



STATE OF NEVADA DEPARTMENT OF ADMINISTRATION

PUBLIC EMPLOYEES' DEFERRED COMPENSATION PROGRAM

100 N. Stewart Street, Suite 100, Carson City, Nevada 89701
Telephone 775-684-3398 | Fax 775-684-3399 | defcomp.nv.gov

Steve Sisolak
Governor

Laura E. Freed
Director

Colleen Murphy
Deputy Director

Rob Boehmer
Executive Officer

NOTICE OF PUBLIC MEETING

**NEVADA PUBLIC EMPLOYEES'
DEFERRED COMPENSATION COMMITTEE**

Monday, January 11, 2021
8:30 a.m.

Pursuant to Declaration of Emergency Directive 006 from Governor Sisolak dated March 22, 2020, the Nevada Deferred Compensation Committee Meeting will be held by teleconference.

Teleconference Access:

Please dial in to one of the numbers below:

- +1 346 248 7799 US (Houston)
- +1 669 900 9128 US (San Jose)
- +1 253 215 8782 US (Tacoma)
- +1 312 626 6799 US (Chicago)
- +1 646 558 8656 US (New York)

Input the Meeting ID and Passcode when prompted:

Meeting ID: 850 1176 7669

Passcode: 150669

Note: Persons may attend the meeting and provide testimony through a teleconference call or by providing written testimony via email to msalerno@defcomp.nv.gov.

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 meeting held on December 1, 2020.
4. For Possible Action- Receive and discuss Annual Training overview of the following:
 - a. Annual Boards and Commission and Open Meeting Law Training overview. *Henna Rasul, Senior Deputy Attorney General* to present.
 - b. Fiduciary duties training overview provided by Hyas Group and published by United States Department of Labor. *Rasch Cousineau* to present.
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
 - a. Addition of SECURE Act option provision of qualified birth or adoption distributions.
 - b. Review, discuss, and potentially take action on State Internal Audits Division Report and recommendations regarding the statutory authority of the NDC Program allowing Employer contributions into the Plan.
 - c. Review and discuss the Government Accounting Standards Board (GASB) 97 ruling on financial reporting and employer contributions.
 - i. Discuss and determine whether the Plan should continue to allow for Employer contributions in the Plan.
 - ii. Discuss recommendations and considerations to accommodate Employer Contributions going forward.
 - iii. Discuss plan of action to meet this requirement before the July 2021 deadline.
 - iv. Discuss Statutory Authority and language which would likely need to be established and vetted through a proposed Bill Draft Request either during the interim or as part of the 82nd Legislative Session in 2023.
 - c. Federal Insurance Contributions Act (FICA) Alternative Plan Document
 - i. Review Plan Document recommended changes- SECURE Act option provision of qualified birth and /or adoption
 - ii. Discuss and decide on Revenue Reserve for the FICA Administrative Account based on discussion and review of data presented.
 - d. Administrative Manual
 - i. Discuss proposed or potential amendments including recommended fee policy reference and ISP policy reference
 - ii. Review and discuss current Administrative Fee threshold in place for accounts under \$1000. Receive and discuss participant data requested at the December 1, 2020 meeting to reflect the accounts auto distributed in October 2020.
 - e. Discuss and review any proposed future Plan initiatives and/or Plan design changes
 - i. Report on and discussion on implementing and executing opt-out auto features and the implementation of SMART 21 On-Boarding and Training.
6. For Possible Action- Receive and discuss Marketing/Communication/Education Administrative Plan for 2021:
 - a. Review overall Plan Participation, Marketing, and Communication
 - i. Report on 2020 vs. 2019 trends in participation engagement and assessing financial wellness – *Voya's Scott Darcy to present*

