



STATE OF NEVADA 457 PLAN COMPLIANCE REVIEW JUNE 2021

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1. Introduction

The Nevada Public Employees' Deferred Compensation Program ("NDC") engaged Hyas Group to conduct a Plan Compliance Review for the Plans operated by NDC Administrative Staff ("Staff") and overseen by the Nevada Public Employees' Deferred Compensation Committee ("Committee"). These Plans include the Nevada State Employees' 457 Deferred Compensation Plan, the Political Subdivisions 457 Deferred Compensation Plan, Nevada System of Higher Education ("NSHE") 457 Deferred Compensation Plan, and FICA Alternative Plan.

This Plan Compliance Review provides further detail as it relates to:

- **Sample Transactions.** Hyas Group sampled and audited random Voya transactions to ensure their accuracy and the Program's overall efficiency.
- **Website Compliance.** Hyas Group tested participant and plan sponsor websites to determine user experience efficiency and accuracy of data.
- **Plan Documents.** Hyas Group noted opportunities to update the current Plan Document structure as well as incorporate recent legislative provisions into the Documents.
- **Governance Documents.** Hyas Group noted recent changes made in governance documents such as the Investment Policy Statement ("IPS"), and incorporation of a Fee Policy Statement into the Administrative Policy Manual.
- **Current Best Practices and Future Considerations.** Hyas Group noted that the Committee continues to follow industry best practices as it relates to Plan features and structure. Recent discussions and actions have included:

NDC Best Practices		
Adopting Qualified Birth/Adoption Distribution (QBAD) Provision from the SECURE Act	Environmental/Social/Governance ("ESG") Investing	Continued Discussion Regarding Emergency Savings Account Options
CARES Act Provision Implementation	Missing Participant Policies	Fee Optimization
Cybersecurity Training	Managed Account Effectiveness	Share Class Enhancements
Auto Enrollment Exploration	Fund Lineup Reviews	GASB 97 Applicability

Thank you to NDC Staff, particularly NDC Executive Officer Rob Boehmer and NDC Administrative Assistant Micah Salerno, for their support and responsiveness throughout this project. Thank you as well to the recordkeeping team from Voya, particularly Bishop Bastien, Merrill Desrosiers, and Jonathan Zujko for their cooperation and assistance, especially as related to transaction samples.

The last compliance review was conducted by another firm in 2017. It concluded that “the Plans are substantially in compliance with requirements under section 457(b) of the Internal Revenue Code (IRC).”

Hyas Group concludes that the Program is once again substantially in compliance as it relates to the IRC.

2. Sample Transactions

Hyas Group reviewed a 5% sample of the following types of transactions from each of the NDC Plans for the 12-month periods beginning July 2017, 2018, and 2019:

- Contributions
- Participant-level cash flows
- Plan-level cash flows

Transaction Reviewed	Tests Performed	Results
Contributions	Reconciled contribution sources (Roth, Traditional, Rollover, etc.) and total amounts credited to participant accounts by taking a random sampling of a minimum of 5% of plan participants. Random sampling was determined in the initial period beginning in 2017 and testing was conducted using the same participant sample through each period of data to ensure total continuity.	<p>All contributions were accounted for based on the data received, however there were several instances of data continuity issues. Those are as follows:</p> <p><u>Plan 666782 – FICA Alternative:</u> There are 17 instances where participants held a balance at the end of June 2018 but seemed to be omitted from the data for July 2018 through June 2019. Additionally, there were two participants who held a balance at the end of June 2019 but seemed to be omitted from the data for the period of July 2019 through June 2020. In all of these instances, Voya confirmed that there were participant division transfers which caused the data anomaly.</p> <p><u>Plan 666783 – State Employees:</u> There were five instances where participants held a balance at the end of June 2018 but were omitted from the data for July 2018 through June 2019. In all of these instances, Voya confirmed that there were participant division transfers which caused the data anomaly.</p> <p><u>Plan 666970 – Political Subdivisions:</u> There was one instance where a participant held a balance at the end of June 2018 but was omitted from the data for July 2018 through June 2019. Voya confirmed that the participant had transferred divisions which caused the data anomaly.</p> <p><u>Plan 666971 – NSHE:</u> No problems found.</p>

