alternative plan; however, if proposing on 457 services vendors must also propose the FICA plan.

1.1 GOALS AND OBJECTIVES

- Reduce the current fee structure by lowering participant and plan expenses through a nationwide competitive bidding process;
- Provide an attractive Stable Value Investment Product and support an open architecture of investments per the plan's investment policy statement and guidelines;
- Enhance participant services through plan branding, marketing to political sub divisions that are eligible for the State's plan, and increased utilization of technology and social media to increase participation and contribution levels;
- Outsource program administrative functions as appropriate; and
- Enhance participant on -site support and advisory services.

- 1.2 NRS 287.250 et seq. provides an Internal Revenue Code Section 457(b) non-qualified Deferred Compensation Program to the State's Nevada System of Higher Education (NSHE) employees. The Program is administered by a Program Coordinator under the governance and direction of a five-member committee appointed by the Governor. The program is currently serviced under a single source service arrangement with VOYA Financial

Political subdivisions of the State (a city, county or other local unit) may adopt the terms of the program through a joinder agreement. The assets of the 45 participating local government groups total \$182 million and are included in the above asset total.

- 1.3 Nevada has approximately 54,000 government employees (State, Nevada System of Higher Education, and Political Sub-Divisions) throughout the State. All regular full-time and part-time employees of entities that are approved to participate in the Program are eligible to participate. NDC also is available to employees of the Nevada System of Higher Education

(NSHE), and local political subdivisions that are approved to participate in the Program. Currently, the plan has approximately 15,430 participants in the full-time program.

- 1.4 A FICA Alternative Plan is offered to those part-time, temporary and seasonal employees who are not eligible for the public employees' defined benefit retirement program. This plan is currently administered by VOYA Financial. Total FICA Plan assets as of December 31, 2018 were \$40 million. Currently, the Plan has approximately 28,885 participants in the FICA Alternative Plan. All assets in this plan are invested in the service provider's Stable Value Fund and are fully liquid at the end of the current contract term.

The objective of this solicitation is to obtain the most cost-efficient service model and not have State's 457 Plan subsidize the cost of the FICA Plan. The plans will be administered under two separate contracts.

For more information regarding the State of Nevada's Deferred Compensation Plans, including the Plan Documents, Investment Policy Statement and other references, please visit the Program's web site at <http://defcomp.state.nv.us>

- 1.5 As previously noted, the contract for services resulting from this RFP will also be made available to any political subdivision (a city, county, or other local unit), that adopts the terms of the State 457 Deferred Compensation Plan as its own Deferred Compensation Plan and executes a joinder agreement with approval of the State. The assets of the 45 participating local government groups total \$ million. There are 2,973 participants with an account balance under the State's service arrangement from VOYA that are part of the political subdivisions of the State. (Some local units offer more than one service provider to their employees). The State is looking to partner, with a 457-service provider that will provide support in soliciting eligible Political sub-divisions and in consolidating any other providers that they may be offering. Each sub-division operates independently with a separate billing group, and data transmission. Each sub-division receives its own employer-level reports and participant statements.
- 1.6 For purposes of addressing questions concerning this RFP, the sole contact will be the Purchasing Division as specified on Page 1 of this RFP. Upon issuance of this RFP, other employees and representatives of the agencies identified in the RFP will not answer questions or otherwise discuss the contents of this RFP with any prospective vendors or their representatives. Failure to observe this restriction may result in disqualification of any subsequent proposal per NAC 333.155(3). This restriction does not preclude discussions between affected parties for the purpose of conducting business unrelated to this procurement.
- 1.7 457(b) Key Plan Statistics as of ~~XXXXXX XX~~December 31, 2018
- 1.7.1 Frequency of contributions (weekly/bi-weekly/semi-monthly/monthly): *Receive weekly from various payroll locations; majority are bi-weekly*
 - 1.7.2 Medium used to remit contributions files (electronic): *Voya's payroll administration system, Internet File Transfer & FTP*
 - 1.7.3 Funding method (wire, EFT, ACH): *Check, wire & ACH*
 - 1.7.4 Number of payroll locations: *67*
 - 1.7.5 Number of payroll files: *Approximately 150*

	YTD 12/31/2018	2017	2016	2015
Participation Breakdown				
Total Active	11,318	10,728	10,140	9,521
Total Inactive	4,294	4,089	3,849	3,787
Total Accounts	15,612	14,817	13,989	13,308
Cash Flow				
Contributions – <i>Pre-tax</i>		\$39,557,222	\$36,795,125	\$34,193,680
<i>Contributions - Roth</i>		\$2,318,749	\$1,908,952	\$1,480,748
Withdrawals		(\$52,027,224)	(\$50,149,399)	(\$53,118,381)
Net Cash Flow		(\$10,151,253)	(\$11,445,322)	(\$17,443,953)

	YTD 12/31/2018	2017	2016	2015
Stable Value Participation Breakdown				
Under age 25	8	9	12	11
Age 26 - 35	227	253	279	274
Age 36 - 45	619	635	701	705
Age 46 - 55	1,384	1,407	1,475	1,498
Age 56 - 65	1,725	1,796	1,894	1,895
Age 65 - 70.5	1,022	1,038	1,025	1,011
Age 71 - 80	743	678	609	562
Age 80+	205	184	148	120
Stable Value Cash Flow				
Contributions – <i>Pre-tax</i>		\$9,533,427	\$10,377,608	\$8,650,434
<i>Contributions - Roth</i>		\$207,568	\$230,759	\$158,374
Withdrawals		(\$24,752,021)	(\$26,072,886)	(\$22,680,648)
Net Cash Flow		(\$15,011,026)	(\$15,464,520)	(\$13,871,840)

Participant Information	457 Plan 512/31/18
Number of participants active and contributing	9,438
Number of participants active not contributing	1,891
Number of terminated participants w/balances	4,285
Number of terminated participants w/balances less than \$5,000	709
Number of participants suspended due to hardship	N/A; does not suspend
Total account balances - participants active and contributing	\$317,255,737
Total account balances - terminated participants w/balances	\$347,816,009
<i>Total hardship account balance</i>	<i>Not tracked</i>
Total account balances – participants with loans	

Average account balance	\$169,037
Managed account balance	\$7,031,869
Managed account participants	51

Transaction Activity

457 Plan	YTD 12/31/2018	2017	2016	2015
Number of new participants		1,595	1,621	1,887
Number of new loans		254	236	139
Number of loans outstanding		439	315	132
Number of hardship/emergency withdrawals		190	126	128
Number of <i>lump sum</i> distributions		727	800	808
Number of recordkeeper IRAs opened		3	12	16
Number of minimum required distributions		574	333	263
Number of DROs				
Number of rollovers <i>into</i> the plan		278	293	192

* Loans only allowed in the State plan, not Sub-divisions or NSHE

Contributions/Cash-in

457 Plan	YTD 12/31/2018	2017	2016	2015
Employee Pre-tax (ex-catch-ups)		\$39,557,222	\$36,795,125	\$34,795,125
<i>Age-50 catch-up Roth</i>		\$2,318,749	\$1,908,952	\$1,480,748
<i>3-year catch-up Employer match</i>		\$469,458	\$439,114	\$263,381
Rollover Contributions		\$7,166,792	\$7,101,304	\$7,262,434
Loan Repayments		\$1,271,547	\$658,032	\$145,350

Withdrawals/Cash-out

457 Plan	YTD 12/31/2018	2017	2016	2015
<i>Full Lump sum distributions – cash</i>		\$4,518,154	\$4,486,831	\$4,625,548
<i>Partial lump sum distributions - cash</i>		\$9,028,893	\$6,600,819	\$6,037,242
Lump sum distributions – rollover		\$26,767,030	\$32,288,853	\$35,593,286
De minimus (under \$5,000)				
Installment payments		\$6,750,495	\$5,915,030	\$4,814,073
Unforeseeable/Hardship withdrawals		\$486,321	\$311,952	\$461,794
In-service withdrawals ex-hardships		\$474,486	\$276,564	\$637,206
Loan withdrawals		\$2,128,810	\$2,343,347	\$1,206,898
Fees (i.e.: loans, SDB)		\$381,151	\$200,674	\$30,836

1.8 FICA Key Plan Statistics as of ~~XXXXXX XX~~ December 31, 2018

- 1.8.1 Frequency of contributions (weekly/bi-weekly/semi-monthly/monthly);
- 1.8.2 Medium used to remit contributions files (electronic);
- 1.8.3 Funding method (wire, EFT, ACH);
- 1.8.4 Number of payroll locations;
- 1.8.5 Number of payroll files.

	YTD 12/31/2018	2017	2016	2015
Participation Breakdown				
Total Active				
Total Inactive				
Total Accounts				
Cash Flow				
Contributions				
Withdrawals				
Net Cash Flow				

	YTD 12/31/2018	2017	2016	2015
Stable Value Participation Breakdown				
Under age 25				
Age 26 - 35				
Age 36 - 45				
Age 46 - 55				
Age 56 - 65				
Age 65 - 70.5				
Age 71 - 80				
Age 80+				
Stable Value Cash Flow				
Contributions				
Withdrawals				
Net Cash Flow				

Participant Information	FICA Plan 12/31/18
Number of participants active and contributing	
Number of participants active not contributing	
Number of terminated participants w/balances	
Number of terminated participants w/balances less than \$5,000	
Number of participants suspended due to hardship	
Total account balances - participants active and contributing	
Total account balances - terminated participants w/balances	
Average account balance	

Transaction Activity

FICA Plan	YTD 12/31/2018	2017	2016	2015
Number of new participants				
Number of hardship/emergency withdrawals				
Number of distributions				
Number of recordkeeper IRAs opened				
Number of minimum required distributions				
Number of DROs				
Number of rollovers <u>into</u> the plan				

Contributions/Cash-in

FICA Plan	YTD 12/31/2018	2017	2016	2015
Employee Pre-tax (ex-catch-ups)				
Age 50 catch-up				
3-year catch-up				
Rollover Contributions				

Withdrawals/Cash-out

FICA Plan	YTD 12/31/2018	2017	2016	2015
Lump sum distributions – cash				
Lump sum distributions – rollover				
De minimus (under \$5,000)				
Installment payments				
Unforeseeable/Hardship withdrawals				
In-service withdrawals ex-hardships				
Fees (i.e.: loans, SDB)				

- 1.9 Political Subdivisions - List of local governments that have joined with the State's Deferred Compensation Plan (as of December 31, 2018).

1.9.1

Political Sub-Division Name	Total Assets December 31, 2018	Total Number of Participant Accounts-457(b)	Total Number of Participant Accounts-FICA	Contributing Employees 457(b)	Contributing Employees FICA
Beatty Water and Sanitation District					

Carson City					
Churchill County Communications					
Central Lyon County Fire Protection District					
Churchill county Comptrollers					
City of Elko					
City of Fallon					
City of Fernley					
City of Mesquite					
City of Sparks					
City of Wells					
City of West Wendover					
City of West Wendover					
City of Winnemucca					
Douglas County					
Douglas County Sewer Dist. No. 1					
East Fork Fire Protection Dist.					
Elko Convention and Visitors Authority					
Elko County					
Eureka County					
Henderson District Public Libraries					
Housing Authority of Reno					
Humboldt County					
Incline Village Crystal Bay Visitors Authority					
Indian Hills General Improvement Dist.					

Lyon County					
Minden Gardnerville Sanitation Dist.					
Mount Grant General Hospital					
Nevadaworks					
Nevada Tahoe Conservation Dist.					
North Lake Tahoe Fire Protection Dist.					
North Lyon County Fire Protection Dist.					
Oasis Academy					
Pershing County					
Regional Transport Commission (RTC) of Washoe					
Reno/Sparks Convention and Visitors Authority					
Reno Tahoe Airport Authority					
Smith Valley Fire District					
Southern NV Workforce (Workforce Connections)					
Storey County					
Tahoe Douglas Fire Protection Dist.					
Truckee Meadows Fire Protection Dist.					
Truckee Meadows Regional Planning Agency					

Virgin Valley Water District					
White Pine County					
White Pine County Tourism & Recreation Board					
Total					

1.9.1 Representatives Dedicated to the State of Nevada

Under the service relationship with the plan's current contracted Recordkeeper, the following staff has been allocated to the State by the current contracted Recordkeeper:

3 Full-Time Account Representatives	1 In-House Representative/Office Manager
1 Manager	2 Field Representatives
3 Sales Support Associates	
1 Account Relationship Representative	

1.9.2 Approximate Number of State, NSHE, and Political Subdivision Employees, By Region

Location	Number of Employees
Northern Nevada	16,507
Southern Nevada	13,119
Rural Nevada	4,325

1.10 Approximate Number of State, NSHE, and approved participating Political Subdivision Employees, By County

Location	Number of Employees
CARSON CITY	
CHURCHILL COUNTY	
CLARK COUNTY	
DOUGLAS COUNTY	
ELKO COUNTY	
ESMERALDA COUNTY	
EUREKA COUNTY	
HUMBOLDT COUNTY	
LANDER COUNTY	
LINCOLN COUNTY	
LYON COUNTY	
MINERAL COUNTY	
NYE COUNTY	
PERSING COUNTY	
STOREY COUNTY	
WASHOE COUNTY	
WHITE PINE COUNTY	

Total	
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1.10.1 Voya Fixed Account, Exit Provision for both the 457 and FICA Plan

The Voya Fixed Account requires a 12-month put option for a full book value distribution. This notification has been provided to Voya to commence the 12-month put effective January 1, 2019 to December 31, 2019. Therefore, 100% of stable value funds will be eligible for a cash, book value transfer effective January 1, 2020

	457	FICA
Total Market Value	\$315,814,895	\$39,703,674 40,981,857
Product Type	General Account	General Account
Total number of participants w/accounts	XXX 5,933	XXX 26,682
Total number of participants 100% invested in the fund	XXX 2,254	XXX 26,682

1.10.2 Voya Fixed Account

457 Rates Per Contract	Credit Rates
2015	3.50%
2016	3.15%
2017	2.75%
2018	1/1 to 8/30 2.50% 9/1 to 12/31 2.65%
2019	2.75%
<i>Contract minimum</i>	1.00%

FICA Alternative Plans Minimum Credit Rates per Contract	Credit Rates
2015	2.50%
2016	2.25%
2017	1.50%
2018	1.00 50%
2019	Prevailing 1.50%
<i>Contract minimum</i>	1.00%

1.10.1 Market Values as of September 30, 2018

2. MINIMUM QUALIFICATIONS					
Investment	Fund	Ticker	Assets Under Management	Assets Under Management as a % of the Plan	Assets Under Management as a % of the FICA Alternative Plan
Stable Value	Voya Fixed Account	N/A	\$ 317,335,124	39.1%	
Core Fixed Income	Vanguard Total Bond Market Index I	VBTIX	\$ 16,786,411	2.1%	
Large Cap Core (passive)	MFS Value Fund R4	VINIX	\$ 17,458,100	2.2%	
Large Cap Value	Vanguard Institutional Index I	MEIIX	\$ 88,832,820	10.9%	
Large Cap Growth	T. Rowe Price Growth Stock Fund I	PRUFX	\$ 61,201,946	7.5%	
Mid Cap Blend	Hartford Mid Cap HLS IA	HIMCX	\$ 55,020,842	6.8%	
Mid Cap Value	Oppenheimer Main Street Mid Cap Fund	VMVAX	\$ 25,781,255	3.2%	
SMID Blend	Vanguard Mid-Cap Value Index Fund	OPMYX	\$ 1,981,815	0.2%	
SMID Blend	Vanguard Extended Market Idx I	VIEIX	\$ 23,377,615	2.9%	
SMID Growth	Goldman Sachs Small/Mid Cap Growth	GSMAX	\$ 13,616,677	1.7%	
International Equity	Vanguard Developed Markets Index Instl	VTMNX	\$ 16,544,502	2.0%	
International Equity	Fidelity International Stock	FIDIX	\$ 12,251,709	0.8%	
Global Equity	Franklin Mutual Global Discovery Fund A	FIDIX	\$ 12,074,961	1.5%	
Lifecycle	Vanguard Institutional Target Retirement Income Instl	VITRX	\$ 17,085,333	2.1%	
Lifecycle	Vanguard Institutional Target Retirement 2015 Instl	VITVX	\$ 31,386,558	3.9%	
Lifecycle 2.1	Vanguard Institutional Target Retirement 2020 Instl	VITWX	\$ 9,604,728	1.2%	
Lifecycle	Vanguard Institutional Target Retirement 2025 Instl	VRIVX	\$ 31,885,559	3.9%	
Lifecycle	Vanguard Institutional Target Retirement 2030 Instl	VITWX	\$ 6,680,112	0.8%	
Lifecycle	Vanguard Institutional Target Retirement 2035 Instl	VITFX	\$ 36,664,867	4.5%	
Lifecycle	Vanguard Institutional Target Retirement 2040 Instl	VIRSX	\$ 2,425,782	0.3%	
Lifecycle	Vanguard Institutional Target Retirement 2045 Instl	VITLX	\$ 13,621,480	1.7%	
Lifecycle	Vanguard Institutional Target Retirement 2050 Instl	VTRLX	\$ 493,276	0.1%	
Lifecycle	Vanguard Institutional Target Retirement 2055 Instl	VIVLX	\$ 2,541,491	0.3%	
Lifecycle	Vanguard Institutional Target Retirement 2060 Instl	VILVX	\$ 51,867	0.0%	
Lifecycle	Vanguard Institutional Target Retirement 2065 Instl	VSXFX	\$ 28,392	0.0%	
Brokerage Account	TD Ameritrade SDBA	N/A	\$ 2,773,981	0.3%	
Total			\$ 811,484,203	100.0%	