- ii. Proposed marketing plan to increase Program participation and engagement in 2021 – *Voya's Scott Darcy to present*
 - iii. 2020 Participant Satisfaction Survey results vs. 2019 and 2018 – *Voya's Scott Darcy to present.*
 - b. Review and presentation of Voya Financial's improvements to the participant website – *Voya's Bishop Bastien to present.*
 - c. Voya Financial Advisors and Financial Engines to present Financial Wellness Analysis of the NDC Plan and allow for Committee Questions
 - d. Committee to discuss any additional items they or Staff would like to see in the monthly and quarterly marketing and communication plan for 2021.
 - e. Cyber Security Report- *Voya's Charles Griffon to present (will be attending around 1-2pm)*
 - f. National Financial Security Week- Nevada Saves Month (October 2021)
 - i. Discuss changes to the format of this event
 - ii. Discontinue or discuss other outreach ideas
 - iii. Discuss nomination of NDC for Annual NAGDCA Leadership Awards
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. FY2020 Financial audit are being finalized and scheduled to be completed by Casey Neilon prior to March Quarterly Committee Meeting.
 8. For Possible Action- NDC contract(s) RFP Development, current contract review, and discuss Program contract evaluations:
 - a. Existing Contract expirations, review, and discussions:
 - i. Investment Consulting/Compliance review contract
 - ii. Recordkeeping contract
 - iii. Financial Audit contract- We will attempt to extend contract, if unsuccessful, we will issue RFP or exercise Professional Services exemption.
 - b. Mandatory Vendor Rating Evaluations discussion and review:
 - i. Investment Consultant/Compliance Audit Contractor (Hyas Group)
 - ii. Financial Audit Contractor (Casey Neilon)
 - iii. Recordkeeper (Voya Financial).
 9. For Possible Action- Discuss participation in the following training opportunities:
 - a. National Association of Government Defined Contribution Administrators (NAGDCA) (September 12-15, 2021- Phoenix, Arizona),
 - b. Institutional Investor, Plan Sponsor, or Pensions and Investments Conference Participation in 2021.
 10. For Possible Action- Receive, discuss, and approve Interlocal FICA Contract for Political Subdivision, Truckee Meadows Fire Protection District.
 11. For Possible Action- Confirm upcoming NDC Quarterly Committee meetings for March 2nd and June 9th.
 12. Committee Members comments
 13. Update from Investment Consultant
 14. Update from Recordkeeper
 15. Administrative Staff/Department of Administration Updates
 16. *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).

17. 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.

THIS MEETING HAS BEEN PROPERLY NOTICED AND POSTED ON THE FOLLOWING WEB SITES:

Nevada Department of Administration- Public Employees' Deferred Compensation Program website: <https://defcomp.nv.gov/Meetings/2021/2021/>

Nevada Public Notice Web Site: <https://notice.nv.gov/>

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.



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**DEFERRED COMPENSATION COMMITTEE
QUARTERLY MEETING MINUTES**

December 1, 2020

The quarterly meeting of the Deferred Compensation Committee was held on Tuesday, December 1, 2020, at 9:00 a.m. in the Nevada State Library & Archives Building, 100 North Stewart Street, Boardroom, Carson City, Nevada. Attendees participated in person and by teleconference.

A copy of meeting material including this set of meeting minutes, the agenda, and other supporting material, is available on the Nevada Deferred Compensation (NDC) website at:
<http://defcomp.nv.gov/Meetings/2020>.

COMMITTEE MEMBERS

Susie Chang
Kent Ervin
Jeff Ferguson
Matt Kruse, Vice Chair
Debbie Bowman, Chair

OTHERS PRESENT

Bishop Bastien, Voya
Rob Boehmer, NDC Executive Officer
Rasch Cousineau, Hyas Group
Scott Darcy, Voya

Merrill Desrosiers, Voya
Henna Rasul, Sr. Deputy Attorney General
Micah Salerno, NDC Admin. Assistant

1. Call to Order/Roll Call

Chairwoman Bowman called the quarterly meeting to order for the Nevada Deferred Compensation (NDC) Committee at 9:01 a.m. on Tuesday, December 1, 2020.

Mr. Boehmer took roll and determined a quorum was present and confirmed the meeting was properly noticed and posted. He noted that Ms. Susie Chang was excused due to a conflict with her work schedule, but she would try to join later in the meeting.

2. Public Comment

No public comment.

3. Approval of Nevada Public Employees' Deferred Compensation Program (NDC) Committee (Committee) meeting minutes for public meeting held on September 22, 2020.

Motion by Mr. Ferguson to approve the minutes from September 22, 2020, second by Mr. Kruse. Motion passed unanimously, 4-0.

4. For Possible Action- Receive, discuss, and approve Executive Officer Report of third quarter 2020.

Mr. Boehmer opened his quarterly report speaking on the FY2021 budget status, quarterly plan activity and data, and the Administrative account. He noted that a work program was done for Category 26 to have Enterprise IT add a field for employee salary data in the contribution file from Central Payroll. He thanked Voya for splitting the cost to add this data field for financial planning. All State agencies were required to take a 14% budget cut for FY2021 and 12% for the next biennium. The bill draft request (BDR) was still being considered for the legislative session to add auto features for the Program.