Transaction Reviewed	Tests Performed	Results
Participant-level cash Flows (Withdrawals, Distributions, and Miscellaneous Transactions)	Reconciled division-level cash flows to participant-level cash flows. Cash flows include opening and ending balances along with various contributions (Traditional, Rollover, Roth, etc.), distributions (Withdrawals, Distributions, Fees, etc.), transfers, and earnings (Dividends, Earnings, Appreciation, Depreciation) were included. A minimum of 5% of cash flows transaction types were reviewed for each division in each plan.	<p>In one case, Withdrawals/Distributions and Miscellaneous transactions did not reconcile between the Participant Summary Activity and Plan Summary Activity Reports. While grand totals did not match for these two transaction types, individual divisions reconciled properly for these two reports. An inverse outage between Withdrawal/Distribution and Miscellaneous of (\$4,821.62) and \$4,821.62 respectively was found in Plan 666783 (State Employees) for FY2018.</p> <p>Voya determined the Participant Level Report is not capturing the death claims paid out to the participant in the amount of \$4,821.62. The reason is because the participant was placed into Div/Sub 9999 and that div/sub is not pulled into the participant level report.</p>
Plan-level cash Flows (Division-Level Accounts)	Reconciled division-level cash flows to participant-level cash flows. Cash flows include opening and ending balances along with various contributions (Traditional, Rollover, Roth, etc.), distributions (Withdrawals, Distributions, Fees, etc.), transfers, and earnings (Dividends, Earnings, Appreciation, Depreciation) were included. A minimum of 5% of cash flows transaction types were reviewed for each division in each plan.	<p>In two cases, two division-level cash flows did not reconcile between the Participant Summary Activity and Plan Summary Activity Reports. In both cases, a separate individual participant transferred from one division to another causing the cash flows for each set of two divisions to not balance with the participant-level cash flows. These occurrences can be found in Plan 666782 (FICA) for FY2018 and Plan 666971 (NSGE) for FY2018.</p> <p>Voya only maintains one div/sub location per participant and updates the div/sub location if Voya is made aware of the change in work location. With that being said Voya can have participants with the wrong current div/sub location on file when funding is coming in under another div/sub location. Having the wrong div/sub on file does not prohibit any contributions from properly being applied to the participants account however it will lead to reporting discrepancies.</p>

Transaction Reviewed	Tests Performed	Results
Plan-level cash Flows	Reconciled division-level cash flows to participant-level cash flows. Cash flows include opening and ending balances along with various contributions (Traditional, Rollover, Roth, etc.), distributions (Withdrawals, Distributions, Fees, etc.), transfers, and earnings (Dividends, Earnings, Appreciation, Depreciation) were included. A minimum of 5% of cash flows transaction types were reviewed for each division in each plan.	<p>In three cases, beginning and ending balances did not reconcile between fiscal years. Between FY2018 and FY2019 for Plan 666783 (State Employees), there was a drop of \$1,863,333.37. Between FY2018 and FY2019 for Plan 666970 (Political Subdivisions), there was a drop of \$1,314,402.33. Between FY2018 and FY2019 for Plan 666971 (NSHE), there was a drop of \$220,323.24. Additionally, there was an increase of \$0.01 in two cases (Plan 666783, FY2017-FY2018 and Plan 666971, FY2017-FY2018).</p> <p>Voya believes these are related to participant division transfers, however further review by Voya is required and in process.</p>

After reconciling the 5% sample data noted above, Hyas Group detected only minor discrepancies which are common for Plans similar in size to Nevada. Overall, Hyas Group determines the Plans to be in compliance.

Hyas Group encourages NDC to continue conducting annual audits of transactions to ensure the accuracy of data provided to the Plans and participants.

3. Website Accuracy

During our data collection process for this audit, we reviewed the Plans' two demonstration websites: Navigational Participant Demonstration (<https://demos.voyacdn.com/dcdemosite>) and Navigational Sponsor Demonstration (<https://demos.voyacdn.com/ipssponsorwebdemo>).

Both websites showcase a top-level authentic website experience, highlighting the ease of navigation for the user as well as the excellent and pertinent wealth of information which allows users to dig both deep and wide into every area offered. We noted various media aimed to introduce topics that the user may be interested in.

In addition, the site features interactive forecasting graphs that encourage the user to practice with their own personal scenarios, thus helping the user feel more comfortable with the coinciding supporting data. The sites answered questions posed and provided links to dive deeper into relevant topics.