- 2.1.2 Proposers must have at least ten (10) years of experience in providing the proposed services and products to the public sponsor 457 Deferred Compensation marketplace.
- 2.1.3 Proposers must administer a minimum of three (3) separate governmental 457 Deferred Compensation Plans with assets of at least \$800 Million each.
- 2.1.4 Proposers must administer a minimum of three (3) governmental 457 Deferred Compensation Plans with at least 14,000 participants.
- 2.1.5 Proposers must provide certification as a qualified firm to provide administrative services and investment products pursuant to Section 457 of the Internal Revenue Code, including all rules and regulations of the State of Nevada.
- 2.1.6 Proposers must provide dedicated resources to support the on-going consultation to the State and all plan participants located throughout the State of Nevada. This would also include the availability of customer service representatives to support employee meetings and new employee orientation programs. Proposers must provide local offices located in Las Vegas for the Southern Region and either Carson City or Reno for the Northern Region.
- 2.1.7 Proposer's field service representatives should provide onsite education and participant communication services and may not market any associated banking or financial services, have commission-based compensation or any financial incentives to promote any investment product or services. Compensation and incentive awards for field representatives must be structured to maintain an objective and unbiased distribution of investment products and services to the Plan's participants.
- 2.1.8 Any relationships proposed to provide services offered in this RFP must have been in place for at least five (5) years and provide services to similar plans (size and demographics).
- 2.1.9 Proposers must be willing to sign a contract for a period of 5 years beginning January 1, 2020 through December 31, 2024.
- 2.1.10 Proposers must be liable and solely responsible for any processing errors of the provider or its agents. In the event of a participant's loss of interest and/or dividend and/or principal due to an error by the Record Keeper or its subcontractors in processing transactions on behalf of the participant, the Record Keeper agree to adjust the participant's account to the same position as if the processing error had not occurred. Refer to **Attachment D - Insurance Requirements**.
- 2.1.11 Proposers must provide the ability to offer self-directed brokerage services, Roth accounts and have the capability to provide loan administration if adopted by the NDC.

- 2.1.12 Proposers are to accept a 90-day notification on the part of the State to discontinue service relationship with no penalties. The State will not enter into a contract with any penalty or liquidation charges for terminating the relationship.

2.2 FICA Alternative Plan Service Providers Minimum Qualifications:

- 2.2.1 Proposer must have at least five (5) years of experience in providing recordkeeper services for FICA Alternative Retirement Plans.
- 2.2.2 Proposer must be administrating a minimum of three governmental plans that offer their FICA program to State, County or City governmental entities and/or political subdivisions.
- 2.2.3 Proposer must be able to administer, and record keep the FICA plan that is currently offered by the State, the Nevada System of Higher Education, and seven (7) approved participating political sub-divisions including accepting data that may require different payroll submission requirements.
- 2.2.4 Proposer must guarantee proposed fees for the 5-year contract term.
- 2.2.5 Proposer must assist the State in identifying terminated employees with diminishing accounts balance.
- 2.2.6 Ability to record keep a nonproprietary stable value fund is also required.
- 2.2.7 Proposer must be the sole contracting entity for all services.
- 2.2.8 Proposer must provide at minimum annual participant statement and maintain beneficiary data.
- 2.2.9 Proposer must be proactive in identifying low inactive accounts, so as to reduce costs associated with recordkeeping accounts with low balances.
- 2.2.10 Proposers must be liable and solely responsible for any processing errors of the provider or its agents. In the event of a participant's loss of interest and/or dividend and/or principal due to an error by the Record Keeper or its subcontractors in processing transactions on behalf of the participant, the Record Keeper agree to adjust the participant's account to the same position as if the processing error had not occurred. Refer to **Attachment D - Insurance Requirements**.
- 2.2.11 Proposers are to accept a 90-day notification on the part of the State to discontinue service relationship with no penalties. The State will not enter into a contract with any penalty or liquidation charges for terminating the relationship.

3. SCOPE OF WORK - 457(b) Plan

3.1 Record Keeper Services

- 3.1.1 The NDC is looking for a Record Keeper that can support an open architecture investment structure and has an attractive fund alliance program to accommodate a

variety of fund families and related products. It is the intent to retain the current variable investment options with a change to the Stable Value/Fixed Account option.

3.1.1.1 The Stable Value Fund should be fully diversified, limit credit risk/exposure, provide competitive returns with no benefit payment limitations and provide attractive contract termination conditions such as transfer of book value with no market value adjustments or liquidation penalties. Investment options with any front-end or rear-end loads or other similar fees, charges or penalties will not be considered. A 12 month notice provision will be considered to accommodate a book value distribution. The evaluation committee will fully evaluate the features and rates of either a general account product or separate account product as the investment vehicle for its Stable Value Fund category. The NDC is requesting that you propose your general account and your separate account offerings so as to conduct a comparison of the costs associated with each option.

3.1.2 The Record Keeper must have a single point of contact and attend the NDC's quarterly meetings and also attend the annual planning meeting each year.

3.1.3 The Record Keeper must be able to deal directly with approximately [REDACTED] eligible employees located within and around State of Nevada.

3.1.4 The awarded Record Keeper must obtain advanced written authorization from the Executive Officer or designee prior to providing necessary changes to the plan as needed resulting from State and/or Federal legislation without additional cost to participants under the terms of the current contract.

3.1.5 Fee Level Model

In 2017, the 457 Plan transitioned to a fee model for allocating recordkeeping and administrative expenses levelly across participants. The fee structure is a hybrid approach that consists of two parts:

- Quarterly Asset Charge against All Variable Investment Options – A quarterly asset-based charge is applied against all variable investment options to cover the annual recordkeeping expenses per the current contract in place by the Plan. This asset-based charge will not apply to assets invested in the Plan's Stable Value investment option, but the Committee reserves the right to amend this parameter at any time.
- A Per Account Fee – A flat per account fee is assessed quarterly against all accounts in excess of \$1,000. It is currently assessed on or around the 20th of the last month of each quarter.

The Plan has implemented the lowest net share class for all investment options. If in the event an investment option's lowest net share class provides revenue sharing such amounts are allocated back pro-rata to those participants, the fund.

Fees are all reported on participant quarterly statements. The successor service provider, will be required to administer the State's described fee program that has been adopted by the Committee.

3.1.6 Performance Fees

The State will be evaluating the proposer performance guarantees with a focus on those that are meaningful, measurable and relate to the core mission of the programs. Performance measurement and guarantees related to growth of the Plan assets, increases in participation and contribution levels, the number of education days and retirement readiness are of high importance in addition to the traditional core recordkeeping transaction deliverables.

3.2 Implementation Services

3.2.1 Proposers must provide a detailed transition plan strategy along with communication materials to explain any new plan changes and enhancements. The transition from the current plan Record Keeper to a new Record Keeper will require you to provide an explanation of the process, blackout period, and reconciliation of plan assets to the individual participant records and audit reports.

In addition, all beneficiary data that has been retained on the current recordkeeping system will be transferred in an electronic format and it will be the responsibility of the successor service provider to update all beneficiary data from the initial transition/conversion input files.

3.3 Administration and Record Keeping Services

3.3.1 Proposers are required to provide detailed information about their record keeping and administrative systems and use of technology. Important factors include ability to integrate multiple payroll centers and systems, monitor compliance, process participant transactions, provide timely and accurate participant statements, financial statements for the plan sponsor and data security. The selected Record Keeper must have in place a toll-free customer service center, automated voice response system, and internet service that allow participants access to their accounts.

3.3.2 Record Keepers will provide extensive capabilities to support employee self-service using a variety of media. The Record Keeper must provide superior internet services including but not limited to, mobile device application based program(s) interactive voice response system (VRS), and customer and field service representative capabilities to support the needs of the plan participants. The services must include the following:

3.3.2.1 Support employee enrollment activities, initial and ongoing;

3.3.2.2 Answer employee inquiries related to eligibility, plan features, and investment offerings;

3.3.2.3 Allow employees to model retirement scenarios, request withdrawals from the plan, change investment mix, change investment rates and percentages, request balances, and other similar activities;

3.3.2.4 Provide participant investment education materials to make informed investment decisions;

3.3.2.5 Provide participant investment advisory services;

3.3.2.6 Provide benefits literature, such as summary plan descriptions, forms, statements, and prospectuses;

3.3.2.7 Administer loan provision and qualify unforeseen emergency withdrawals and Domestic Relation Orders; and

3.3.2.8 Explain plan features and support the enrollment process.

3.3.3 The selected Record Keeper shall approve all unforeseeable emergency withdrawal requests and provide a first-level appeal of that determination. The State or its designee shall conduct all second-level appeals of unforeseeable emergency requests.

3.3.4 Subject to a final unforeseeable emergency withdrawal appeal process established by the State, the Record Keeper must provide complete review, approval, and administrative services related to unforeseeable emergency distributions and Qualified Domestic Relations Orders (QDRO).

3.3.5 The NDC expects the successful Record Keeper to assume all data-management responsibilities for the State. The Record Keeper will be required to establish two-way interface capability with all appropriate parties (e.g., State payroll) and be held accountable for timely, accurate transmission and, as appropriate, editing and validation of data for processing enrollments and contribution activity.

3.4 Education, Enrollment and Communication

3.4.1 The Record Keeper will be required to prepare, for NDC Staff and Committee approval, an annual enrollment and education plan. This customized plan should detail the approach that the Record Keeper will take in communicating the program to employees for purposes of new enrollments into NDC and for contacting existing participants for assistance, including the various methods which will be utilized (mail, electronic, web-based, in-person, social media, etc.). The Record Keeper will be required to provide a quarterly education report to NDC.

3.4.2 All materials developed by the Record Keeper must be submitted to the NDC Executive Officer and Staff for final review and editing. Materials must present an unbiased approach to the investment information and educate participants about all

aspects of the plan, including, but not limited to; retirement planning, investment options offered, investment performance, risk assessment and asset allocation, and distribution selection.

- 3.4.3 The Record Keeper must design and maintain a custom website for the plan and/or assist NDC with its current website material and design.
- 3.4.4 In addition, general insurance agents or brokers are not to be employed by the State of Nevada, NSHE or any political subdivision. Field Representatives assigned and approved by the Executive Officer or appointed designee must be salary-based employees of the proposer. The awarded vendor(s) will not be permitted to market or sell any proprietary or ancillary products. Additionally, awarded vendor(s) are not permitted to utilize any participant or qualified employee data, both proprietary and non-proprietary, for marketing or production outside of the Plan.
- 3.4.5 The Record Keeper will be required to evaluate our current employee and participant demographics and make a determination of the number of Field Representatives and/or dedicated staff that will be allocated to the proposed services as they relate to this Plan. Vendors should not use the current staffing levels of the current contracted Recordkeeper outlined in this RFP as a minimum or required staffing level, rather propose the amount of Field Representatives and/or dedicated staff that they feel would be needed to properly service this contract.
- 3.4.6 The Record Keeper will be required to assist employees with the completion of enrollment forms, verify the completeness of the forms, and coordinate the institution of salary deferrals with the State's payroll system.
- 3.4.7 The Record Keeper must prepare enrollment packages, which must be distributed at group meetings and in response to an employee's request and contain all information in a complete and concise manner so that an employee would be able to enroll in the plan. The service provider must also provide enrollment counseling to employees who wish to discuss the plan and the investment offerings in person or over the telephone.
- 3.4.8 The Record Keeper should be able to accommodate fee disclosures similar to what is required under ERISA for 408(b)(2) and 404(a)(5).

3.5 Record Keeping

- 3.5.1 The Record Keeper must maintain records providing daily information associated with an individual's account, including, but not limited to; investment balances, contributions (before-tax and Roth), distributions, rollovers, Roth rollovers, in-plan Roth rollovers, earnings, administrative fees, employer, beneficiary designations, address, and any other information necessary for proper administration of a participant's account. In addition, the Record Keeper is required to administration of the loan program that was introduced in 2015. In addition, the Record Keeper:

3.5.1.1 Must make changes to participant investment elections and effect transfers of existing account balances on a daily basis.

- 3.5.1.2 Must maintain separate participant accounts for assets that are rolled over into the Plan from a qualified plan (Before-Tax and Roth).
- 3.5.1.3 Must be able to monitor the annual participant dollar contribution for deferrals and contributions which are near or exceed the IRS annual maximums, including Age 50+ catch-up and the special catch-up provision tracking.
- 3.5.1.4 Must perform any and all administrative functions necessary to ensure the thorough and accurate financial accounting essential for each party's financial records.
- 3.5.1.5 Must be able to create customized forms for the program, as requested.
- 3.5.1.6 Must be able to administrate loan program of the Plan.
- 3.5.1.7 Must work with the Plan's Executive Officer/Administrator, State of Nevada's Internal Audits Division personnel, and/or any NDC independent contractor authorized and directed to comply with completing annual financial audits.

3.6 Contribution Processing

- 3.6.1 The Record Keeper must invest contributions within one business day of receipt. The Record Keeper must be able to receive data via electronic data transmission, and process the participant contribution detail provided, including negative contributions and adjustments, using each participant's current investment allocation.
- 3.6.2 Record Keeper must have the capability to handle multiple payroll locations and transmittal methods for both the State and its participating employers.

3.7 Plan Reporting

- 3.7.1 The Record Keeper must submit monthly reports on all activities in the program. Reports must be provided via on-line access or be in a format approved by NDC. Reports must be provided via on-line access or be in a format approved by the NDC Committee, Executive Officer, or designee.
- 3.7.2 The Record Keeper must inform the NDC Executive Officer or designee within 60 days of recently enacted federal tax laws and regulations, or other changes in the tax laws which may have an impact upon the administration requirements of the plan.
- 3.7.3 The Record Keeper must inform the NDC Executive Officer or designee within 30 days of any change in the selected Record Keeper firm's credit ratings by any major rating agency (Standard & Poor's, Moody's, A.M. Best, and Fitch).

- 3.7.4 The Record Keeper must maintain and provide all data and documentation requested during the conduct of the annual financial audits by a third-party and biennium compliance audits by a third-party of the program.

3.8 Participant Statements of Account

- 3.8.1 NDC requires the Record Keeper provide a quarterly participant statement of account (annual for FICA-Alternative participants). The Record Keeper must be able to customize the statement for the program and to provide a field for short messages.
- 3.8.2 The Record Keeper must research and resolve, with NDC staff assistance, any participant statement of account not received by the participant but returned to the Record Keeper.

3.9 Distributions

- 3.9.1 The Record Keeper will provide telephone assistance to employees who are taking a distribution under the program. The Record Keeper must advise participants of the payment options available under the program and the implications of choosing one payment over another. This should include the tax implications of lump sum distributions and rollovers to qualified plans.
- 3.9.2 The Record Keeper must also be able to provide an annuity shopping service for participants who wish to receive their distribution as an annuity.
- 3.9.3 The Record Keeper must provide participant federal and state income tax withholding and reporting for each benefit payment from the program. The Record Keeper is solely responsible for any tax penalties and/or interest that may arise due to errors it made in tax reporting or forwarding of funds to the appropriate government authorities.
- 3.9.4 The Record Keeper must ensure that each participant's account complies with the applicable regulations, including, but not limited to, IRC 401(a)(9) minimum distribution requirements and annual maximum contribution limits

3.10 Transition Responsibilities upon Termination

- 3.10.1 Upon termination of its contract, the Record Keeper must fully cooperate with NDC in an orderly transfer of administrative responsibilities and records to the new Record Keeper. In the event that NDC elects not to renew its contract at the end of its term, or otherwise terminates the contract for cause or convenience, the Record Keeper agrees to fully cooperate in the transition to the new Record Keeper. The Record Keeper must maintain the records of the Plan for at least 7 years upon the termination of the contract.

3.11 Administrative Funding

- 3.11.1 The Record Keeper shall reimburse the NDC for the cost of conducting the RFP and evaluation process, including the cost of advertising the proposal, any travel

expenses, and any related transition costs. This one-time expense is estimated at \$45,000 and 95% of this fee is to be paid by the selected 457(b) vendor. This cost should be broken out separately in your pricing from your ongoing fees. This fee is to payable within ninety days (90) of execution of the contract.

3.11.2 Upon contract award the State will establish a fee reimbursement structure to cover the State's administrative costs. The Record Keeper must create an administrative account for fees to be deposited into at least quarterly or more frequent at the pleasure and direction of the NDC. The administrative account must be able to be invested into the Plan's established Stable Value investment option and allow for the NDC to take distributions as needed to cover administrative costs.