- a. FY2021 Budget Status Report (BSR):
 - 2020 revenues were \$348,557 and expenses \$386,658. The 2020 reserve balance was \$88,791
 - 2021 revenues were \$380,557 and expense at \$431,454. The 2021 reserve balance was \$91,689
- b. Quarterly Plan Activity and Data Report:
 - As of September 30, 2020, 11% of participants were not paying a fee because their balances were under \$1,000. Voya purged inactive accounts on October 7, 2020 which should reduce that percentage. Voya and NDC Staff would provide an update at the next meeting.
 - The Committee discussed the FICA Alternative Plan administrative account balance which was \$18,914 as of November 13, 2020. Discussion focused on how common it was to have an admin allowance balance for part-time plans like the FICA Alternative Plan, and if there was a balance, how much to keep in the admin account. The discussion was tabled for the January planning meeting.
- c. City of North Las Vegas and Lincoln County Update and Report:
 - City of North Las Vegas was conducting a recordkeeping RFP and pending those results, may continue with their own Plan or join the State Plan.
 - Lincoln County had been authorized as a Political Subdivision participant and would begin contributions shortly.
 - Las Vegas Metro Police may also join the State Plan pending results of their current recordkeeping situation (Fidelity).

Motion by Dr. Ervin to approve the Executive Officer report. Second by Mr. Ferguson, motion passed unanimously, 4-0.

5. For Possible Action- Receive and approve Investment Consultant's review of third quarter 2020.

Mr. Cousineau presented the Third Quarter 2020 Performance Report.

- a. Features of the report were:
 - Market Commentary: Overall, second quarter market momentum continued into the third quarter. Widely followed market indexes were up 7.6% (Dow Jones Industrial Average); 8.5% (S&P 500); and 11.5% (NAGDAQ). Ten out of eleven sectors were up for the quarter with consumer discretionary leading the way at 15.06% and energy trailing at -19.72%. Speaking of energy, it had been a tough 2020 thus far, with the sector now down 48.09% year-to-date. Energy trailed the year's leading sector (Technology) by a whopping 76%. Technology was up 28.69% year-to-date. This dramatic delta between sectors had been a key factor in the Plan's fund performance. Funds overweighted to

energy had generally underperformed their peers and benchmarks while funds overweighted to technology had generally outperformed their peers and benchmarks.

- Plan Data Review: September 30, 2020 full-time Plans assets were \$932,375,483 which represented a market gain of \$42,327,580 for the quarter. The gain was in large part to Nevada participants staying the course through the volatility of 2020.
- Current Fund Lineup Overview and Performance Review: Two funds were on watch per the current Investment Policy Statement:
 - T. Rowe Price Growth Stock (PRUFX) was underperforming its benchmark only. Underperformance was due to relative overweight in financial stocks.
 - American Funds EuroPacific Growth was also underperforming its benchmark. Underperformance was due to an overweight to energy stocks.
- Plan Fee/Revenue Review: Weighted expenses were 0.335%; lower than the NAGDCA average of 0.46%.

Motion by Dr. Ervin to accept the Performance Report, second by Mr. Kruse.

Dr. Ervin appreciated seeing the added comments in the Watch List.

Mr. Cousineau noted a couple items in the fund line-up were compared to the wrong benchmark, so they needed to be moved to the correct one. They planned to update the Investment Policy Statement annually and flag any updates or changes. If necessary, they would update benchmarks.

Vote on the motion carried unanimously, 4-0

Committee Member, Ms. Chang, joined the meeting.

b. Plan Investment Structure Analysis and Recommendations:

- The Committee requested Hyas Group to provide the following items at the next meeting:
 1. Actively Managed Fixed Income Option – (NEW) – Provide a fund search for the Committee to consider adding an actively managed fixed income option to the lineup.
 2. Large Cap – Map Vanguard Institutional Index (VINIX) to Vanguard Institutional Index PLUS (VIXIX).
 3. Mid Cap – Provide a search document for the Committee to consider mapping the four current Mid Cap funds into a SMID Cap option. The Committee requested Hyas Group provide low cost actively managed and passive options (Fidelity and Vanguard) for their consideration along with a proposed mapping of the current \$124 million in this category.
 4. International – Provide any additional information related to mapping the current Vanguard Developed Markets Index (VTMNX) to a Total International Stock Index. This would provide participants with emerging markets exposure.
 5. The Committee requested an updated fund map of current options to new options assuming changes are made in items 1-4 above.
 6. Finally, the Committee requested Hyas Group to provide an index fund comparison of their current Vanguard Index Funds to Fidelity Index Funds paying special attention to tracking error differences.