Our audit did discover some minor errors that may need to be addressed; mainly, there are some links that do not go anywhere and/or display an error message, some dropdowns do not work, and some “?” explanation buttons that freeze up, not allowing the user to click off them. Here is a list of the errors noted in our sample audit:

Webpage	Error
https://demos.voyacdn.com/dcdemosite/advice/advice.html	The “Methodology and assumptions” link does not work
https://demos.voyacdn.com/dcdemosite/advice/advice.html	The orange “Next” button takes leads to a dead-end page, and the blue “OK” button on that dead-end page also does not go anywhere
https://demos.voyacdn.com/dcdemosite/advice/advice.html	Bottom of page, orange “Next” button it leads to the same dead-end page as above, and the blue “OK” button on that dead-end page also does not go anywhere
https://demos.voyacdn.com/dcdemosite/advice/advice.html	The orange “GET HELP MAKING CHANGES” link does not work
https://demos.voyacdn.com/dcdemosite/savings_account_value_chart.html	Under Account List, click on “Employer’s Savings Plan”, under “Investment Details”, blue “SEE MORE” under “Balance History” leads to a page but the “Pick your own comparison dates” and blue “Compare” link to enter dates do not work

Webpage	Error
https://demos.voyacdn.com/dcdemosite/advice/advice.html	<p>Under "Marketwatch":</p> <ul style="list-style-type: none"> ▪ "Watch List" the link does not display any information ▪ "Watch Snapshot" link doesn't work – gives error "Property name is invalid"
https://demos.voyacdn.com/dcdemosite/advice/advice.html	<p>Bottom of home page:</p> <ul style="list-style-type: none"> ▪ Voya.com link does not work – "an error has occurred. The system is temporarily unavailable, please try again later. We apologize for any inconvenience. Please try again later or contact email the webmaster." ▪ Sitemap link does not work ▪ Glossary link does not work
https://demos.voyacdn.com/dcdemosite/financial_wellness.html	<p>Lightbulb icon "DID YOU KNOW...?" click "Start Here", click orange "GET STARTED" button</p> <ul style="list-style-type: none"> ▪ The dropdowns are prepopulated but so not allow user to choose any other options so the assessment is not personalized as advertised; this the "SCORE DETAILS" are the prepopulated results, not the user's personalized data ▪ Bottom of page, same Voya links as above do not work here either (Voya.com, Sitemap, Glossary)
https://demos.voyacdn.com/dcdemosite/financial_wellness.html	<p>"Resource Center", "Life Stage Guidance", orange "EXPLORE LIFE STAGES" button, "Starting Out", "Focus on spending and saving", "Build a budget", the Budget Calculator link does not work</p>
https://resourcecenter.voya.com/articles/how-manage-debt-and-still-have-fun	<p>"How to Manage Debt (and Still Have Fun)" article's Budget Calculator link does not work</p>
https://demos.voyacdn.com/ipssponsorwebdemo.html	<p>"Average Replacement Income ALL PLANS", the explanation (the "?"), has no way to click off the pop up</p>
https://demos.voyacdn.com/ipssponsorwebdemo.html	<p>"Key Plan Metrics", the explanation ("?"), has no way to click off the pop up</p>

Webpage	Error
https://demos.voyacdn.com/ipssponsorwebdemo.html	"Key Plan Metrics", the explanation ("?"), has no way to click off the pop up
https://demos.voyacdn.com/ipssponsorwebdemo.html	"ALL PLANS" drop down does not work, freezes up
https://demos.voyacdn.com/ipssponsorwebdemo/fe/all_plan_details.html	<p>"DETAILS"</p> <ul style="list-style-type: none"> Under "CHANGE DATA" these links do not work: <ul style="list-style-type: none"> - Deferral Amount - Employee Engagement Under "GROUP BY" these links do not work: <ul style="list-style-type: none"> - Gender - Region
https://demos.voyacdn.com/ipssponsorwebdemo/fe/all_plan_details.html	<p>"BENCHMARKS & TRENDS"</p> <ul style="list-style-type: none"> Under "CHANGE DATA" these links do not work: <ul style="list-style-type: none"> - Account Balance per Participant - Catch Up Participation Rate - Deferral Rate - Percent of Employees with Loans Under "CHOOSE TIME" these links do not work: <ul style="list-style-type: none"> - Past 2 Years - YTD The dropdown for ALL PLANS does not work
https://demos.voyacdn.com/ipssponsorwebdemo/fe/all_plan_details.html	"PLAN SUMMARY" link with arrow does not work
https://demos.voyacdn.com/ipssponsorwebdemo/fe/home.html	"Sponsor Resources" – none of the links work
https://demos.voyacdn.com/ipssponsorwebdemo/fe/home.html	"News Center" – the two articles' links shown do not work ("page not found")
https://demos.voyacdn.com/ipssponsorwebdemo/fe/home.html	Bottom of page links – the sites are coming up "unsecure" so some browsers might block them

Both demonstrations provided an above average experience and with the exception of the minor errors noted; Hyas Group finds them to be in compliance.