3.11.3 It is the expectation that the State incur no cost for any internal programming cost associated with the implementation of any service feature to enhance the plan's administration, such as online enrollment. Should such costs occur, the Record Keeper shall reimburse the NDC for such costs.

3.11.4 The Record Keeper must accurately and fully disclose all fund expense and revenue sharing arrangements associated with all funds available to and adopted by the State, including Stable Value products. This cost shall include any revenue the State requires for the administration of the program(s).

3.12 Trustee/Custodial Services

The Record Keeper must provide trustee/custodial services for the plan or arrange for trustee services with an outside or third party.

4. SCOPE OF WORK - FICA Plan

4.1 Record Keeper Services

4.1.1 The NDC is looking for a Record Keeper that can offer a proprietary stable value/fixed account option as well as support a third-party alternative.

4.1.2 The proprietary option should be fully diversified, limit credit risk/exposure, provide competitive returns with no benefit payment limitations and provide attractive contract termination conditions such as transfer of book value with no market value adjustments or liquidation penalties. Investment options with any front-end or rear-end loads or other similar fees, charges or penalties will not be considered. A 12 month notice provision will be considered to accommodate a book value distribution. The evaluation committee will fully evaluate the features and rates of either a general account product or separate account product as the investment vehicle for its Stable Value Fund category. The NDC is requesting that you propose your general account and your separate account offerings so as to conduct a comparison of the costs associated with each option.

4.1.3 The Record Keeper must have a single point of contact and attend the NDC's meetings as requested but at least annually.

4.1.4 The Record Keeper must be able to deal directly with approximately XXXX eligible employees located within and around State of Nevada.

4.1.5 The awarded Record Keeper must obtain advanced written authorization from the Executive Officer or designee prior to providing necessary changes to the plan as needed resulting from State and/or Federal legislation without additional cost to participants under the terms of the current contract.

4.2 Fee Level Model

The selected vendor must be able to support a per-account, asset-based, and/or hybrid level fee model that will be designed and adopted by the Committee.

4.3 Implementation Services

4.3.1 Proposers must provide a detailed transition plan strategy along with communication materials to explain any new plan changes and enhancements. The transition from the current plan Record Keeper to a new Record Keeper will require you to provide an explanation of the process, blackout period, and reconciliation of plan assets to the individual participant records and audit reports.

4.3.2 In addition, all beneficiary data that has been retained on the current recordkeeping system will be transferred in an electronic format and it will be the responsibility of the successor service provider to update all beneficiary data from the initial transition/conversion input files.

4.4 Administration and Record Keeping Services

4.4.1 Proposers are required to provide detailed information about their record keeping and administrative systems and use of technology. Important factors include ability to integrate multiple payroll centers and systems, process participant transactions, provide timely and accurate participant statements, financial statements for the plan sponsor and data security.

4.4.2 Ideally, Proposers would have a toll-free customer service center, automated voice response system and internet service that allow participants access to their accounts.

4.4.3 The NDC expects the successful Record Keeper to assume all data-management responsibilities for the State. The Record Keeper will be required to establish two-way interface capability with all appropriate parties (e.g., payroll centers) and be held accountable for timely, accurate transmission and, as appropriate, editing and validation of data for processing enrollments and contribution activity.

4.5 Education, Enrollment and Communication

The Record Keeper will be required to assist participating employees with account service and assist participating payroll centers with the coordination of employee non-elective salary deferrals and data files via their established customer service call center or customer service support network. No dedicated Field Representatives are required to provide these supports.

4.6 Record Keeping

The Record Keeper must maintain records providing daily information associated with an individual's account, including, but not limited to; investment balances, contributions, distributions, earnings, administrative fees, beneficiary designations, address, and any other information necessary for proper administration of a participant's account.

4.7 Contribution Processing

4.7.1 The Record Keeper must invest contributions within one business day of receipt. The Record Keeper must be able to receive data via electronic data transmission, and process the participant contribution detail provided, including negative contributions and adjustments, using the current investment allocation adopted by the Plan.

4.7.2 Record Keeper must have the capability to handle multiple payroll locations and transmittal methods for both the State and its participating employers.

4.8 Plan Reporting

4.8.1 The Record Keeper must submit monthly reports on all activities in the program. Reports must be provided via on-line access or be in a format approved by the NDC Committee, Executive Officer, or designee.

4.8.2 The Record Keeper must inform the NDC Executive Officer or designee within 60 days of recently enacted federal tax laws and regulations, or other changes in the tax laws which may have an impact upon the administration requirements of the plan.

4.8.3 The Record Keeper must inform the NDC Executive Officer or designee within 30 days of any change in the selected Record Keeper firm's credit ratings by any major rating agency (Standard & Poor's, Moody's, A.M. Best, and Fitch).

4.8.4 The Record Keeper must maintain and provide all data and documentation requested during the conduct of the annual financial audits by a third-party and compliance audits, dictated and directed by the NDC, by a third-party of the program.

4.9 Participant Statements of Account

4.9.1 NDC requires the Record Keeper provide an annual participant statement of account. The Record Keeper must be able to customize the statement for the program and to provide a field for short messages.

4.9.2 The Record Keeper must research and resolve, with the NDC Executive Officer's or designee's oversight and assistance, any participant statement of account not received by the participant but returned to the Record Keeper.

4.10 Distributions

4.10.1 The Record Keeper will provide telephone assistance to employees who are taking a distribution under the program. The Record Keeper must advise participants of the payment options available under the program and the implications of choosing one payment over another. This should include the tax implications of lump sum distributions and rollovers to qualified plans.

4.10.2 The Record Keeper must provide participant federal and state income tax withholding and reporting for each benefit payment from the program. The Record Keeper is solely responsible for any tax penalties and/or interest that may arise due to errors it made in tax reporting or forwarding of funds to the appropriate government authorities.

4.10.3 The Record Keeper must ensure that each participant's account complies with the applicable regulations, including, but not limited to, IRC 401(a)(9) minimum distribution requirements and annual maximum contribution limits

4.11 Transition Responsibilities upon Termination

Upon termination of its contract, the Record Keeper must fully cooperate with NDC in an orderly transfer of administrative responsibilities and records to the new Record Keeper. In the event that NDC elects not to renew its contract at the end of its term, or otherwise terminates the contract for cause or convenience, the Record Keeper agrees to fully cooperate in the transition to the new Record Keeper. The Record Keeper must maintain the records of the Plan for at least 7 years upon the termination of the contract.

4.12 Administrative Funding

4.12.1 The Record Keeper shall reimburse the NDC for the cost of conducting the RFP and evaluation process, including the cost of advertising the proposal, any travel expenses, and any related transition costs. This one-time expense is estimated at \$45,000 and 5% of this fee is to be paid by the selected FICA Alternative Plan vendor. This cost should be broken out separately in your pricing from your ongoing fees. This fee is to payable within ninety days (90) of execution of the contract.

4.12.2 Upon contract award the State will establish a fee reimbursement structure to cover the State's administrative costs.

4.12.3 It is the expectation that the State incur no cost for any internal programming cost associated with the implementation of any service feature to enhance the plan's administration, such as online enrollment. Should such costs occur, the Record Keeper shall reimburse the NDC for such costs.

4.12.4 The Record Keeper must accurately and fully disclose all fund expense and revenue sharing arrangements associated with Stable Value/Fixed Account utilized. This cost shall include any revenue the State requires for the administration of the program(s).

4.13 Trustee/Custodial Services

The Record Keeper must provide trustee/custodial services for the plan or arrange for trustee services with an outside or third party approved by the NDC.

5. COMPANY BACKGROUND AND REFERENCES

5.1 VENDOR INFORMATION

5.1.1 Vendors shall provide a company profile in the table format below.

Question	Response
Company name:	
Ownership (sole proprietor, partnership, etc.):	
State of incorporation:	
Date of incorporation:	
# of years in business:	
List of top officers:	
Location of company headquarters, to include City and State:	
Location(s) of the office that shall provide the services described in this RFP:	
Number of employees locally with the expertise to support the requirements identified in this RFP:	
Number of employees nationally with the expertise to support the requirements in this RFP:	
Location(s) from which employees shall be assigned for this project:	

5.1.2 Pursuant to NRS 333.3354, the State of Nevada awards a five percent (5%) preference to a vendor certifying that its principal place of business is in Nevada. The term 'principal place of business' has the meaning outlined by the United States Supreme Court in Hertz Corp v. Friend, 559 U.S. 77 (2010), typically meaning a company's corporate headquarters. This preference cannot be combined with any other preference, granted for the award of a contract using federal funds, or granted for the award of a contract procured on a multi-state basis. To claim this preference a business must submit a letter with its proposal showing that it qualifies for the preference.

5.1.3 **Please be advised**, pursuant to NRS 80.010, a corporation organized pursuant to the laws of another state shall register with the State of Nevada, Secretary of State's Office as a foreign corporation before a contract can be executed between the State of Nevada and the awarded vendor, unless specifically exempted by NRS 80.015.

5.1.4 The selected vendor, prior to doing business in the State of Nevada, shall be appropriately licensed by the State of Nevada, Secretary of State's Office pursuant to NRS 76. Information regarding the Nevada Business License can be located at <http://nvsos.gov>.

Question	Response
Nevada Business License Number:	
Legal Entity Name:	

Is “Legal Entity Name” the same name as vendor is doing business as?

Yes		No	
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If “No”, provide explanation.

5.1.5 Has the vendor ever been engaged under contract by any State of Nevada agency?

Yes		No	
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If “Yes”, complete the following table for each State agency for whom the work was performed. Table can be duplicated for each contract being identified.

Question	Response
Name of State agency:	
State agency contact name:	
Dates when services were performed:	
Type of duties performed:	
Total dollar value of the contract:	

5.1.6 Are you now or have you been within the last two (2) years an employee of the State of Nevada, or any of its agencies, departments, or divisions?

Yes		No	
-----	--	----	--

If “Yes”, please explain when the employee is planning to render services, while on annual leave, compensatory time, or on their own time?

If you employ (a) any person who is a current employee of an agency of the State of Nevada, or (b) any person who has been an employee of an agency of the State of Nevada within the past two (2) years, and if such person shall be performing or producing the services which you shall be contracted to provide under this contract, you shall disclose the identity of each such person in your response to this RFP, and specify the services that each person shall be expected to perform.

5.1.7 Disclosure of any significant prior or ongoing contract failures, contract breaches, civil or criminal litigation in which the vendor has been alleged to be liable or held liable in a matter involving a contract with the State of Nevada or any other governmental entity. Any pending claim or litigation occurring within the past six (6) years which may adversely affect the vendor’s ability to perform or fulfill its obligations if a contract is awarded as a result of this RFP shall also be disclosed.

Does any of the above apply to your company?

Yes		No	
-----	--	----	--

If “Yes”, please provide the following information. Table can be duplicated for each issue being identified.

Question	Response	
Date of alleged contract failure or breach:		
Parties involved:		
Description of the contract failure, contract breach, or litigation, including the products or services involved:		
Amount in controversy:		
Resolution or current status of the dispute:		
If the matter has resulted in a court case:	Court	Case Number
Status of the litigation:		

5.1.8 Vendors shall review and provide if awarded a contract the insurance requirements as specified in **Attachment D, Insurance Schedule for RFP ******.

5.1.9 Company background/history and why vendor is qualified to provide the services described in this RFP. Limit response to no more than five (5) pages.

5.1.10 Provide a brief description of the length of time vendor has been providing services described in this RFP to the public and/or private sector.

5.1.11 Financial information and documentation to be included in accordance with **Section 8.5, Part III – Confidential Financial Information**.

5.1.11.1 Dun and Bradstreet Number

5.1.11.2 Federal Tax Identification Number

5.1.11.3 The last two (2) years and current year interim:

A. Profit and Loss Statement

B. Balance Statement

5.2 SUBCONTRACTOR INFORMATION

Subcontractors are defined as a third party, not directly employed by the contractor, who shall provide services identified in this RFP. This does not include third parties who provide support or incidental services to the contractor.

5.2.1 Does this proposal include the use of subcontractors?

Yes		No	
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If “Yes”, vendor shall:

5.2.1.1 Identify specific subcontractors and the specific requirements of this RFP for which each proposed subcontractor shall perform services.

5.2.1.2 If any tasks are to be completed by subcontractor(s), vendors shall:

- A. Describe how the work of any subcontractor(s) shall be supervised, channels of communication shall be maintained and compliance with contract terms assured; and
- B. Describe your previous experience with subcontractor(s).

5.2.1.3 Provide the same information for any proposed subcontractors as requested in **Section 5.1, Vendor Information**.

5.2.1.4 Vendor shall not allow any subcontractor to commence work until all insurance required of the subcontractor is provided to the vendor.

5.2.1.5 Vendor shall notify the using agency of the intended use of any subcontractors not identified within their original proposal and provide the information originally requested in the RFP in **Section 5.2, Subcontractor Information**. The vendor shall receive agency approval prior to subcontractor commencing work.

5.3 BUSINESS REFERENCES AND INVESTMENT QUESTIONNAIRE

5.3.1 Vendors shall provide a minimum of three (3) business references from similar projects performed for private and/or public-sector clients within the last three (3) years.

5.3.2 Vendors shall submit **Attachment E, Reference Questionnaire** to their business references.

5.3.3 It is the vendor’s responsibility to ensure that completed forms are received by the Purchasing Division on or before the deadline as specified in **Section 9, RFP Timeline** for inclusion in the evaluation process. Reference Questionnaires not received, or not complete, may adversely affect the vendor’s score in the evaluation process.

5.3.4 The State reserves the right to contact and verify any and all references listed regarding the quality and degree of satisfaction for such performance.

5.4 VENDOR STAFF RESUMES

A resume shall be completed for each proposed key personnel responsible for performance under any contract resulting from this RFP per ***Attachment G, Proposed Staff Resume.***

6. COST

Proposing vendors must complete and submit Attachment H-Cost Schedule.

7. FINANCIAL

7.1 PAYMENT

7.1.1 Upon review and acceptance by the State, payments for invoices are normally made within 45 – 60 days of receipt, providing all required information, documents and/or attachments have been received.

7.1.2 Pursuant to NRS 227.185 and NRS 333.450, the State shall pay claims for supplies, materials, equipment and services purchased under the provisions of this RFP electronically, unless determined by the State Controller that the electronic payment would cause the payee to suffer undue hardship or extreme inconvenience.

7.2 BILLING

7.2.1 The State does not issue payment prior to receipt of goods or services.

7.2.2 The vendor shall bill the State as outlined in the approved contract and/or payment schedule.

7.2.3 The State presently has a Procurement Card Program that participating State agencies may use to pay for some of their purchases. The Program is issued through a major financial institution and is treated like any other major credit card. Using agencies may desire to use the card as a method of payment. No additional charges or fees shall be imposed for using the card. Please indicate in your proposal response if you will accept this method of payment.

7.3 TIMELINESS OF BILLING

The State is on a fiscal year calendar. All billings for dates of service prior to July 1 shall be submitted to the State no later than the first Friday in August of the same year. A billing submitted after the first Friday in August that forces the State to process the billing as a stale claim pursuant to NRS 353.097, shall subject the contractor to an administrative fee not to exceed \$100.00. This is the estimate of the additional costs to the State for processing the billing as a stale claim and this amount shall be deducted from the stale claims payment due the contractor.

8. WRITTEN QUESTIONS AND ANSWERS

The Purchasing Division shall accept questions and/or comments in writing regarding this RFP as noted below:

8.1 FIRST SET OF QUESTIONS AND ANSWERS

8.1.1 All questions regarding this RFP should be submitted using the Bid Q&A feature in *NevadaEPro*.

8.1.1.1 To access the Bid Q&A:

- A. Log into your Seller account on *NevadaEPro*.
- B. Click the Bids tab in the header.
- C. Click View under Bid Q&A on the appropriate Bid Solicitation under the Open Bids section.

8.1.2 The deadline for submitting questions is as specified in *Section 9, RFP Timeline*.

8.1.3 All questions and/or comments shall be addressed using the Bid Q&A in *NevadaEPro*. If questions and answers require a material change to the Bid Solicitation, an Amendment will be posted in *NevadaEPro* and you will receive email notification.

8.2 SECOND SET OF QUESTIONS AND ANSWERS

Additional questions may be submitted by the date and time specified in *Section 9, RFP Timeline* and according to the process identified in *Section 8.1.1 through Section 8.1.3*.

9. RFP TIMELINE

The following represents the proposed timeline for this project. All times stated are Pacific Time (PT). These dates represent a tentative schedule of events. The State reserves the right to modify these dates at any time. The State also reserves the right to forego vendor presentations and select vendor(s) based on the written proposals submitted.