Dr. Ervin wanted to hear from Financial Engines if fund changes were implemented that they would have enough wiggle room for investments.

Chair Bowman called a ten-minute break.

- c. SECURE Act Update: Hyas Group only recommended adding the qualified birth/adoption provision from the SECURE Act.

Mr. Bastien stated there was no cost to add the provision.

Motion by Mr. Kruse to adopt the Qualified Birth and Adoption Distribution (QBOAD) provision plan wide, according to the SECURE Act. Second by Mr. Ferguson, motion passed unanimously, 5-0.

Mr. Boehmer and Voya would work to adopt this provision administratively and Plan Documents would be updated accordingly.

- d. Department of Labor (DOL) Newly Proposed Fiduciary Rules: Hyas Group provided a brief update regarding federal fiduciary rules and Nevada's proposed fiduciary rule expansions.
 - e. Government Accounting Standards Board (GASB) 457b Guidance on Employer Contribution Rules and Reporting: This provision, effective July 2021, would require 457b employer contributions to be included as a pension obligation on the agency's balance sheet. Some political subdivisions had employer contributions. The Committee deferred this item to the Planning Meeting where it would be discussed further, specifically how employer contributions were reported to the State and what fiduciary obligations, if any, the State had regarding this reporting.
6. For Possible Action- Receive recommended amendments to the NDC governing documents.
- a. Investment Policy Statement (IPS): The Committee tentatively approved the proposed Hyas Group Investment Policy Statement. The approval was on hold until the lineup was finalized at the next meeting. It was also pending Voya's inquiry to Financial Engines regarding whether Plan fund reductions would reduce the effectiveness of retirement forecasts. The Committee requested Hyas Group offer a "caution" or yellow light option for funds that missed one of two performance metrics. Hyas Group IPS said funds must miss two metrics. Hyas Group would update performance reports with the yellow light feature and add language to the IPS once the lineup was finalized.
 - b. Administrative Manual: The Committee approved the Fee Policy Statement updates with one modification, add a "0" to \$.55 for the FICA Plan fee. Hyas Group would make the update and return to Staff for inclusion in the manual.

Motion by Dr. Ervin to approve the Fee Policy, as updated. Second by Mr. Ferguson, motion passed unanimously, 5-0.

7. For Possible Action – Receive and approve plan activity and service report from contracted recordkeeper Voya Financial for third quarter ending September 30, 2020.

Mr. Darcy joined the meeting.

Mr. Bastien reviewed the third quarter 2020 report from Voya. Highlights included:

- a. Northern Nevada representative changes
- b. Discussion about rollouts to the Washoe County Plan – Voya had spoken to their associates about the importance of keeping State Plan assets in the State Plan.
- c. Communications update from Mr. Darcy
- d. Field Activity update: 137 new enrollments, 34 group meetings, 728 individual meetings

- e. CARES Act update – 282 distributions for \$3.4 million in Coronavirus Related Distributions. Voya had started to reach out to employees regarding loan repayments beginning again in January.

Motion by Mr. Kruse to approve the Voya Quarterly Report. Second by Ms. Chang the motion passed unanimously, 5-0.

- 8. For Possible Action- Confirm Annual Planning Meeting and 4th Quarterly Meeting. Schedule Quarterly Committee meeting and/or any special meetings.

The meeting schedule for 2021:

- a. Special Annual Planning Meeting, January 11th starting at 8:30am
- b. Fourth Quarter 2020 scheduled for March 2nd
- c. First Quarter 2021 scheduled for June 9th.

- 9. Committee Members comments

Mr. Kruse expressed thanks to all the NDC Staff and team.

- 10. Update from Investment Consultant

No comments.

- 11. Update from Recordkeeper

No comments.

- 12. Administrative Staff/Department of Administration Updates

Mr. Boehmer related his appreciation for Ms. Salerno, especially during this time of COVID.

- 13. Public Comment

No public comment.

- 14. Adjournment

The meeting was adjourned at 1:25 p.m.