4. Plan Documents Review

The following items detail compliance as it relates to Plan Document specific provisions. The 457 and FICA Alternative Plan Documents were updated as of January 2021.

First of the Month Rule

In the previous Compliance Review, it was determined that NDC was not accurately tracking the “first-of-the-month” rule. The rule, unique to 457 Plans, notes that any deferral change may take effect on the first day of the calendar month providing that participant has entered into such agreement in the previous calendar month. The first-of-the-month rule includes any deferral changes. Since that notification, NDC has been actively monitoring and following the first-of-the-month rule. The current process is as follows:

- NDC Staff communicates to payroll centers when forms should be processed.
- Forms are submitted to central payroll when are they ready for processing in the correct timeframe.
- NDC diligently provides notifications to payroll centers on a regular basis.
- Participant forms note “first available pay period in the month following” the date listed on the form.

Hyas Group determined the current process to be compliant as it relates to NDC Staff enforcement of the first-of-the-month rule. It is also worth noting that current legislation is being considered to finally eliminate the first-of-the-month rule requirement from 457 Plans. This legislation, known as “SECURE Act 2.0”, recently passed the House Ways and Means Committee and is expected to be enacted by the end of 2021.

Three-year Catch-up

Another unique feature for 457 Plans is the special catch which is a three-year catch-up period prior to normal retirement age. Normal retirement age varies by Plan. The NDC normal retirement age is “any age designated by the Participant (i) beginning no earlier that 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 72.”

For NDC participants, the steps featured in a three-year catch-up transaction include:

1. Participants are required to contact NDC or Voya to obtain the special three-year catch-up worksheet. This required outreach flags the participant allowing NDC and/or Voya to also determine eligibility and their catch-up window. Some participants may qualify for a shorter period than three years based on previous contributions.
2. If/once the participant is confirmed they are eligible, they may submit the worksheet through their respective payroll center.
3. The catch-up period is established.
4. Near the end of each year, Voya reviews the accounts of all participants utilizing catch-up.
5. Voya ensures that catch-up participants do not over-contribute.

Hyas Group has audited a sample of three-year catch-up contributions and determined them to be in compliance.

Unforeseeable Emergencies (“UE”)

NDC’s Unforeseeable Emergency process has been updated since the last compliance review. All UEs are processed by Voya according to IRS requirements. This offloading of the UE burden is common practice in today’s recordkeeping industry.

Voya provides monthly and quarterly updates to NDC. This ensures requests are tracked and processed accurately. The process also minimizes any opportunity for excess distributions which was an issue raised in the last compliance audit.

For calendar year 2020, Voya received 486 Unforeseeable Emergency requests. 359 of these requests were processed totaling \$4,112,662.69 in Plan assets. Additionally, Voya personnel confirmed that all “good order” UE requests were efficiently processed within two business days.

Hyas Group is not aware of any systemic issues related to the processing of UEs that might impact the Plans.

Required Minimum Distributions (RMDs)

In 2020, the age at which participants must begin taking Required Minimum Distributions (RMDs) was expanded from 70½ to 72 (SECURE Act). Furthermore, SECURE Act 2.0 (expected to pass late 2021), is seeking to expand that age further from 72 to 75 and eliminate RMDs for participants with balances less than \$100,000. Nonetheless, efficient RMD processing remains a key function for RMD eligible participants. For NDC, the RMD process has been delegated to the recordkeeper, Voya. As previously noted, Hyas Group audited data provided by Voya as related to Required Minimum Distributions and found no errors. Based on the data evaluated, Hyas Group considers NDC processing of RMDs to be efficient and in compliance.

Locating Missing Participants

In January of 2021, the Department of Labor's (DOL) Employee Benefits Security Administration (EBSA) published best practices to help plan sponsors "maintain complete and accurate census information, communicate with participants and beneficiaries about their eligibility for benefits, and implement effective policies and procedures to locate missing participants and beneficiaries." These practices include but are not limited to:

- Maintaining accurate census information for the Plans' participant population
- Implementing effective communication strategies
- Missing participant searches
- Documenting procedures and actions

Voya's high-level process for tracking lost NDC participants and uncashed/stale dated checks are as follows:

- Uncashed Check Process (up to 180 days):
 - A letter is mailed to the address of record around 90 days from when the check was issued if the check is still uncashed.
- Stale/Dated Check Process (checks are considered stale/dated after 180 days from the date of issuance):
 - If the check was issued between January 1 and June 30 and stale/dated, it will get moved to the Plans' stale/dated check account in February of the following year. A letter will be mailed to the address of record during this process.
 - If the check was issued between July 1 and December 31 and stale/dated, it will get moved to the Plans' stale/dated check account in August of the following year. A letter will be mailed to the address of record during this process.