Task	Date/Time
Deadline for submitting first set of questions	*/*/**** @ 12:00 PM
Answers posted to website	On or about */*/****
Deadline for submitting second set of questions	*/*/**** @ 12:00 PM
Answers posted to website	On or about */*/****
Deadline for submittal of Reference Questionnaires	No later than 4:30 PM on */*/****
Deadline for submission and opening of proposals	No later than 2:00 PM on */*/****
Evaluation period (approximate time frame)	03/01/2019 - 04/01/2019

Task	Date/Time
Vendor Presentations (approximate time frame)	04/01/2019 - 05/01/2019
Selection of vendor	(May/June Quarterly Committee Meeting- On or about **/**/****)
Anticipated BOE approval	08/**/2019
Contract start date (contingent upon BOE approval)	01/01/2020

10. PROPOSAL SUBMISSION REQUIREMENTS, FORMAT AND CONTENT

10.1 GENERAL SUBMISSION REQUIREMENTS

10.1.1 Vendors shall submit their proposals by using Create Quote through the State electronic procurement website, <https://NevadaEPro.com>, in accordance with the instructions below.

10.1.1.1 Refer to *Instructions for Vendors Responding to a Bid* in the Important Links section on the front page of *NevadaEPro* for instructions on how to submit a Quote using *NevadaEPro*.

10.1.2 The Quote/Proposal shall contain a maximum of four (4) attachments which may include:

- 10.1.2.1 Technical Proposal
- 10.1.2.2 Confidential Technical (if applicable)
- 10.1.2.3 Cost Proposal (if applicable)
- 10.1.2.4 Confidential Financial (if applicable)

10.1.3 Proposals shall have a technical response, which may be composed of two (2) parts in the event a vendor determines that a portion of their technical response qualifies as “confidential” per NRS 333.020 (5) (b).

10.1.4 If complete responses cannot be provided without referencing confidential information, such confidential information shall be provided in accordance with *Section 10.3, Part IB – Confidential Technical Proposal* and *Section 10.5, Part III Confidential Financial Information*.

10.1.5 Specific references made to the section, page, and paragraph where the confidential information can be located shall be identified on *Attachment A, Confidentiality and Certification of Indemnification* and comply with the requirements stated in *Section 10.6, Confidentiality of Proposals*.

10.1.6 Proposals that do not comply with the requirements may be deemed non-responsive and rejected at the State’s discretion.

- 10.1.7 Although it is a public opening, only the names of the vendors submitting proposals shall be announced per NRS 333.335(6). Technical and cost details about proposals submitted shall not be disclosed.
- 10.1.8 Assistance for persons who are disabled, visually impaired or hearing-impaired who wish to attend the RFP opening is available. If special arrangements are necessary, please notify the Purchasing Division designee as soon as possible and at least two (2) days in advance of the opening.
- 10.1.9 For ease of evaluation, the technical and cost proposals shall be presented in a format that corresponds to and references sections outlined within this RFP and shall be presented in the same order. Written responses shall be in ***bold/italics*** and placed immediately following the applicable RFP question, statement and/or section.
- 10.1.10 Proposals are to be prepared in such a way as to provide a straightforward, concise delineation of capabilities to satisfy the requirements of this RFP. Expensive color displays, promotional materials, etc., are not necessary or desired. Emphasis shall be concentrated on conformance to the RFP instructions, responsiveness to the RFP requirements, and on completeness and clarity of content.
- 10.1.11 For purposes of addressing questions concerning this RFP, the sole contact shall be the Purchasing Division as specified on Page 1 of this RFP. Upon issuance of this RFP, other employees and representatives of the agencies identified in the RFP shall not answer questions or otherwise discuss the contents of this RFP with any prospective vendors or their representatives. Failure to observe this restriction may result in disqualification of any subsequent proposal per NAC 333.155(3). This restriction does not preclude discussions between affected parties for the purpose of conducting business unrelated to this procurement.
- 10.1.12 Any vendor who believes there are irregularities or lack of clarity in the RFP or proposal requirements or specifications are unnecessarily restrictive or limit competition shall notify the Purchasing Division, in writing, as soon as possible, so that corrective addenda may be furnished by the Purchasing Division in a timely manner to all vendors.
- 10.1.13 If a vendor changes any material RFP language, vendor's response may be deemed non-responsive per NRS 333.311.
- 10.1.14 The vendor understands and acknowledges that the representations made in its proposal are material and important, and shall be relied on by the State in its evaluation of a proposal. Any misrepresentation by a vendor shall be treated as fraudulent concealment from the State of the true facts relating to the proposal.

10.2 PART IA – TECHNICAL PROPOSAL

- 10.2.1 The Technical Proposal ***shall not include*** cost and/or pricing information. Cost and/or pricing information contained in the technical proposal may cause the proposal to be rejected.

10.2.2 Using Create Quote in *NevadaEPro*, vendors shall provide one (1) PDF Technical Proposal on the Attachments tab that includes the following:

10.2.2.1 Section I – Title Page with the following information:

Part IA – Technical Proposal	
RFP Title:	Record Keeper Services
RFP:	
Vendor Name:	
Address:	
Opening Date:	
Opening Time:	2:00 PM

10.2.2.2 Section II – Table of Contents

An accurate and updated table of contents shall be provided.

10.2.2.3 Section III – Vendor Information Sheet

The vendor information sheet shall be completed and signed by an individual authorized to bind the organization.

10.2.2.4 Section IV – State Documents

The State documents section shall include the following:

- A. The signature page from all amendments signed by an individual authorized to bind the organization.
- B. Attachment A – Confidentiality and Certification of Indemnification signed by an individual authorized to bind the organization.
- C. Attachment B – Vendor Certifications signed by an individual authorized to bind the organization.
- D. Attachment H – Certification Regarding Lobbying signed by an individual authorized to bind the organization.
- E. Copies of any vendor licensing agreements and/or hardware and software maintenance agreements.
- F. Copies of applicable certifications and/or licenses.

10.2.2.5 Section V – Scope of Work

Vendors shall place their written response(s) to ***Section 3, Scope of Work- 457(b) and Section 4, Scope of Work- FICA*** in ***bold/italics*** immediately following the applicable RFP question, statement and/or section.

10.2.2.6 Section VI– Company Background and References

Vendors shall place their written response(s) to **Section 5, Company Background and References** in ***bold/italics*** immediately following the applicable RFP question, statement and/or section. This section shall also include the requested information in **Section 5.2, Subcontractor Information**, if applicable.

10.2.2.7 Section VII – Proposed Staff Resume(s)

- A. Vendors shall include all proposed staff resumes per **Section 5.4, Vendor Staff Resumes** in this section.
- B. This section shall also include any subcontractor proposed staff resumes, if applicable.

10.2.2.8 Section VIII – Other Informational Material

Vendors shall include any other applicable reference material in this section clearly cross referenced with the proposal.

10.3 PART IB – CONFIDENTIAL TECHNICAL PROPOSAL

10.3.1 Vendors only need to submit Part IB if the proposal includes any confidential technical information (***Refer to Attachment A, Confidentiality and Certification of Indemnification***).

10.3.2 If needed, vendors shall provide one (1) PDF Confidential Technical Proposal file that includes the following:

10.3.2.1 Section I – Title Page with the following information:

Part IB – Confidential Technical Proposal	
RFP Title:	Record Keeper Services
RFP:	
Vendor Name:	
Address:	
Opening Date:	
Opening Time:	2:00 PM

10.3.2.2 Section II – Confidential Technical

Vendors shall cross reference the confidential technical information back to the technical proposal, as applicable.

10.4 PART II – COST PROPOSAL

10.4.1 Vendors shall submit pricing information on the Items tab of their Quote in ***NevadaEPro***.

10.4.2 Vendors shall provide additional pricing information as detailed in **Section 10.4.4** if appropriate or required in accordance with **Section 6, Cost**.

10.4.3 The cost proposal shall not be marked “confidential”. Only information that is deemed proprietary per NRS 333.020 (5) (a) may be marked as “confidential”.

10.4.4 If needed, vendors shall provide one (1) PDF Cost Proposal file that includes the following:

10.4.4.1 Section I – Title Page with the following information:

Part II – Cost Proposal	
RFP Title:	Record Keeper Services
RFP:	
Vendor Name:	
Address:	
Opening Date:	
Opening Time:	2:00 PM

10.4.4.2 Section II – Cost Proposal

Vendor’s shall place the information required per **Section 6, Cost** in this section.

10.5 PART III – CONFIDENTIAL FINANCIAL INFORMATION

10.5.1 If needed, vendors shall provide one (1) PDF Confidential Financial Information file that includes the following:

10.5.1.1 Section I – Title Page with the following information:

Part III – Confidential Financial Information	
RFP Title:	Record Keeper Services
RFP:	
Vendor Name:	
Address:	
Opening Date:	
Opening Time:	2:00 PM

10.5.1.2 Section II – Financial Information and Documentation

Vendors shall place the information required per **Section 5.1.11** in this section.

10.6 CONFIDENTIALITY OF PROPOSALS

10.6.1 As a potential contractor of a public entity, vendors are advised that full disclosure is required by law.

- 10.6.2 Vendors are required to submit written documentation in accordance with **Attachment A, Confidentiality and Certification of Indemnification** demonstrating the material within the proposal marked “confidential” conforms to NRS §333.333, which states “Only specific parts of the proposal may be labeled a “trade secret” as defined in NRS §600A.030(5)”. Not conforming to these requirements shall cause your proposal to be deemed non-compliant and shall not be accepted by the State.
- 10.6.3 Vendors acknowledge that material not marked as “confidential” shall become public record and shall be posted to the Purchasing website upon contract award.
- 10.6.4 It is the vendor’s responsibility to act in protection of the labeled information and agree to defend and indemnify the State of Nevada for honoring such designation.
- 10.6.5 Failure to label any information that is released by the State shall constitute a complete waiver of any and all claims for damages caused by release of said information.

10.7 PROPOSAL PACKAGING

- 10.7.1 Vendors shall submit their proposals through the State electronic procurement website, <https://NevadaEPro.com>, in accordance with the instructions below.
- 10.7.2 Proposals shall be received via <https://NevadaEPro.com> no later than the date and time specified on the General tab of the Bid Solicitation in **NevadaEPro**. Proposals that are not submitted by bid opening time and date shall not be accepted. Vendors may submit their proposal any time prior to the deadline stated in **NevadaEPro**. In the event that dates, and times specified in this document and dates times specified in **NevadaEPro** conflict, the dates and time in **NevadaEPro** shall take precedence.
- 10.7.3 Proposals submitted as physical copies, email, or any submission method other than via **NevadaEPro** shall not be considered.

11. PROPOSAL EVALUATION AND AWARD PROCESS

The information in this section does not need to be returned with the vendor’s proposal.

The process by which proposals will be considered under this RFP consists of three (3) distinct stages.

11.1.1 First Stage – Minimum Qualifications

The first stage is a determination of whether or not the proposer meets the minimum qualifications listed in this RFP (Refer to **Section 2 Minimum Qualifications**). If a proposer is determined to not meet any one of the minimum qualifications listed, the proposal in its entirety will not be considered for contract.

11.1.2 Second Stage - Scoring

Refer to Section 11.2

11.1.3 **Third Stage – Presentations**

11.1.3.1 Proposers with one of the highest three proposal evaluation scores, and

11.1.3.2 At least 75% of the total points possible on the proposal evaluations (e.g., 750 points).

NOTE: Should only one proposal meet the above criteria, then the State may, at its sole discretion, invite the second highest scoring proposer to participate in oral presentations and solution demonstrations even if their score is less than 75% of the total possible points.

11.1.3.3 Following the evaluation and scoring process specified above, the State may require vendors to make a presentation of their proposal to the evaluation committee or other State staff, as applicable.

11.1.3.4 The State, at its option, may limit participation in vendor presentations to those vendors receiving at least 75% of the total combined available points for technical and cost proposals.

11.1.3.5 The State reserves the right to forego vendor presentations and select vendor(s) based on the written proposals submitted.

11.1.3.6 Pursuant to NAC 333.165, the evaluation committee will select a “short list” of the highest scoring proposers to an in-person interview and discussion of their proposals. Each proposer shall be accorded a fair and equal opportunity to clarify proposal information and submit a best and final offer.

11.2 Proposals shall be consistently evaluated and scored in accordance with NRS 333.335(3) based upon the following criteria. The following criteria are listed in order of importance.

Demonstrated Competence	
Experience in Performance of Comparable Engagements (Record Keeping / Administration) Including, but not limited to: Client Service/Quality Assurance, Record Keeping/Administration, Reporting, Custodial Trustee Services, Plan Implementation, Systems Capabilities and Hardware.	
Conformance with the Terms of this RFP	
Expertise and Availability of Key Personnel	

<p>Cost:</p> <p>Scenario I:</p> <ul style="list-style-type: none"> Proposed fees with proprietary Stable Value - General Account Product <p>Scenario II:</p> <ul style="list-style-type: none"> Proposed fees with proprietary Stable Value - Separate Account Product <p>Scenario III:</p> <ul style="list-style-type: none"> Proposed fees with non -proprietary Stable Value Product 	
<p>Participant Services: Including, but not limited to: Communication and Education, Customer Service Call Center, Field Service Representatives, Investment Advisory Services, and Internet Services</p>	

11.2.1 Financial stability shall be scored on a pass/fail basis.

- 11.3 Proposals shall be kept confidential until a contract is awarded.
- 11.4 The evaluation committee is an independent committee comprised of a majority of State officers or employees established to evaluate and score proposals submitted in response to the RFP pursuant to NRS 333.335.
- 11.5 The evaluation committee may solicit information from any available source concerning any aspect of a proposal and seek and review any other information deemed pertinent to the evaluation process.
- 11.6 Each vendor shall include in its proposal a complete disclosure of any alleged significant prior or ongoing contract failures, contract breaches, any civil or criminal litigation or investigations pending which involves the vendor or in which the vendor has been judged guilty or liable. Failure to comply with the terms of this provision may disqualify any proposal. The State reserves the right to reject any proposal based upon the vendor's prior history with the State or with any other party, which documents, without limitation, unsatisfactory performance, adversarial or contentious demeanor, significant failure(s) to meet contract milestones or other contractual failures. Refer generally to NRS 333.335.
- 11.7 Clarification discussions may, at the State's sole option, be conducted with vendors who submit proposals determined to be acceptable and competitive per NAC 333.165. Vendors shall be accorded fair and equal treatment with respect to any opportunity for discussion and/or written revisions of proposals. Such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals

submitted by competing vendors. Any modifications made to the original proposal during the best and final negotiations shall be included as part of the contract.

- 11.8 A Letter of Intent (LOI) shall be issued in accordance with NAC 333.170 notifying vendors of the State's intent to award a contract to a vendor, pending successful negotiations. Negotiations shall be confidential and not subject to disclosure to competing vendors unless and until an agreement is reached. All information remains confidential until the issuance of the formal Notice of Award (NOA). If contract negotiations cannot be concluded successfully, the State upon written notice to all vendors may negotiate a contract with the next highest scoring vendor or withdraw the RFP.
- 11.9 A Notification of Award (NOA) shall be issued in accordance with NAC 333.170. Vendors shall be notified that a contract has been successfully negotiated, executed and is awaiting approval of the Board of Examiners (BOE). Any award is contingent upon the successful negotiation of final contract terms and upon approval of the BOE, when required. Any non-confidential information becomes available upon written request.
- 11.10 Pursuant to NRS 333.700, any contract resulting from this RFP shall not be effective unless and until approved by the Nevada State Board of Examiners.

12. TERMS AND CONDITIONS

12.1 PROCUREMENT AND PROPOSAL TERMS AND CONDITIONS

The information in this section does not need to be returned with the vendor's proposal.

- 12.1.1 This procurement is being conducted in accordance with NRS Chapter 333 and NAC Chapter 333.
- 12.1.2 The State reserves the right to alter, amend, or modify any provisions of this RFP, or to withdraw this RFP, at any time prior to the award of a contract pursuant hereto, if it is in the best interest of the State to do so.
- 12.1.3 The State reserves the right to waive informalities and minor irregularities in proposals received.
- 12.1.4 The State will post all official communication regarding this RFP on the *NevadaEPro* website at <https://NevadaEPro.com>. Any changes, amendments, or clarifications will be issued in the form of written responses to vendor questions, amendments, or addendum published on the *NevadaEPro* website entry for this RFP. Vendors should check this website frequently for notice of matters affecting the RFP prior to submitting a proposal. The vendors failure to periodically check for updates does not release the vendor from any additional requirements or information that may have been posted.
- 12.1.5 The failure to provide clearly marked, separate PDF file(s) for **Part IB and Part III**, which contain confidential information, trade secrets and/or proprietary information, shall constitute a complete waiver of any and all claims for damages caused by release of the information by the State.