Respectfully submitted,

Micah Salerno
NDC Administrative Assistant



HYAS GROUP

FIDUCIARY FUNDAMENTALS

State of Nevada

January 2021

01

Background

02

Who is a Fiduciary?

03

Fiduciary Duties

04

Meeting Fiduciary Responsibilities

05

Risks & Protections

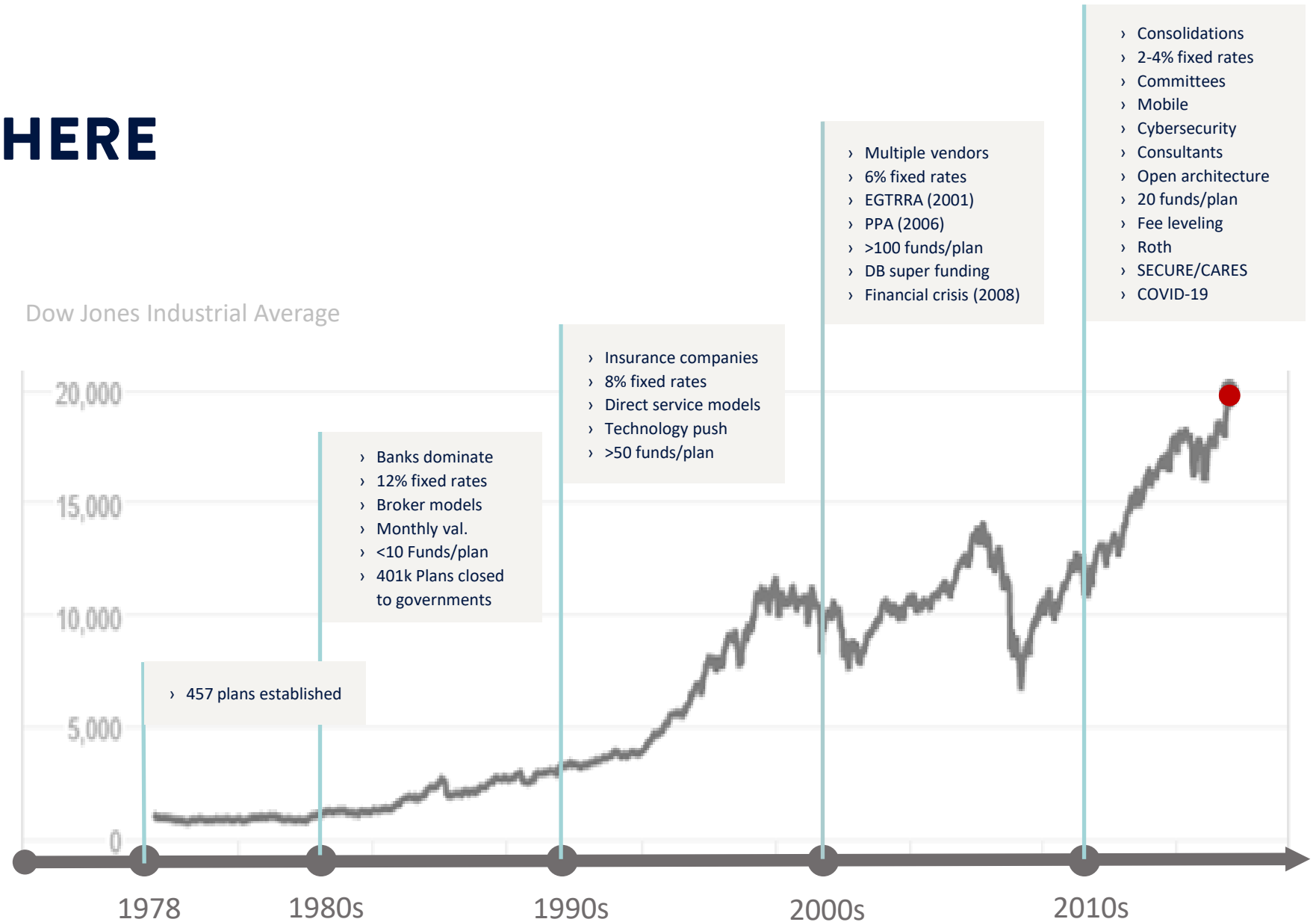
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Background