In the case of a lost participant defined as a participant with a balance still in the Plan and no forwarding address, Voya runs tracking software quarterly. The software searches for updated addresses for participants that have an account balance and are active or terminated on the recordkeeping system, Omni. If an updated address is found, the lost participant indicator is removed.

Currently there are no stale/dated checks in the State/Dated Check accounts. Below are the number of lost participants as of 12/31/2020.

Plan	Missing Participants	Total Participants	% Missing Participants
State Employees 457	237	12,017	2%
Political Subdivisions 457	46	3,433	1%
Nevada System of Higher Education 457	12	1,119	1%
FICA Alternative Plan	1,829	28,718	6%

Hyas Group has determined that NDC's process for locating missing participants is efficient and in compliance.

Additional Noteworthy Plan Document Items

Recent updates to the Documents include:

- Inclusion of Qualified Birth/Adoption Distribution (QBAD) provision per the SECURE Act for both 457 and FICA Alternative Plan Documents
- Inclusion of 2020 CARES Act language including definitions of qualified individuals, Coronavirus-Related loans, and Coronavirus-Related Distributions (CRDs)

NDC maintains custom Plan Documents for the 457 and FICA Alternative Plans. In the past few years, some plan sponsors have moved away from maintaining custom Plan Documents. These plan sponsors now utilize their recordkeeper's specimen Plan Document(s). The primary reasons for moving in this direction were:

1. Many agencies have fewer resources to maintain the document internally. As a result, custom plan sponsor documents were neglected by the sponsors creating a fiduciary liability.
2. Moving to the recordkeeper's Plan Document automatically updates the documents, as necessary. Negative elections are still available.
3. Sponsors may still customize Plan Documents. They may add on custom features in a separate document (typically an Adoption Agreement).

Because NDC does such an effective and efficient job maintaining the Plan Documents (updated January 2021), Hyas Group recommends continuing the current structure. However, if NDC desired to offload Plan Document maintenance to the recordkeeper in the future, it would join a growing industry list of public sector plan sponsors that have successfully completed that process.

5. Governance Documents Review

It is best practice for Plan Fiduciaries to maintain current Plan Governance Documents. While the Plan Documents note features and provisions within the Plan(s), governance documents focus more on policies and procedures that impact the Plan(s). Ideally, these policies foster an environment of fairness and transparency regarding all Plan-related decisions. Current NDC Program governance documents include:

- **Investment Policy Statement (“IPS”).** Updated 2021. The latest Investment Policy Statement reflects the current fund lineup structure. Furthermore, the compliance pages of the quarterly performance reports are synchronized with the Investment Policy Statement evaluation criteria. The IPS includes a summary of roles and responsibilities, general investment compliance, investment guidelines and monitoring, qualitative/quantitative criteria, termination/watch guidelines, and a glossary of key terms. Hyas Group will provide IPS updates at least annually.
- **Administrative Manual.** Updated 2021. The “Admin Manual” consolidates many of the governance documents into one bundle. The Admin Manual includes NDC goals and objectives, legal and procedural guidelines, coordination of audits, records retention policy, summary of Committee operation (Bylaws/Charter), overview of ongoing plan administration, code of ethics, and travel policies.
- In 2020, the Admin Manual was updated to include a Fee Policy Statement as Addendum B. The Fee Policy Statement details fee and expense-related procedures for the State of Nevada’s 457(b) Deferred Compensation and 3121 FICA Alternative Programs. It also provides current participant expense detail and provides guidelines regarding excess revenue accrual if applicable. The Fee Policy Statement will be reviewed at least annually by the Committee.
- **Bylaws/Charter.** Not currently available. While the Admin Manual does include a summary of Committee Operation, NDC may wish to consider an independent Bylaws/Charter document. Upon request, this document could also be attached to the Admin Manual, as an Addendum. Furthermore, NDC may wish to include the current member election language in the Bylaws/Charter document. As it relates to naming the document either Bylaws or Charter, the title varies from agency to agency. Hyas Group recommends NDC consult with Nevada Deputy Attorney general for proper naming conventions. If applicable, Hyas Group will assist in the development of the Bylaws/Charter as an independent document.
- **Cybersecurity Policy.** Not currently available. In April 2021, the DOL released guidance as it relates to cybersecurity for plan sponsors and fiduciaries. The guidance included tips for hiring a service provider, cybersecurity program best practices, and online security tips. While NDC and its Plan partners (Voya, Hyas Group) are already following the best practices provided by the guidance, it may be valuable to develop a