- 12.1.6 Pursuant to NRS 333.350, the State reserves the right to reject any or all proposals received prior to contract award.
- 12.1.7 Pursuant to NRS 333.350, the State reserves the right to limit the scope of work prior to award, if deemed in the best interest of the State.
- 12.1.8 Pursuant to NRS 333.335, the State shall not be obligated to accept the lowest priced proposal, however, shall make an award in the best interest of the State of Nevada after all factors have been evaluated.
- 12.1.9 Proposals which appear unrealistic in the terms of technical commitments, lack of technical competence, or are indicative of failure to comprehend the complexity and risk of the project, may be rejected.
- 12.1.10 Proposals from employees of the State of Nevada shall be considered in as much as they do not conflict with the State Administrative Manual (SAM), NRS Chapter 281 and NRS Chapter 284.
- 12.1.11 Proposals may be modified or withdrawn by written notice received prior to the proposal opening time. Withdrawals received after the proposal opening time shall not be considered except as authorized by NRS 333.350(3).
- 12.1.12 Prices offered by vendors in their proposals are an irrevocable offer for the term of the contract and any contract extensions. The awarded vendor agrees to provide the purchased services at the costs, rates and fees as set forth in their proposal in response to this RFP. No other costs, rates or fees shall be payable to the awarded vendor for implementation of their proposal.
- 12.1.13 The State is not liable for any costs incurred by vendors prior to entering into a formal contract. Costs of developing the proposal or any other such expenses incurred by the vendor in responding to the RFP, are entirely the responsibility of the vendor, and shall not be reimbursed in any manner by the State.
- 12.1.14 Proposals submitted per proposal submission requirements become the property of the State, selection or rejection does not affect this right; proposals shall be returned only at the State's option and at the vendor's request and expense. The flash drive or CD from each vendor shall be retained for official files.
- 12.1.15 Any unsuccessful vendor may file an appeal in strict compliance with NRS 333.370 and NAC Chapter 333.
- 12.1.16 NRS 333.290 grants a preference to materials and supplies that can be supplied from a "charitable, reformatory or penal institution of the State" that produces such goods or services through the labor of inmates. The Administrator reserves the right to secure these goods, materials or supplies from any such eligible institution, if they can be secured of equal quality and at prices not higher than those of the lowest acceptable bid received in response to this solicitation. In addition, NRS 333.410 grants a preference to commodities or services that institutions of the State are

prepared to supply through the labor of inmates. The Administrator shall apply the preferences stated in NRS 333.290 and 333.410 to the extent applicable.

- 12.1.17 Pursuant to NRS 333.338, the State of Nevada cannot enter into a contract with a company unless that company agrees for the duration of the contract not to engage in a boycott of Israel. By submitting a proposal or bid, vendor agrees that if it is awarded a contract it will not engage in a boycott of Israel as defined in NRS 333.338(3)(a).

12.2 CONTRACT TERMS AND CONDITIONS

The information in this section does not need to be returned with the vendor's proposal.

- 12.2.1 The awarded vendor shall be the sole point of contract responsibility. The State shall look solely to the awarded vendor for the performance of all contractual obligations which may result from an award based on this RFP, and the awarded vendor shall not be relieved for the non-performance of any or all subcontractors.
- 12.2.2 The awarded vendor shall maintain, for the duration of the contract, insurance coverages as set forth in the fully executed contract. Work on the contract shall not begin until after the awarded vendor has submitted acceptable evidence of the required insurance coverages. Failure to maintain any required insurance coverage or acceptable alternative method of insurance shall be deemed a breach of contract.
- 12.2.3 The State shall not be liable for Federal, State, or Local excise taxes per NRS 372.325.
- 12.2.4 The State reserves the right to negotiate final contract terms with any vendor selected per NAC 333.170. The contract between the parties shall consist of the RFP together with any modifications thereto, and the awarded vendor's proposal, together with any modifications and clarifications thereto that are submitted at the request of the State during the evaluation and negotiation process. In the event of any conflict or contradiction between or among these documents, the documents shall control in the following order of precedence: the final executed contract, any modifications and clarifications to the awarded vendor's proposal, the RFP, and the awarded vendor's proposal. Specific exceptions to this general rule may be noted in the final executed contract. The State shall not indemnify vendor from any liability or damages, including but not limited to attorney's fees and costs, arising under any contract resulting from this RFP.
- 12.2.5 Local governments (as defined in NRS 332.015) are intended third party beneficiaries of any contract resulting from this RFP and any local government may join or use any contract resulting from this RFP subject to all terms and conditions thereof pursuant to NRS 332.195. The State is not liable for the obligations of any local government which joins or uses any contract resulting from this RFP.
- 12.2.6 Any person who requests or receives a Federal contract, grant, loan or cooperative agreement shall file with the using agency a certification that the person making the

declaration has not made, and shall not make, any payment prohibited by subsection (a) of 31 U.S.C. 1352.

12.2.7 Pursuant to NRS Chapter 613 in connection with the performance of work under this contract, the contractor agrees not to unlawfully discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, sexual orientation or age, including, without limitation, with regard to employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including, without limitation apprenticeship.

The contractor further agrees to insert this provision in all subcontracts, hereunder, except subcontracts for standard commercial supplies or raw materials.

12.3 PROJECT TERMS AND CONDITIONS

The information in this section does not need to be returned with the vendor's proposal.

12.3.1 Award of Related Contracts

12.3.1.1 The State may undertake or award supplemental contracts for work related to this project or any portion thereof. The contractor shall be bound to cooperate fully with such other contractors and the State in all cases.

12.3.1.2 All subcontractors shall be required to abide by this provision as a condition of the contract between the subcontractor and the prime contractor.

12.3.2 Products and/or Alternatives

12.3.2.1 The vendor shall not propose an alternative that would require the State to acquire hardware or software or change processes in order to function properly on the vendor's system unless vendor included a clear description of such proposed alternatives and clearly mark any descriptive material to show the proposed alternative.

12.3.2.2 An acceptable alternative is one the State considers satisfactory in meeting the requirements of this RFP.

12.3.2.3 The State, at its sole discretion, shall determine if the proposed alternative meets the intent of the original RFP requirement.

12.3.3 State Owned Property

The awarded vendor shall be responsible for the proper custody and care of any State owned property furnished by the State for use in connection with the performance of the contract and shall reimburse the State for any loss or damage.

12.3.4 Inspection/Acceptance of Work

12.3.4.1 It is expressly understood and agreed all work done by the contractor shall be subject to inspection and acceptance by the State.

12.3.4.2 Any progress inspections and approval by the State of any item of work shall not forfeit the right of the State to require the correction of any faulty workmanship or material at any time during the course of the work and warranty period thereafter, although previously approved by oversight.

12.3.4.3 Nothing contained herein shall relieve the contractor of the responsibility for proper installation and maintenance of the work, materials and equipment required under the terms of the contract until all work has been completed and accepted by the State.

12.3.5 Completion of Work

Prior to completion of all work, the contractor shall remove from the premises all equipment and materials belonging to the contractor. Upon completion of the work, the contractor shall leave the site in a clean and neat condition satisfactory to the State.

12.3.6 Right to Publish

12.3.6.1 All requests for the publication or release of any information pertaining to this RFP and any subsequent contract shall be in writing and sent to Executive Officer or designee.

12.3.6.2 No announcement concerning the award of a contract as a result of this RFP can be made without prior written approval of Executive Officer or designee.

12.3.6.3 As a result of the selection of the contractor to supply the requested services, the State is neither endorsing nor suggesting the contractor is the best or only solution.

12.3.6.4 The contractor shall not use, in its external advertising, marketing programs, or other promotional efforts, any data, pictures or other representation of any State facility, except with the specific advance written authorization of Executive Officer or designee.

12.3.6.5 Throughout the term of the contract, the contractor shall secure the written approval of the State per **Section 12.3.7.2** prior to the release of any information pertaining to work or activities covered by the contract.

12.3.7 Protection of Sensitive Information

12.3.7.1 Sensitive information in existing legacy applications shall encrypt data as is practical.

12.3.7.2 Confidential personal data shall be encrypted.

12.3.7.3 Any electronic transmission of personal information shall comply with NRS 603A.215 (2 & 3).

12.3.7.4 Sensitive data shall be encrypted in all newly developed applications.

13. SUBMISSION CHECKLIST

This checklist is provided for vendor's convenience only and identifies documents that shall be submitted in order to be considered responsive. Any proposals received without these requisite documents may be deemed non-responsive and not considered for contract award.

Part IA– Technical Proposal Submission Requirements		Completed
Part IA submitted in one (1) separate PDF file		
Section I	Title Page	
Section II	Table of Contents	
Section III	Vendor Information Sheet	
Section IV	State Documents	
Section V	Scope of Work	
Section VI	Company Background and References	
Section VII	Attachment F – Proposed Staff Resume(s)	
Section VIII	Other Informational Material	
Part IB – Confidential Technical Proposal Submission Requirements		
Part IB submitted in one (1) separate PDF file		
Section I	Title Page	
Section II	Appropriate sections and information that cross reference back to the technical proposal	
Part II – Cost Proposal Submission Requirements		
Part II submitted in one (1) separate PDF file		
Section I	Title Page	
Section II	Cost Proposal	
Part III – Confidential Financial Information Submission Requirements		
Part III submitted in one (1) separate PDF file		
Section I	Title Page	
Section II	Financial Information and Documentation	
Reference Questionnaire Reminders		
Send out Reference Forms for Vendor (with Part A completed)		
Send out Reference Forms for proposed Subcontractors (with Part A and Part B completed, if applicable)		

ATTACHMENT A – CONFIDENTIALITY AND CERTIFICATION OF INDEMNIFICATION

Submitted proposals, which are marked “confidential” in their entirety, or those in which a significant portion of the submitted proposal is marked “confidential” **shall not** be accepted by the State of Nevada. Pursuant to NRS 333.333, only specific parts of the proposal may be labeled a “trade secret” as defined in NRS 600A.030(5). All proposals are confidential until the contract is awarded; at which time, both successful and unsuccessful vendors’ technical and cost proposals become public information.

In accordance with the submittal instructions of this RFP, vendors are requested to submit confidential information in separate files marked “**Part IB Confidential Technical**” and “**Part III Confidential Financial**”.

The State shall not be responsible for any information contained within the proposal. If vendors do not comply with the labeling and packing requirements, proposals shall be released as submitted. In the event a governing board acts as the final authority, there may be public discussion regarding the submitted proposals that shall be in an open meeting format, the proposals shall remain confidential.

By signing below, I understand it is my responsibility as the vendor to act in protection of the labeled information and agree to defend and indemnify the State of Nevada for honoring such designation. I duly realize failure to so act shall constitute a complete waiver and all submitted information shall become public information; additionally, failure to label any information that is released by the State shall constitute a complete waiver of any and all claims for damages caused by the release of the information.

This proposal contains Confidential Information, Trade Secrets and/or Proprietary information.

Please initial the appropriate response in the boxes below and provide the justification for confidential status.

Part IB – Confidential Technical Information			
YES		NO	
Justification for Confidential Status			

Part III – Confidential Financial Information			
YES		NO	
Justification for Confidential Status			

Company Name

Signature

Print Name

Date

This document shall be submitted in Section IV of vendor’s technical proposal

ATTACHMENT B – VENDOR CERTIFICATIONS

Vendor agrees and shall comply with the following:

- (1) Any and all prices that may be charged under the terms of the contract do not and shall not violate any existing federal, State or municipal laws or regulations concerning discrimination and/or price fixing. The vendor agrees to indemnify, exonerate and hold the State harmless from liability for any such violation now and throughout the term of the contract.
- (2) All proposed capabilities can be demonstrated by the vendor.
- (3) The price(s) and amount of this proposal have been arrived at independently and without consultation, communication, agreement or disclosure with or to any other contractor, vendor or potential vendor.
- (4) All proposal terms, including prices, shall remain in effect for a minimum of 180 days after the proposal due date. In the case of the awarded vendor, all proposal terms, including prices, shall remain in effect throughout the contract negotiation process.
- (5) No attempt has been made at any time to induce any firm or person to refrain from proposing or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal. All proposals shall be made in good faith and without collusion.
- (6) All conditions and provisions of this RFP are deemed to be accepted by the vendor and incorporated by reference in the proposal, except such conditions and provisions that the vendor expressly excludes in the proposal. Any exclusion shall be in writing and included in the proposal at the time of submission.
- (7) Each vendor shall disclose any existing or potential conflict of interest relative to the performance of the contractual services resulting from this RFP. Any such relationship that might be perceived or represented as a conflict shall be disclosed. By submitting a proposal in response to this RFP, vendors affirm that they have not given, nor intend to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant or any employee or representative of same, in connection with this procurement. Any attempt to intentionally or unintentionally conceal or obfuscate a conflict of interest shall automatically result in the disqualification of a vendor's proposal. An award shall not be made where a conflict of interest exists. The State shall determine whether a conflict of interest exists and whether it may reflect negatively on the State's selection of a vendor. The State reserves the right to disqualify any vendor on the grounds of actual or apparent conflict of interest.
- (8) All employees assigned to the project are authorized to work in this country.
- (9) The company has a written equal opportunity policy that does not discriminate in employment practices with regard to race, color, national origin, physical condition, creed, religion, age, sex, marital status, sexual orientation, developmental disability or disability of another nature.
- (10) The company has a written policy regarding compliance for maintaining a drug-free workplace.
- (11) Vendor understands and acknowledges that the representations within their proposal are material and important, and shall be relied on by the State in evaluation of the proposal. Any vendor misrepresentations shall be treated as fraudulent concealment from the State of the true facts relating to the proposal.
- (12) Vendor shall certify that any and all subcontractors comply with Sections 7, 8, 9, and 10, above.
- (13) The proposal shall be signed by the individual(s) legally authorized to bind the vendor per NRS 333.337.

Vendor Company Name

Vendor Signature

Print Name

Date

ATTACHMENT C – CONTRACT FORM

Vendors shall review the terms and conditions of the standard contract used by the State for all services of independent contractors. It is not necessary for vendors to complete the contract form with their proposal. To review the contract form, click on the following link:

[Contract Form](#)

If you are unable to access the contract form, please contact Nevada State Purchasing at srvpurch@admin.nv.gov for an emailed copy.

DRAFT

ATTACHMENT D – INSURANCE SCHEDULE FOR RFP ****

Vendors shall review the Insurance Schedule, as this will be the schedule used for the scope of work identified within the RFP.



To open the document, double click on the icon.

*If you are unable to access the above inserted file
once you have doubled clicked on the icon,
please contact Nevada State Purchasing at
srvpurch@admin.nv.gov for an emailed copy.*

DRAFT

ATTACHMENT E – REFERENCE QUESTIONNAIRE

The State of Nevada requires proposing vendors to submit business references. The purpose of these references is to document the experience relevant to the scope of work identified within the RFP and provide assistance in the evaluation process.

INSTRUCTIONS TO PROPOSING VENDOR	
1.	Proposing vendor or vendor's proposed subcontractor shall complete Part A and/or Part B of the Reference Questionnaire.
2.	Proposing vendor shall send the Reference Questionnaire to each business reference listed for completion of Part D, Part E and Part F.
3.	<p>Business reference is requested to submit the completed Reference Questionnaire via email or facsimile to:</p> <p style="margin-left: 40px;">State of Nevada, Purchasing Division Subject: RFP [REDACTED] Attention: Purchasing Division Email: rlmiller@admin.nv.gov Fax: 775-684-0188</p> <p>Please reference the RFP number in the subject line of the email or on the fax.</p>
4.	The completed Reference Questionnaire shall be received no later than 4:30 PM PT [REDACTED]
5.	Business references are not to return the Reference Questionnaire to the Proposer (Vendor).
6.	In addition to the Reference Questionnaire, the State may contact any and all business references by phone for further clarification, if necessary.
7.	Questions regarding the Reference Questionnaire or process shall be directed to the individual identified on the RFP cover page.
8.	Reference Questionnaires not received, or not complete, may adversely affect the vendor's score in the evaluation process.



To open the document, double click on the icon.

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ATTACHMENT F – ADMINISTRATIVE/INVESTMENT SERVICES QUESTIONNAIRES

ADMINISTRATIVE/INVESTMENT SERVICES QUESTIONNAIRE - 457(B)



ADMINISTRATIVE/INVESTMENT SERVICES QUESTIONNAIRE - FICA



To open the document, double click on the icon.

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ATTACHMENT G– PROPOSED STAFF RESUME

The embedded resume shall be completed for all proposed prime contractor staff and proposed subcontractor staff.



To open the document, double click on the icon.

*If you are unable to access the above inserted file
once you have doubled clicked on the icon,
please contact Nevada State Purchasing at
srvpurch@admin.nv.gov for an emailed copy.*

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ATTACHMENT H – COST SCHEDULE

457(b) Cost



FICA Cost



To open the document, double click on the icon.

If you are unable to access the above inserted file once you have doubled clicked on the icon, please contact Nevada State Purchasing at srvpurch@admin.nv.gov for an emailed copy.