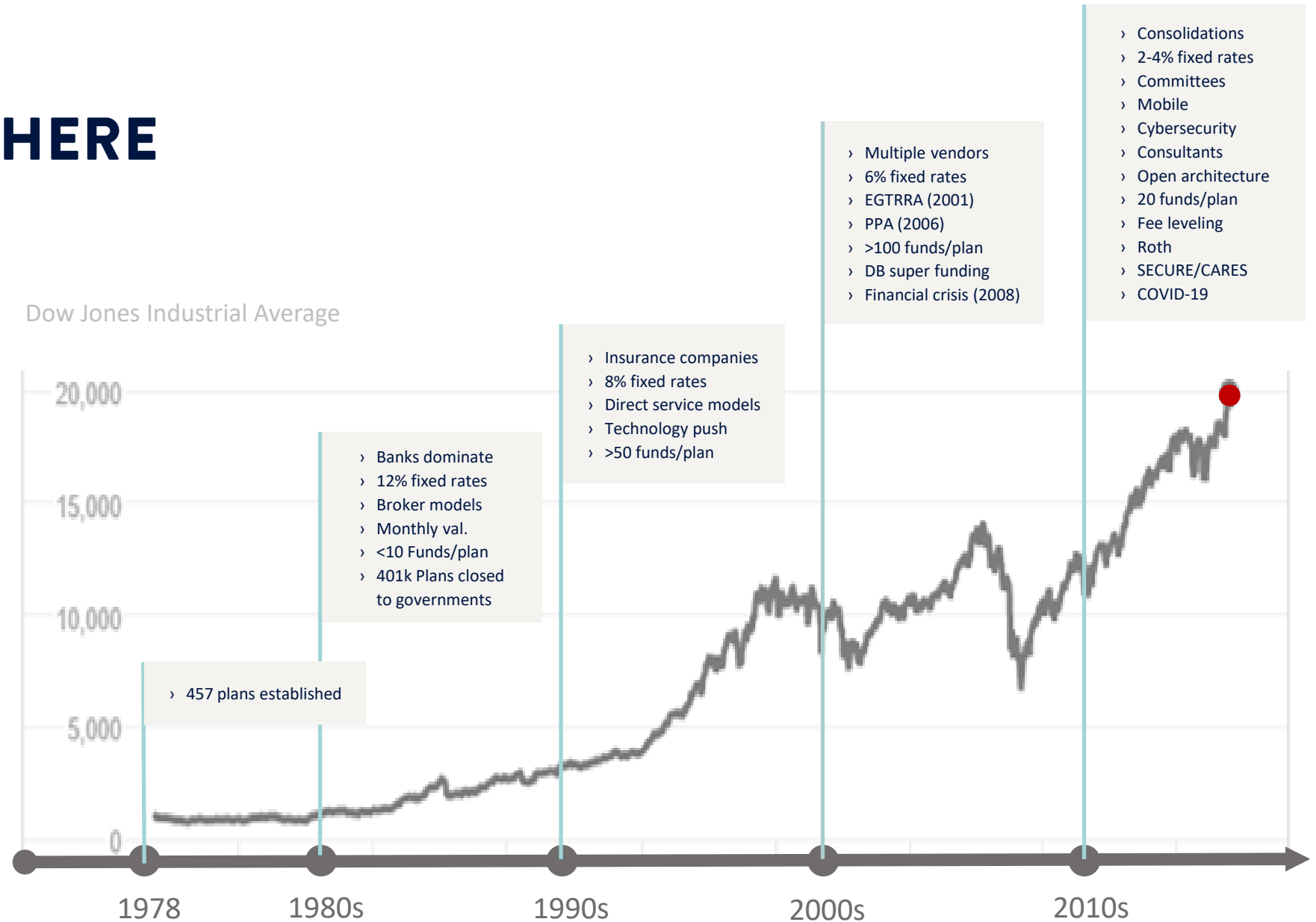




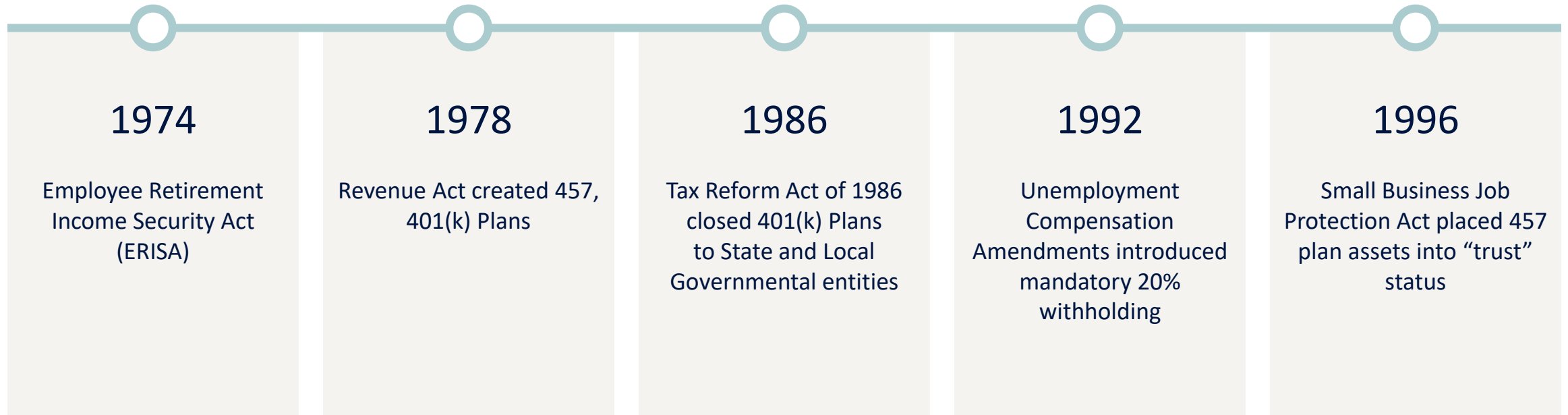
HOW WE GOT HERE



HOW WE GOT HERE



PUBLIC SECTOR RETIREMENT PLAN FIDUCIARY OVERSIGHT MILESTONES



PUBLIC SECTOR RETIREMENT PLAN FIDUCIARY OVERSIGHT MILESTONES



A horizontal timeline with three circular markers. Below each marker is a light gray rectangular box containing text. The first box is for the year 2002, the second for 2006, and the third for 2008 - PRESENT.

2002

EGTTRA legislation eliminated most differences between 457 plans and private sector 401(k) plans

2006

Pension Protection Act; introduces QDIA's, auto features for Plans where applicable

2008
-
PRESENT

Litigation over failure to oversee retirement plans increases, with most actions involving investments and fees

PUBLIC SECTOR RETIREMENT PLAN FIDUCIARY OVERSIGHT MILESTONES

2017

DOL unsuccessfully attempts to expand
Fiduciary definitions

Nevada introduces own version
(SB 383/NRS 628) *

2019

SECURE Act modifies certain fiduciary related
items

2020

CARES Act introduced to provide
relief to participants affected
by COVID-19 pandemic **

*

- › Nevada law affirmatively states that broker-dealers owe a fiduciary duty for most of their advice to customers
- › Under Nevada law, a customer can sue an advisor (at a broker-dealer or RIA) for breach of fiduciary duty
- › The Nevada proposal requires a more in-depth disclosure of compensation than Federal Regs