cybersecurity policy detailing encryption methodology, security protocols, protection measures, and guarantees for participants in the event of a security breach or fraud. The cybersecurity policy could also include an ongoing training schedule for Committee members and NDC staff. If applicable, Hyas Group will assist in the development of the Cybersecurity Policy.

6. Current Best Practices & Future Considerations

Hyas Group has been fortunate to partner with NDC (and the Committee) since June of 2020. In that relatively brief period, NDC continues to demonstrate fiduciary best practices. Here are some examples:

- NDC provides regular fiduciary training and legislative updates to Committee members and staff. This also includes special fiduciary training for new members, as necessary.
- NDC evaluates and updates Plan Documents regularly (January 2021).
- NDC evaluates and updates Governance Documents regularly. The Committee recently updated the IPS (March 2021).
- NDC regularly evaluates products and services offered to Plan participants including but not limited to advice services, planning services, and education and communication campaigns.
- NDC regularly ensures the efficiency and accuracy of internal processes. For example, NDC is currently working with the Governor's Finance Office, Division of Internal Audits ("DIA") regarding report 21-05, "Board of Pharmacy Deferred Compensation Match."
- NDC conducts an annual planning meeting to discuss Plan improvements for the coming year.
- NDC provides internal budget updates for Plan(s) expenses at least quarterly.
- NDC receives an independent third-party Plan Audit of the 457 Plan and FICA Alternative Plan annually.
- NDC and the Committee regularly evaluate Plan costs and provide a fair and transparent expense structure to 457 and FICA Alternative participants. NDC has recently implemented a Fee Expense Policy (January 2021).
- NDC and the Committee regularly evaluate investment options. In March 2021, the Committee recommended fund changes that will save participants approximately \$428,000 annually.
- NDC regularly discusses relevant legislative changes and their potential impact to the Plans. This includes discussion regarding recent DOL guidance related to Environmental, Social and Governance ("ESG") funds, Government Accounting Standards Board (GASB) Issue No. 97, DOL

Fiduciary rule, DOL Cybersecurity Guidance, SECURE Act, SECURE Act 2.0, CARES Act results, Roth feature applicability, auto-enrollment and more.

- NDC and the Committee regularly discusses and evaluates new products for participants. These products include but are not limited to Collective Trust Investment Options, Emergency Savings Accounts, Retirement Income solutions, and Managed Accounts.
- Finally, Hyas Group believes NDC successfully addressed primary recommendations noted in the previous compliance review. Those recommendations were first-of-the month rule tracking, unforeseeable emergency processing, and three-year catch-up eligibility. NDC has effective processes in place (first-of the month rule, three year catch-up) or has offloaded the administrative burden to Voya (unforeseeable emergencies). Hyas Group has audited these updated processes and determined them to be in compliance.

As it relates to additional best practices and deliverables from this compliance review, NDC may wish to consider the following items:

- Addition of Separate Bylaws/Charter document; this may also be attached as an addendum to the Administrative Manual
- Addition of Cybersecurity Policy; this may also be attached as an addendum to the Administrative Manual
- If applicable, implement SECURE Act 2.0 legislative changes, as necessary
- If applicable, determine potential Plan modifications related to DIA audit 21-05
- Continue to evaluate employee engagement programs to further improve plan participation and retirement outcomes
- Continue to evaluate auto-enrollment and its potential applicability to NDC
- Continue to monitor DOL guidance and its relevance to NDC Plans

7. Summary

With over \$1 billion in assets and features such as transparent low costs, efficient administration, ongoing due diligence, effective governance, and fiduciary best practices, the Nevada Deferred Compensation Program has created a Plan landscape that should continue to drive superior results for Nevada Plan participants.

Hyras Group appreciates the opportunity to provide this compliance review to NDC staff and the Committee. We welcome additional dialogue as it relates to this review and hope to be able to provide assistance as necessary with regard to future deliverables.