State of Nevada Purchasing Division
Solicitation ****
457(b) and FICA Alternative Plan Record Keeper Services
Proposal Opening Date: Date

Vendor Name:	
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Evaluator Initials:	
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457(b) & FICA



FICA (only)



Evaluation Criteria	Weight	Score (0-10)	Adjusted Score (0-10)												
Participant Services: Including, but not limited to: Communication and Education, Customer Service Call Center, Field Service Representatives, Investment Advisory Services, and Internet Services	25-30														
Plan-level services, including but not limited to: Transition plan and timeline Reports Client relationship personnel and services, administrative structure Communications plan and NDC branding Beneficiary outreach	20-25														
Stable Value/Cost: Scenario I: <u>This scenario is worth **points</u> ▪ Proposed fees with proprietary Stable Value - General Account Product Scenario II: <u>This scenario is worth **points</u> ▪ Proposed fees with proprietary Stable Value -Separate Account Product Scenario III: <u>This scenario is worth **points</u> • Proposed fees with non -proprietary Stable Value Product	20-30	<table><tr><td><u>I</u></td><td><u>II</u></td><td><u>III</u></td></tr><tr><td></td><td></td><td></td></tr></table>	<u>I</u>	<u>II</u>	<u>III</u>				<table><tr><td><u>I</u></td><td><u>II</u></td><td><u>III</u></td></tr><tr><td></td><td></td><td></td></tr></table>	<u>I</u>	<u>II</u>	<u>III</u>			
<u>I</u>	<u>II</u>	<u>III</u>													
<u>I</u>	<u>II</u>	<u>III</u>													

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Demonstrated Competence	10- <u>15</u>		
Expertise and Availability of Key Personnel	<u>5</u> -10		
Experience in Performance of Comparable Engagements	5- <u>10</u>		
Conformance with the Terms of this RFP	5- <u>10</u>		

After reading vendor proposals, assign a score for each criterion above between 0 and 10, with 0 = Unacceptable and 10 = Excellent. The Adjusted Score column should be left blank until the scheduled evaluation meeting.

On the following pages are some suggested considerations related to each factor; however, this is not meant to be an all-inclusive list. There is a section for comments after each of the criteria factors.

Participant Services		
A.	Does the vendor have additional services that add value?	
B.	Did the vendor provide examples of communication and education?	
C.	Does the vendor have a clear participant plan?	
D.	Are any essential participant services missing?	
E.	Are fees fully leveled (pro rata return of revenue sharing) and itemized on quarterly statements?	
F.	Is fee leveling fully automated or does it require manual processes?	
G.	Plan for obtaining and maintaining beneficiaries?	
H.	Investment management platform and fee structure (free or extra charge to participants)?	
I.	Brokerage platform—fund family availability, fee structure (free or extra charge to participants)?	

Comments on Participant Services

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Plan-level Services		
A.	Does transition and implementation plan and timeline provide confidence that it will be on time and smooth?	
B.	Did the vendor provide examples of reports?	
C.	Does the vendor have a strong client relationship support structure?	
D.	Are any essential administrative services missing?	
E.	Are all regular recordkeeping functions automated? Will any of current plan features require manual processes?	
F.	Does the vendor provide full support for the administrative expense account? Able to use stable value fund?	
G.	Does the vendor support both flat and percentage fees with per-account threshold? Other options? All automated processes?	
H.	Does the vendor provide additional services that add value?	

Comments on Plan-Level Services

Stable Value/Cost		
A.	Did the vendor provide separate scenarios?	
B.	Are the Plan level liquidity provisions favorable?	
C.	Is book value liquidation guaranteed?	
D.	Are assets fully liquid at the participant level?	
E.	Is the credited interest rate compelling compared to others?	
F.	Are the options proposed adequately diversified by sector?	

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G	Are the options proposed adequately diversified by credit quality?	
H.	Do the proposed options meet the needs of stability of principal (e.g. not too risky or conservative)?	
I.	Are the proposed fees reasonable? If no fees are disclosed, did the vendor indicate how they are paid?	
J.	Are the fees for proprietary products transparently disclosed?	
K	General/Fixed Account Only: Are the crediting rate guarantees competitive?	
L	Separate Account Only: Is the quality of investment management, wrap structure, and fees competitive?	
M	Is there cross-subsidization between proprietary product and fees for other recordkeeping?	
N	Are total fees on a per-account and percentage basis comparable and supported by data and assumptions	
O	If a third-party stable value fund is chosen by NDC Committee: Could it be made available on the vendor's platform?	

Comments on Stable Value/Cost	

Demonstrated Competence		
A.	Did the vendor provide sufficient data to convince you that it will do a good job for the State? Was the proof compelling?	
B.	Are you confident that this vendor has the knowledge, skills and abilities to perform all its tasks well?	
C.	Will the vendor's resources be adequate to serve the State's needs?	
D.	Does the vendor suggest new ways to enhance performance?	
E.	Does the vendor have the flexible capacity to handle all the needs of the State as they continue to change?	

Proposal Opening Date: **Date**

F.	Did the vendor present sufficient performance history to convince you of its ability?	
G.	Has the vendor been in business long enough to provide good stability?	
H.	Has the vendor experienced ownership changes that would impact its services?	
I.	Has there been any censure or litigation history?	

[illegible]

Expertise and Availability of Key Personnel		
A.	Is the staff that will be assigned to this project by the vendor the best qualified to complete the tasks?	
B.	Will vendor's assigned staff be available to insure completion of the project?	
C.	Will vendor's assigned staff be available for follow-up issues?	
D.	Is sufficient staff being proposed and assigned to handle these duties?	
E.	Is there a Nevada office and customer relations contact person?	
F.	Will assigned staff respond to issues within a reasonable amount of time?	
G.	Is compensation of field representatives free of conflicts of interest for all services?	

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Comments on Expertise and Availability of Key Personnel	

Experience in Performance of Comparable Engagements		
A.	Does the vendor have prior experience that will ensure all the skills necessary to perform tasks well?	
B.	Did the vendor have success in other work for a private or governmental entity?	
C.	Does the vendor's previous work convince you of its successful completion of these duties?	
D.	Has the vendor provided adequate references?	

Comments on Experience in Performance of Comparable Engagements	

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Conformance with the Terms of this RFP		
A.	Did the vendor's proposal provide all the necessary information requested in the RFP in a professional manner?	
B.	Did the proposal cause doubt regarding its ability to complete the necessary tasks?	
C.	Was the proposal easy to understand and did it provide answers to questions, or create more questions?	

Comments on Conformance with the Terms of this RFP	

AMENDMENT # 4

TO CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

Between the State of Nevada

Acting by and Through Its

Nevada Public Employees Deferred Compensation Program

100 North Stewart Street, Suite 100

Carson City, Nevada 89701

Contact: Rob Boehmer, Executive Officer

Phone: 775-684-3397 Fax: 775-684-3399

Email: rboehmer@defcomp.nv.gov

and

Segal Marco Advisors

333 West 34th Street

New York, New York 10001

Contact: Frank Picarelli, Senior Vice President

Phone: 212-251-5900 Fax: 212-251-5290

Email: fpicarelli@segalmarco.com

1. AMENDMENTS. For and in consideration of mutual promises and/or their valuable considerations, all provisions of the original contract dated April 9, 2013, Amendment #1 dated December 29, 2014, Amendment #2 dated March 10, 2015 and Amendment #3 dated February 14, 2017, attached hereto as Exhibit A, remain in full force and effect with the exception of the following:

A..This is the fourth amendment to the original contract which provides ongoing investment consulting services including quarterly investment performance reviews, capital market research, fund searches and recommendations, board member and staff education on economic and capital market environment, a compliance audit, plan administration assistance, and development and advice on plan provider requests for proposal. This amendment extends the termination date from March 31, 2019 to June 30, 2020 and increases the maximum amount from \$536,000 to \$659,125 and decreases Attachment CC, Scope of Work, Section 3, Provider RFP Search from \$65,000 to \$45,000.

Current Contract Language:

3. CONTRACT TERM. This contract amendment shall be effective from April 1, 2015 to March 31, 2017, unless sooner terminated by either party as specified in paragraph (10).

6. CONSIDERATION. The parties agree that Contractor will provide the services specified in paragraph five (5) at a cost outlined in the SCOPE OF WORK with the total Contract not to exceed \$411,000. The State does not agree to reimburse Contractor for expenses unless otherwise specified in the incorporated attachments. Any intervening end to a biennial appropriation period shall be deemed an automatic renewal (not changing the overall Contract term) or a termination as the results of legislative appropriation may require.

Amended Contract Language:

3. CONTRACT TERM. This contract amendment shall be effective from April 1, 2015 to June 30, 2020, unless sooner terminated by either party as specified in paragraph (10).

6. CONSIDERATION. The parties agree that Contractor will provide the services specified in paragraph five (5) at a cost outlined in the SCOPE OF WORK with the total Contract not to exceed \$659,125 and decreases Attachment CC, SCOPE OF WORK, Section 3, Provider RFP Search from \$65,000 to \$45,000. The State does not agree to reimburse Contractor for expenses unless

otherwise specified in the incorporated attachments. Any intervening end to a biennial appropriation period shall be deemed an automat renewal (not changing the overall Contract term) or a termination as the results of legislative appropriation may require.

- A. **INCORPORATED DOCUMENTS.** Exhibit A (Original Contract) is attached hereto, incorporated by reference herein and made a part of this amended contract.
- B. **REQUIRED APPROVAL.** This amendment to the original contract shall not become effective until and unless approved by the Nevada State Board of Examiners.

IN WITNESS WHEREOF, the parties hereto have caused this amendment to the original contract to be signed and intend to be legally bound thereby.

Independent Contractor's Signature	<u>01/09/2012</u> Date	<u>Senior Vice President</u> Independent Contractor's Title
		Executive Officer
_____	_____	_____
Rob Boehmer	Date	Title

APPROVED BY BOARD OF EXAMINERS

Signature – Board of Examiners

On:

Date

Approved as to form by:

On:

Deputy Attorney General for Attorney General

Date

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR
A Contract Between the State of Nevada
Acting by and Through its

Agency Name:	Nevada Public Employee's Deferred Compensation Program
Address:	209 E. Musser Street, Room 304
City, State, Zip Code:	Carson City, Nevada 89701
Contact:	Contracts Unit
Phone:	775-684-0273
Fax:	775-684-5846
Email:	ASDContractsGroup@admin.nv.gov

Contractor Name:	Eide Bailly, LLP
Address:	5441 Kietzke Lane, Suite 150
City, State, Zip Code:	Reno, Nevada 89511
Contact:	Nielsine Sherk
Phone:	775-689-9279
Email:	nsherk@eidebailly.com

WHEREAS, NRS 333.700 authorizes officers, departments, institutions, boards, commissions, and other agencies in the Executive Department of the State Government which derive their support from public money in whole or in part to engage, subject to the approval of the Board of Examiners (BOE), services of persons as independent contractors; and

WHEREAS, It is deemed that the service of Contractor is both necessary and in the best interests of the State of Nevada.

NOW, THEREFORE, in consideration of the aforesaid premises, the parties mutually agree as follows:

- 1. REQUIRED APPROVAL.** This Contract shall not become effective until and unless approved by the Nevada State Board of Examiners.
- 2. DEFINITIONS.**
 - A. "State" – means the State of Nevada and any State agency identified herein, its officers, employees and immune contractors as defined in NRS 41.0307.**
 - B. "Contracting Agency" – means the State agency identified above.**
 - C. "Contractor" – means the person or entity identified above that performs services and/or provides goods for the State under the terms and conditions set forth in this Contract.**
 - D. "Fiscal Year" – means the period beginning July 1st and ending June 30th of the following year.**
 - E. "Contract" – Unless the context otherwise requires, "Contract" means this document entitled Contract for Services of Independent Contractor and all Attachments or Incorporated Documents.**
 - F. "Contract for Independent Contractor" – means this document entitled Contract for Services of Independent Contractor exclusive of any Attachments or Incorporated Documents.**

3. **CONTRACT TERM.** This Contract shall be effective as noted below, unless sooner terminated by either party as specified in *Section 10, Contract Termination*. Contract is subject to Board of Examiners' approval (anticipated to be Date December 2018).

Effective from:	January 1, 2019	To:	June 30, 2019
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4. **NOTICE.** All communications, including notices, required or permitted to be given under this Contract shall be in writing and directed to the parties at the addresses stated above. Notices may be given: (i) by delivery in person; (ii) by a nationally recognized next day courier service, return receipt requested; or (iii) by certified mail, return receipt requested. If specifically requested by the party to be notified, valid notice may be given by facsimile transmission or electronic mail to the address(es) such party has specified in writing.
5. **INCORPORATED DOCUMENTS.** The parties agree that this Contract, inclusive of the following attachments, specifically describes the scope of work. This Contract incorporates the following attachments in descending order of constructive precedence:

ATTACHMENT AA:	SCOPE OF WORK
ATTACHMENT BB:	INSURANCE SCHEDULE

Any provision, term or condition of an Attachment that contradicts the terms of this Contract for Independent Contractor, or that would change the obligations of the State under this Contract for Independent Contractor, shall be void and unenforceable.

6. **CONSIDERATION.** The parties agree that Contractor will provide the services specified in *Section 5, Incorporated Documents* at a cost as noted below:

The Contractor will be conducting an independent third party audit of various financial programs handled by Nevada Deferred Compensation. Please see Attachment AA for the complete scope of work.

Total Contract or installments payable at:	Thirty days from the receipt of an itemized invoice and upon inspection and approval of the completed work by the NDC Executive Officer.
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Total Contract Not to Exceed:	\$28,000
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The State does not agree to reimburse Contractor for expenses unless otherwise specified in the incorporated attachments. Any intervening end to a biennial appropriation period shall be deemed an automatic renewal (not changing the overall Contract term) or a termination as the result of legislative appropriation may require.

7. **ASSENT.** The parties agree that the terms and conditions listed on incorporated attachments of this Contract are also specifically a part of this Contract and are limited only by their respective order of precedence and any limitations specified.
8. **BILLING SUBMISSION: TIMELINESS.** The parties agree that timeliness of billing is of the essence to the Contract and recognize that the State is on a Fiscal Year. All billings for dates of service prior to July 1 must be submitted to the state no later than the first Friday in August of the same calendar year. A billing submitted after the first Friday in August, which forces the State to process the billing as a state claim pursuant to NRS 353.097, will subject Contractor to an administrative fee not to exceed one hundred dollars (\$100.00). The parties hereby agree this is a reasonable estimate of the additional costs to the state of processing the billing as a state claim and that this amount will be deducted from the state claim payment due to Contractor.

9. **INSPECTION & AUDIT.**

- A. Books and Records.** Contractor agrees to keep and maintain under generally accepted accounting principles (GAAP) full, true and complete records, contracts, books, and documents as are necessary to fully disclose to the State or United States Government, or their authorized representatives, upon audits or reviews, sufficient information to determine compliance with all State and federal regulations and statutes.
- B. Inspection & Audit.** Contractor agrees that the relevant books, records (written, electronic, computer related or otherwise), including, without limitation, relevant accounting procedures and practices of Contractor or its subcontractors, financial statements and supporting documentation, and documentation related to the work product shall be subject, at any reasonable time, to inspection, examination, review, audit, and copying at any office or location of Contractor where such records may be found, with or without notice by the State Auditor, the relevant State agency or its contracted examiners, the department of Administration, Budget Division, the Nevada State Attorney General's Office or its Fraud Control Units, the state Legislative Auditor, and with regard to any federal funding, the relevant federal agency, the Comptroller General, the General Accounting Office, the Office of the Inspector General, or any of their authorized representatives. All subcontracts shall reflect requirements of this Section.
- C. Period of Retention.** All books, records, reports, and statements relevant to this Contract must be retained a minimum three (3) years, and for five (5) years if any federal funds are used pursuant to the Contract. The retention period runs from the date of payment for the relevant goods or services by the state, or from the date of termination of the Contract, whichever is later. Retention time shall be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative and judicial litigation which may ensue.

10. **CONTRACT TERMINATION.**

- A. Termination Without Cause.** Regardless of any terms to the contrary, this Contract may be terminated upon written notice by mutual consent of both parties. The State unilaterally may terminate this contract without cause by giving not less than thirty (30) days' notice in the manner specified in *Section 4, Notice*. If this Contract is unilaterally terminated by the State, Contractor shall use its best efforts to minimize cost to the State and Contractor will not be paid for any cost that Contractor could have avoided.
- B. State Termination for Non-Appropriation.** The continuation of this Contract beyond the current biennium is subject to and contingent upon sufficient funds being appropriated, budgeted, and otherwise made available by the State Legislature and/or federal sources. The State may terminate this Contract, and Contractor waives any and all claims(s) for damages, effective immediately upon receipt of written notice (or any date specified therein) if for any reason the contracting Agency's funding from State and/or federal sources is not appropriated or is withdrawn, limited, or impaired.
- C. Termination with Cause for Breach.** A breach may be declared with or without termination. A notice of breach and termination shall specify the date of termination of the Contract, which shall not be sooner than the expiration of the Time to Correct, if applicable, allowed under subsection 10D. This Contract may be terminated by either party upon written notice of breach to the other party on the following grounds:
- 1) If Contractor fails to provide or satisfactorily perform any of the conditions, work, deliverables, goods, or services called for by this Contract within the time requirements specified in this Contract or within any granted extension of those time requirements; or
 - 2) If any state, county, city, or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Contractor to provide the goods or services required by this Contract is for any reason denied, revoked, delisted, excluded, terminated, suspended, lapsed, or not renewed; or
 - 3) If Contractor becomes insolvent, subject to receivership, or becomes voluntarily or involuntarily subject to the jurisdiction of the Bankruptcy Court; or
 - 4) If the State materially breaches any material duty under this Contract and any such breach impairs Contractor's ability to perform; or

- 5) If it is found by the State that any quid pro quo or gratuities in the form of money, services, entertainment, gifts, or otherwise were offered or given by Contractor, or any agent or representative of Contractor, to any officer or employee of the State of Nevada with a view toward securing a contract or securing favorable treatment with respect to awarding, extending, amending, or making any determination with respect to the performing of such contract; or
- 6) If it is found by the State that Contractor has failed to disclose any material conflict of interest relative to the performance of this Contract.
- D. **Time to Correct.** Unless the breach is not curable, or unless circumstances do not permit an opportunity to cure, termination upon declared breach may be exercised only after service of formal written notice as specified in *Section 4, Notice*, and the subsequent failure of the breaching party within fifteen (15) calendar days of receipt of that notice to provide evidence, satisfactory to the aggrieved party, showing that the declared breach has been corrected. Upon a notice of breach, the time to correct and the time for termination of the contract upon breach under subsection 10C, above, shall run concurrently, unless the notice expressly states otherwise.
- E. **Winding Up Affairs Upon Termination.** In the event of termination of this Contract for any reason, the parties agree that the provisions of this Section survive termination:
- 1) The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to set off under this Contract. Neither party may withhold performance of winding up provisions solely based on nonpayment of fees or expenses accrued up to the time of termination;
 - 2) Contractor shall satisfactorily complete work in progress at the agreed rate (or a pro rata basis if necessary) if so requested by the Contracting Agency;
 - 3) Contractor shall execute any documents and take any actions necessary to effectuate an assignment of this Contract if so requested by the Contracting Agency;
 - 4) Contractor shall preserve, protect and promptly deliver into State possession all proprietary information in accordance with *Section 21, State Ownership of Proprietary Information*.
11. **REMEDIES.** Except as otherwise provided for by law or this Contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorneys' fees and costs. For purposes of an award of attorneys' fees to either party, the parties stipulate and agree that a reasonable hourly rate of attorneys' fees shall be one hundred and fifty dollars (\$150.00) per hour. The State may set off consideration against any unpaid obligation of Contractor to any State agency in accordance with NRS 353C.190. In the event that Contractor voluntarily or involuntarily becomes subject to the jurisdiction of the Bankruptcy Court, the State may set off consideration against any unpaid obligation of Contractor to the State or its agencies, to the extent allowed by bankruptcy law, without regard to whether the procedures of NRS 353C.190 have been utilized.
12. **LIMITED LIABILITY.** The State will not waive and intends to assert available NRS Chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Damages for any State breach shall never exceed the amount of funds appropriated for payment under this Contract, but not yet paid to Contractor, for the Fiscal Year budget in existence at the time of the breach. Contractor's tort liability shall not be limited.
13. **FORCE MAJEURE.** Neither party shall be deemed to be in violation of this Contract if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the Contract after the intervening cause ceases.
14. **INDEMNIFICATION AND DEFENSE.** To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend, not excluding the State's right to participate, the State from and against all liability, claims, actions, damages, losses, and expenses, including, without limitation, reasonable attorneys' fees and costs, arising out of

any breach of the obligations of Contractor under this contract, or any alleged negligent or willful acts or omissions of Contractor, its officers, employees and agents. Contractor's obligation to indemnify the State shall apply in all cases except for claims arising solely from the State's own negligence or willful misconduct. Contractor waives any rights of subrogation against the State. Contractor's duty to defend begins when the State requests defense of any claim arising from this Contract.

15. **REPRESENTATIONS REGARDING INDEPENDENT CONTRACTOR STATUS.** Contractor represents that it is an independent contractor, as defined in NRS 333.700(2) and 616A.255, warrants that it will perform all work under this contract as an independent contractor, and warrants that the State of Nevada will not incur any employment liability by reason of this Contract or the work to be performed under this Contract. To the extent the State incurs any employment liability for the work under this Contract; Contractor will reimburse the State for that liability.
16. **INSURANCE SCHEDULE.** Unless expressly waived in writing by the State, Contractor must carry policies of insurance and pay all taxes and fees incident hereunto. Policies shall meet the terms and conditions as specified within this Contract along with the additional limits and provisions as described in *Attachment BB*, incorporated hereto by attachment. The State shall have no liability except as specifically provided in the Contract.

Contractor shall not commence work before Contractor has provided the required evidence of insurance to the Contracting Agency. The State's approval of any changes to insurance coverage during the course of performance shall constitute an ongoing condition subsequent to this Contract. Any failure of the State to timely approve shall not constitute a waiver of the condition.

- A. **Insurance Coverage.** Contractor shall, at Contractor's sole expense, procure, maintain and keep in force for the duration of the Contract insurance conforming to the minimum limits as specified in *Attachment BB*, incorporated hereto by attachment. Unless specifically stated herein or otherwise agreed to by the State, the required insurance shall be in effect prior to the commencement of work by Contractor and shall continue in force as appropriate until:

- 1) Final acceptance by the State of the completion of this Contract; or
- 2) Such time as the insurance is no longer required by the State under the terms of this Contract; whichever occurs later.

Any insurance or self-insurance available to the State shall be in excess of and non-contributing with, any insurance required from Contractor. Contractor's insurance policies shall apply on a primary basis. Until such time as the insurance is no longer required by the State, Contractor shall provide the State with renewal or replacement evidence of insurance no less than thirty (30) days before the expiration or replacement of the required insurance. If at any time during the period when insurance is required by the Contract, an insurer or surety shall fail to comply with the requirements of this Contract, as soon as Contractor has knowledge of any such failure, Contractor shall immediately notify the State and immediately replace such insurance or bond with an insurer meeting the requirements.

B. **General Requirements.**

- 1) **Additional Insured:** By endorsement to the general liability insurance policy, the State of Nevada, its officers, employees and immune contractors as defined in NRS 41.0307 shall be named as additional insureds for all liability arising from the Contract.
- 2) **Waiver of Subrogation:** Each insurance policy shall provide for a waiver of subrogation against the State of Nevada, its officers, employees and immune contractors as defined in NRS 41.0307 for losses arising from work/materials/equipment performed or provided by or on behalf of Contractor.
- 3) **Cross Liability:** All required liability policies shall provide cross-liability coverage as would be achieved under the standard ISO separation of insureds clause.
- 4) **Deductibles and Self-Insured Retentions:** Insurance maintained by Contractor shall apply on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by the State. Such approval shall not relieve Contractor from the obligation to pay any deductible or self-insured retention. Any deductible or self-insured retention shall not exceed fifty thousand dollars (\$50,000.00) per occurrence, unless otherwise approved by the Risk Management Division.

5) **Policy Cancellation:** Except for ten (10) days notice for non-payment of premiums, each insurance policy shall be endorsed to state that without thirty (30) days prior written notice to the State of Nevada, c/o Contracting Agency, the policy shall not be canceled, non-renewed or coverage and/or limits reduced or materially altered, and shall provide that notices required by this Section shall be sent by certified mail to the address shown on page one (1) of this contract.

6) **Approved Insurer:** Each insurance policy shall be:

- a) Issued by insurance companies authorized to do business in the State of Nevada or eligible surplus lines insurers acceptable to the State and having agents in Nevada upon whom service of process may be made; and
- b) Currently rated by A.M. Best as "A-VII" or better.

C. Evidence of Insurance.

Prior to the start of any work, Contractor must provide the following documents to the contracting State agency:

1) **Certificate of Insurance:** The Acord 25 Certificate of Insurance form or a form substantially similar must be submitted to the State to evidence the insurance policies and coverages required of Contractor. The certificate must name the State of Nevada, its officers, employees and immune contractors as defined in NRS 41.0307 as the certificate holder. The certificate should be signed by a person authorized by the insurer to bind coverage on its behalf. The State project/Contract number; description and Contract effective dates shall be noted on the certificate, and upon renewal of the policies listed, Contractor shall furnish the State with replacement certificates as described within *Section 16A, Insurance Coverage*.

Mail all required insurance documents to the State Contracting Agency identified on Page one of the Contract.

2) **Additional Insured Endorsement:** An Additional Insured Endorsement (CG 20 10 11 85 or CG 20 26 11 85), signed by an authorized insurance company representative, must be submitted to the State to evidence the endorsement of the State as an additional insured per *Section 16B, General Requirements*.

3) **Schedule of Underlying Insurance Policies:** If Umbrella or Excess policy is evidenced to comply with minimum limits, a copy of the underlying Schedule from the Umbrella or Excess insurance policy may be required.

4) **Review and Approval:** Documents specified above must be submitted for review and approval by the State prior to the commencement of work by Contractor. Neither approval by the State nor failure to disapprove the insurance furnished by Contractor shall relieve Contractor of Contractor's full responsibility to provide the insurance required by this Contract. Compliance with the insurance requirements of this Contract shall not limit the liability of Contractor or its subcontractors, employees or agents to the State or others, and shall be in addition to and not in lieu of any other remedy available to the State under this Contract or otherwise. The State reserves the right to request and review a copy of any required insurance policy or endorsement to assure compliance with these requirements.

17. **COMPLIANCE WITH LEGAL OBLIGATIONS.** Contractor shall procure and maintain for the duration of this Contract any state, county, city or federal license, authorization, waiver, permit qualification or certification required by statute, ordinance, law, or regulation to be held by Contractor to provide the goods or services required by this Contract. Contractor shall provide proof of its compliance upon request of the Contracting Agency. Contractor will be responsible to pay all taxes, assessments, fees, premiums, permits, and licenses required by law. Real property and personal property taxes are the responsibility of Contractor in accordance with NRS 361.157 and NRS 361.159. Contractor agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract.

18. **WAIVER OF BREACH.** Failure to declare a breach or the actual waiver of any particular breach of the Contract or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.
19. **SEVERABILITY.** If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.
20. **ASSIGNMENT/DELEGATION.** To the extent that any assignment of any right under this Contract changes the duty of either party, increases the burden or risk involved, impairs the chances of obtaining the performance of this Contract, attempts to operate as a novation, or includes a waiver or abrogation of any defense to payment by State, such offending portion of the assignment shall be void, and shall be a breach of this Contract. Contractor shall neither assign, transfer nor delegate any rights, obligations nor duties under this Contract without the prior written consent of the State.
21. **STATE OWNERSHIP OF PROPRIETARY INFORMATION.** Any data or information provided by the State to Contractor and any documents or materials provided by the State to Contractor in the course of this Contract ("State Materials") shall be and remain the exclusive property of the State and all such State Materials shall be delivered into State possession by Contractor upon completion, termination, or cancellation of this Contract.
22. **PUBLIC RECORDS.** Pursuant to NRS 239.010, information or documents received from Contractor may be open to public inspection and copying. The State has a legal obligation to disclose such information unless a particular record is made confidential by law or a common law balancing of interests. Contractor may label specific parts of an individual document as a "trade secret" or "confidential" in accordance with NRS 333.333, provided that Contractor thereby agrees to indemnify and defend the State for honoring such a designation. The failure to so label any document that is released by the State shall constitute a complete waiver of any and all claims for damages caused by any release of the records.
23. **CONFIDENTIALITY.** Contractor shall keep confidential all information, in whatever form, produced, prepared, observed or received by Contractor to the extent that such information is confidential by law or otherwise required by this Contract.
24. **FEDERAL FUNDING.** In the event federal funds are used for payment of all or part of this Contract, Contractor agrees to comply with all applicable federal laws, regulations and executive orders, including, without limitation the following:
- A. Contractor certifies, by signing this Contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to Executive Orders 12549 and 12689 and Federal Acquisition Regulation subpart 9.4, and any relevant program-specific regulations. This provision shall be required of every subcontractor receiving any payment in whole or in part from federal funds.
 - B. Contractor and its subcontracts shall comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder, including 28 C.F.R. Section 35, inclusive, and any relevant program-specific regulations.
 - C. Contractor and its subcontractors shall comply with the requirements of the Civil Rights Act of 1964 (P.L. 88-352), as amended, the Rehabilitation Act of 1973 (P.L. 93-112), as amended, and any relevant program-specific regulations, and shall not discriminate against any employee or offeror for employment because of race, national origin, creed, color, sex, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions.)
25. **LOBBYING.** The parties agree, whether expressly prohibited by federal law, or otherwise, that no funding associated with this Contract will be used for any purpose associated with or related to lobbying or influencing or attempting to lobby or influence for any purpose the following:
- A. Any federal, state, county or local agency, legislature, commission, council or board;
 - B. Any federal, state, county or local legislator, commission member, council member, board member, or other elected official; or

C. Any officer or employee of any federal, state, county or local agency; legislature, commission, council or board.

26. **GENERAL WARRANTY.** Contractor warrants that all services, deliverables, and/or work products under this Contract shall be completed in a workmanlike manner consistent with standards in the trade, profession, or industry; shall conform to or exceed the specifications set forth in the incorporated attachments; and shall be fit for ordinary use, of good quality, with no material defects.
27. **PROPER AUTHORITY.** The parties hereto represent and warrant that the person executing this Contract on behalf of each party has full power and authority to enter into this Contract. Contractor acknowledges that as required by statute or regulation this Contract is effective only after approval by the State Board of Examiners and only for the period of time specified in the Contract. Any services performed by Contractor before this Contract is effective or after it ceases to be effective are performed at the sole risk of Contractor.
28. **DISCLOSURES REGARDING CURRENT OR FORMER STATE EMPLOYEES.** For the purpose of State compliance with NRS 333.705, Contractor represents and warrants that if Contractor, or any employee of Contractor who will be performing services under this Contract, is a current employee of the State or was employed by the State within the preceding 24 months, Contractor has disclosed the identity of such persons, and the services that each such person will perform, to the Contracting Agency.
29. **ASSIGNMENT OF ANTITRUST CLAIMS.** Contractor irrevocably assigns to the State any claim for relief or cause of action which Contractor now has or which may accrue to Contractor in the future by reason of any violation of State of Nevada or federal antitrust laws in connection with any goods or services provided under this Contract.
30. **GOVERNING LAW: JURISDICTION.** This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada, without giving effect to any principle of conflict-of-law that would require the application of the law of any other jurisdiction. The parties consent to the exclusive jurisdiction of and venue in the First Judicial District Court, Carson City, Nevada for enforcement of this Contract, and consent to personal jurisdiction in such court for any action or proceeding arising out of this Contract.

This space is left blank intentionally

31. **ENTIRE CONTRACT AND MODIFICATION.** This Contract and its integrated attachment(s) constitute the entire agreement of the parties and as such are intended to be the complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Contract specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language between any such attachment and this Contract shall be construed consistent with the terms of this Contract. Unless otherwise expressly authorized by the terms of this Contract, no modification or amendment to this Contract shall be binding upon the parties unless the same is in writing.

and signed by the respective parties hereto and approved by the Office of the Attorney General and the State Board of Examiners. This Contract, and any amendments, may be executed in counterparts.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.

Brad Burd
Independent Contractor's Signature

Date

partner
Independent Contractor's Title

Executive Officer of Nevada Public Employees'
Deferred Compensation Program

Date

Title

APPROVED BY BOARD OF EXAMINERS

On:

Date

On:

Date

ATTACHMENT "AA"

SCOPE OF WORK

Scope of Work

The selected accounting firm ("Contractor") is to audit the financial records of the Nevada Public Employees Deferred Compensation Plan ("NDC" and/or "Program") which includes a standalone Voluntary 457(b) Plan as well as the State's mandatory employee non-elective Section 3121/ Federal Insurance Contributions Act ("FICA") Alternative Program for employees that do not qualify to be able to participate in the Nevada Public Employees' Retirement Program ("NVPERS"). This process must be in accordance with acceptable auditory standards in accordance with the American Institute of Certified Public Accountants' auditing standards generally accepted in the United States of America and the most recent applicable U.S. Government Accountability Office's Government Auditing Standards. The Contractor is to complete each Program's fiscal year's financial statements, and provide a written report of their findings, recommendations, and certification that the assets held in the custodial accounts established with the Program's contracted Recordkeeper(s) are in proof with the total assets record-kept by the State's contracted Recordkeeper(s).

The audit will include tests of accounting records and other procedures necessary to express an opinion as to whether the basic financial statements are presented in accordance with accounting principles generally accepted in the United States of America, including all applicable effective statements of the Governmental Accounting Standards Board (GASB), and the accrual basis of accounting. The Contractor will immediately advise the NDC Executive Officer if an opinion other than unqualified is anticipated. Audits will also include procedures prescribed by generally accepted auditing standards to be applied to any required supplementary information, and the Contractor will report on such information accordingly.

The Firm is to provide a reconciliation of payroll contributions from State of Nevada Central Payroll, Nevada System of Higher Education (NSHE), and no less than five payroll centers from our contracted political subdivisions within the Program. The Program's Executive Officer will select and approve the payroll locations of each annual audit.

The fees and contract provisions are not contingent in completing an audit from year to year as the State has sole discretion for determining the audit periods and frequency. All work is expected to be completed within the prescribed period authorized by the Program's Executive Officer. The Contractor will advise the Program's Executive Officer if significant issues/problems arise that may cause the Contractor to cease work on the engagement or that may delay the completion of the audit beyond the prescribed authorized period.

Any adjustments to scope of the audit must be fully authorized and approved by the State and the Program's Executive Officer prior to any action.

As part of the audit the Contractor is to audit the net asset change, appreciation/depreciation, contributions/distribution, and audit and certify the declared interest crediting rates of the Program's adopted Stable Value Investment option (i.e.: Stable Value Fund, General/Fixed Account, Stable Value Separate Account, etc.).

The Contractor is to provide a work plan with each audit review documenting timeline for audit completion. The Contractor will participate in a contract coordination meeting organized and chaired by the NDC Executive Officer along with all of the key contacts of each of the payroll centers and the Program's contracted Recordkeeper(s) so that all parties acknowledge the established audit timeline

Work shall at all times, be subject to the NDC Executive Officer's review and approval.

The Contractor is to prepare a formal report and be required to present its findings to the Committee at one of its regularly scheduled quarterly committee meetings, determined by the NDC Executive Officer. The Contractor will be required to provide an electronic version and 10 hard copies of the final report, financial statements, management letters, and any other written communication that will be part of the final report to the Executive Officer at least 30 days prior to the regularly scheduled quarterly committee meeting the Contractor will be presenting at.

ATTACHMENT "BB"

INSURANCE

ATTACHMENT "BBB"

Standard Professional Service Contracts - Driving Involved, Insurance Requirements

INDEMNIFICATION CLAUSE:

Contractor shall indemnify, hold harmless and, not excluding the State's right to participate, defend the State, its officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against all liabilities, claims, actions, damages, losses, and expenses including without limitation reasonable attorneys' fees and costs, (hereinafter referred to collectively as "claims") for bodily injury or personal injury including death, or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary less investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State.

INSURANCE REQUIREMENTS:

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, his agents, representatives, employees or subcontractors and Contractor is free to purchase additional insurance as may be determined necessary.

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a "following form" basis.

1. **Commercial General Liability - Occurrence Form**

Policy shall include bodily injury, property damage and broad form contractual liability coverage.

• General/Aggregate	\$2,000,000
• Products - Completed Operations/Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Each Occurrence	\$1,000,000

- a. The policy shall be endorsed to include the following additional insured language: "The State of Nevada shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor".

2. Automotive Liability

Bodily Injury and Property Damage for any owned, hired, and non-owned vehicles used in the performance of this Contract.

- **Combined Single Limit (CSL) \$1,000,000**
- a. The policy shall be endorsed to include the following additional insured language: "The State of Nevada shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor, including automobiles owned, leased, hired or borrowed by the Contractor

3. Worker's Compensation and Employers' Liability

Workers' Compensation

Statutory

Employers' Liability

Each Accident	\$100,000
Disease – Each Employee	\$100,000
Disease – Policy Limit	\$500,000

- a. Policy shall contain a waiver of subrogation against the State of Nevada.
- b. This requirement shall not apply when a contractor or subcontractor is exempt under N.R.S., AND when such contractor or subcontractor executes the appropriate sole proprietor waiver form.

Professional Liability (Errors and Omissions Liability)

The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Services of this contract.

Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

- a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

B. ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed to include, the following provisions:

1. On insurance policies where the State of Nevada is named as an additional insured, the State of Nevada shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

C. NOTICE OF CANCELLATION: Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided or canceled except after thirty (30) days prior written notice has been given to the

State, except when cancellation is for non-payment of premium, then ten (10) days prior notice may be given. Such notice shall be sent directly to State of Nevada, Department of Administration, Administrative Services, 209 E. Musser Street, Room 304, Carson City, Nevada 89701.

- D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or authorized to do business in the state of Nevada and with an "A.M. Best" rating of not less than A-VII. The State in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the State with certificates of insurance (ACORD form or equivalent approved by the State) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements are to be received and approved by the State before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract or to provide evidence of renewal is a material breach of contract.

All certificates required by this Contract shall be sent directly to State of Nevada, Department Of Administration, Administrative Services, 209 E. Musser Street, Room 304, Carson City, Nevada 89701).

The State project/contract number and project description shall be noted on the certificate of insurance. The State reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATES RISK MANAGEMENT DIVISION.**

- F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insureds under its policies or Contractor shall furnish to the State separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the Attorney General's Office or the Risk Manager, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

AMENDMENT # Three

TO CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

Between the State of Nevada

Acting by and Through Its

Nevada Public Employees' Deferred Compensation Program

100 N. Stewart Street, Suite 100

Carson City, Nevada 89701

Contact: Rob Boehmer, Executive Officer

Phone: 775-684-3397 Fax: 775-684-3399

Email: rboehmer@defcomp.nv.gov

and

Voya Financial

(Formerly ING Life Insurance and Annuity Company)

One Orange Way

Windsor, Connecticut 06095

Contact: Bishop Bastien

Phone: 916-774-7595

Email: Bishop.Bastien@voya.com

1. **AMENDMENTS.** For and in consideration of mutual promises and/or their valuable considerations, all provisions of the original contract dated November 12, 2014, Amendment # One dated December 29, 2014 and, Amendment # Two, dated September 22, 2015, attached hereto as Exhibit A, remain in full force and effect with the exception of the following:

- A. This is the third amendment of the original revenue contract which provides administrative cost reimbursement of the State's 457 Deferred Compensation and FICA Alternative Plan. This amendment is correcting the administrative name in Attachment AA Negotiated Points, Subsection #5.

Current Contract Language:

5. ING agrees to increase overall plan participation by 10 percentage points, from 24% to 34%, over the course of the five-year contract term. Participation shall be measured following the completion of implementation period on January 1, 2015 and again at the end of the contract term, on December 31, 2019.

Amended Contract Language:

5. Voya Financial (Formerly ING Life Insurance and Annuity Company) agrees to increase overall plan participation by 10 percentage points over the course of the five-year contract term. Participation shall be measured following the completion of implementation period on February 1, 2015 and again at the end of the contract term, on December 31, 2019.

2. **INCORPORATED DOCUMENTS.** Exhibit A (Original Contract and Amendment's One and Two) is attached hereto, incorporated by reference herein and made a part of this amended contract.
3. **REQUIRED APPROVAL.** This amendment to the original contract shall not become effective until and unless approved by the Nevada State Board of Examiners.

IN WITNESS WHEREOF, the parties hereto have caused this amendment to the original contract to be signed and intend to be legally bound thereby.

Carl B. Kern

Independent Contractor's Signature

1/10/19

Date

Vice President

Independent Contractor's Title

[Signature]

Signature

1/10/19

Date

Executive Officer

Title

APPROVED BY BOARD OF EXAMINERS

Signature – Board of Examiners

On: _____

Date

Approved as to form by:

On: _____

Deputy Attorney General for Attorney General

Date

VENDOR RATING WORKSHEET

Agency Name: Nevada Deferred Compensation

Vendor: Segal Marco

Contract Monitor/Rater: _____

Date of Rating: 12/30/2018

Document Number: _____

Signature/Notes: _____

Default is standard. If category being rated is not applicable the vendor score defaults to standard.

Rating Categories	Below Standard	Standard	Above Standard
Customer Services			
Timeliness			
Quality			
Technology			
Flexibility			
Pricing			

OVERALL RATING: _____

Any rating other than standard requires explanation and documentation.

COMMENTS:

Category Definitions

CUSTOMER SERVICE: degree of responsiveness provided by the contractor/supplier to an agencies request for assistance

TIMELINESS: degree to which the contractor supplied product or service within the time frames identified/specified in the contract/scope of work

QUALITY: degree to which a product or service meets or exceeds standards set forth in the contract/scope of work

TECHNOLOGY: the level to which the contractor/supplier utilizes current technologies to deliver and support products and services as specified in the contract/scope of work

FLEXIBILITY: adaptability of contractor/supplier to adjust to the State's changing needs

PRICING: the level to which the contractor/supplier adheres to the pricing structure outlined or specified in the contract/scope of work

Rating Definitions

1=Below Standard: Vendor performance regarding the terms and conditions of the contract/scope of work has been less than standard/satisfactory. Support documentation is required (**overall score of less than 1.75**).

2=Standard: Vendor has met all specifications/requirements of the contract/scope of work (**overall score of 1.75-2.25**).

3=Above Standard: Vendor performance regarding the terms and conditions of the contract/scope of work has been more than standard/satisfactory. Support documentation is required (**overall score above 2.25**).

VENDOR RATING WORKSHEET

Agency Name: Nevada Deferred Compensation

Vendor: Eide Bailly

Contract Monitor/Rater: _____

Date of Rating: 12/30/2018

Document Number:_____

Signature/Notes:_____

Default is standard. If category being rated is not applicable the vendor score defaults to standard.

Rating Categories	Below Standard	Standard	Above Standard
Customer Services			
Timeliness			
Quality			
Technology			
Flexibility			
Pricing			

OVERALL RATING: _____

Any rating other than standard requires explanation and documentation.

COMMENTS:

Category Definitions

CUSTOMER SERVICE: degree of responsiveness provided by the contractor/supplier to an agencies request for assistance

TIMELINESS: degree to which the contractor supplied product or service within the time frames identified/specified in the contract/scope of work

QUALITY: degree to which a product or service meets or exceeds standards set forth in the contract/scope of work

TECHNOLOGY: the level to which the contractor/supplier utilizes current technologies to deliver and support products and services as specified in the contract/scope of work

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3=Above Standard: Vendor performance regarding the terms and conditions of the contract/scope of work has been more than standard/satisfactory. Support documentation is required (**overall score above 2.25**).

VENDOR RATING WORKSHEET

Agency Name: Nevada Deferred Compensation

Vendor: Voya Financial

Contract Monitor/Rater: Rob Boehmer

Date of Rating: 12/30/2018

Document Number: _____

Signature/Notes: _____

Default is standard. If category being rated is not applicable the vendor score defaults to standard.

Rating Categories	Below Standard	Standard	Above Standard
Customer Services			
Timeliness			
Quality			
Technology			
Flexibility			
Pricing			

OVERALL RATING: _____

Any rating other than standard requires explanation and documentation.

COMMENTS:

Category Definitions

CUSTOMER SERVICE: degree of responsiveness provided by the contractor/supplier to an agencies request for assistance

TIMELINESS: degree to which the contractor supplied product or service within the time frames identified/specified in the contract/scope of work

QUALITY: degree to which a product or service meets or exceeds standards set forth in the contract/scope of work

TECHNOLOGY: the level to which the contractor/supplier utilizes current technologies to deliver and support products and services as specified in the contract/scope of work

FLEXIBILITY: adaptability of contractor/supplier to adjust to the State's changing needs

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3=Above Standard: Vendor performance regarding the terms and conditions of the contract/scope of work has been more than standard/satisfactory. Support documentation is required (**overall score above 2.25**).



2019 Annual Conference

We are excited to announce that the 2019 NAGDCA Annual Conference will be held in New Orleans, Louisiana. Join us in the land of jazz to network, develop cutting-edge plan strategies, and work together to provide secure retirement for all public sector employees.

The conference will be held from September 8, 2019 to Wednesday, September 11th, 2019 (8 am to 5 pm EST). NAGDCA is hosting the conference at the Hyatt Regency New Orleans. Industry sponsorship slots are now available. Please contact Liz Fossett (lfossett@amrms.com) for questions regarding the 2019 conference.

Segal Marco Advisors' 2019 Client Conference

March 28-31, 2019

The Ritz-Carlton
Amelia Island, Florida

 **Segal Marco Advisors**

Agenda

Thursday, March 28

4:00 – 6:00 pm **Registration and Welcome Cocktail Reception**

Friday, March 29

7:00 – 8:00 am **Breakfast**

8:00 am – 12:00 pm **General Sessions**

Happy 50th Anniversary!

Our President and CEO, John DeMaio, will take a quick look back in time and discuss how the firm has grown to an industry leader and share his outlook for the firm's future.

Markets Since March 2009 – The Golden Decade

This presentation reviews how the Global Financial Crisis (GFC) changed so much in the investment industry and how markets and investors have reacted post that event. We cover the impact of central bank actions, highlight changes in return patterns, and put the recovery into perspective. Finally, we look at the sources of returns for the past decade with an eye towards the future.

Where Are We Now?

In this session, we take a snapshot of the current state of the macro environment and markets and discuss our longer-term expectations going forward. We also review some of the risks and challenges that investors are likely to face over the coming years.

6:00 – 9:00 pm **Cocktail Reception and Dinner**

Saturday, March 30

8:00 – 9:00 am **Breakfast**

9:00 am – 12:00 pm **General Sessions**

How to Manage Risk

Risk means very different things to different investors, which can make addressing the topic difficult. In this presentation, we examine risk at a high level, seeking to define areas that impact investors, and look at the current and prospective environment to identify potential risk factors. In addition, we outline some potential ways to mitigate these factors in your investment program.

Manager Research Process

Our process for assessing asset managers has been developed over many years of continuously considering ways to improve upon it. Yet much of what we do is based upon tried and true due diligence that has served clients well for decades. In this session, we share how we seek to identify sources of excess return from asset managers.

Roundtables

Our roundtable sessions provide participants the opportunity to meet with SegalMarco professionals to ask questions and discuss topics of interest. Topics will include consulting, equity, fixed income, asset allocation, private markets, and investment outlook.

Sunday, March 31

8:00 – 9:00 am **Breakfast**

9:00 am – 12:00 pm **General Sessions**

Where to Get Income / The Role of Fixed Income

After many years of historically low and perhaps rising rates, the typical portfolio benchmarked against the Aggregate Index is likely to struggle to carry its weight. During this session, we review opportunities to bolster those returns through income generating opportunities, while reviewing the fixed income landscape.

Alternative Markets – Growth, Search for Panacea, Risk Expectations

Alternatives to liquid investments have shown great promise for bridging the gap between investors' goals and lower expected returns from the capital markets. This potential is not without risk, however, and other challenges. In this presentation, we assess these markets and provide guidance on specific areas that may generate attractive returns as well as review ways to address associated challenges.

Why Global/Emerging Markets?

During much of the period since the GFC, U.S. markets have performed well relative to investing outside of our home country. What are the opportunities going forward? How might investors access these markets? What role should Emerging Markets play in a portfolio – specifically, China?

State of the Investment Industry

From OCIO to ESG, industry consolidation to artificial intelligence, and the ever-changing regulatory environment, we talk about the investment industry from all perspectives – asset management, asset owners, and consultants/advisors. Big changes are afoot as demographics and technology may dramatically alter our landscape.

Segal Marco Advisors' Outlook

Each quarter, our Investment Committee develops a 12- to 18- month perspective on capital markets to assist clients in managing their investment programs. We provide a brief overview of this outlook.

Sustainability and Governance

We are very proud of our contribution to responsible investing. In this session, we review how SegalMarco evaluates sustainability and governance on our clients' behalf, from assessing asset managers' approach to environmental, social and governance (ESG) factors to engaging with corporations to support best governance practices. Finally, we share some of the lessons we have learned from analyzing these areas and discuss our proxy voting activity for the year.

The Next Recession – How Steep?

A guest speaker from the investment industry provides one perspective on when the next recession might take place and how it might rank in magnitude versus the GFC and other historical downturns.



2019 Voya Client Summit

Please Save The Date!

The workforce of the future is evolving—driven by globalization, technology, automation and changing demographics. How do you attract and retain the talent your organization needs to be successful in a changing labor market? Benefits can be a key part of that equation!

Please join us for an opportunity to network with other large organizations, hear from industry experts and join in round-table discussions on the future of retirement and employee benefits.

Keep an eye out for future emails containing additional information.

May 8 - 10, 2019

The Westin New York at Times Square

270 West 43rd Street, New York City

ADD TO CALENDAR





2019

Schedule of Meetings, Educational Seminars, and Conferences

Committee Meetings	Educational	Conferences/Training
January 16, 2019, 9:00 a.m. Planning Session State Library & Archives 100 N. Stewart St., Room 110 Carson City, Nevada	Retiree Financial Wellness Days June 2019	March 28-31, 2019 Segal Marco Advisors' Client Conference Amelia Island, Florida
March 1, 2019, 9:00 a.m. Quarterly Meeting State Library & Archives 100 N. Stewart St., Room 110 Carson City, Nevada	Financial Wellness Days October 2019	May 8-10, 2019 Voya Financial Client Summit New York, New York
May 2019 Quarterly Meeting Carson City, Nevada Location TBD		September 8-11, 2019 National Association of Government Defined Contribution Administrators (NAGDCA) National Conference New Orleans, Louisiana
August 2019 Quarterly Meeting Carson City, Nevada Location TBD		
December 2019 Quarterly Meeting Carson City, Nevada Location TBD		