- › The Nevada proposal makes clear that a broker-dealer has a fiduciary duty to monitor a customer's account

**

- › Sec. 2202(a) Tax favored withdrawals up to \$100,000 from qualified retirement plans
- › Sec. 2202(b) Increased limit on loans from qualified retirement plans
- › Sec. 2203 Temporary waiver of required minimum distributions (RMD) for 2020

02

Who is a Fiduciary?

WHO IS A FIDUCIARY?

Anyone with discretionary authority or control over the administration of a retirement plan or its assets



WHO IS A FIDUCIARY?

Fiduciary by name:

- Plan Sponsor
 - NDC Committee
 - NV-DOA Admin Staff
 - NV-DAG
- Co-Fiduciaries
 - Investment Consultant

Fiduciary by action:

Anyone who acts as a fiduciary can be considered a fiduciary

WHAT IS A FIDUCIARY?

Persons who, by either function or appointment, have discretionary authority over plan assets and/or administration



WHAT IS A FIDUCIARY?

Fiduciary Functions:

- Selecting, retaining or terminating record-keepers
- Selecting, retaining, or terminating investment options
- Processing and submitting participant contributions
- Negotiating fees and expenses for plan services and investment

Must be more than “Ministerial”:

- Maintaining records and other administrative roles are not covered
- Processing payroll may qualify though, if decisions can delay deposits

MULTIPLE LAYERS OF PROTECTION & FIDUCIARY OVERSIGHT

Recordkeeper

Plan Sponsor

- NDC Committee
- NV-DOA Admin Staff
- NV-DAG

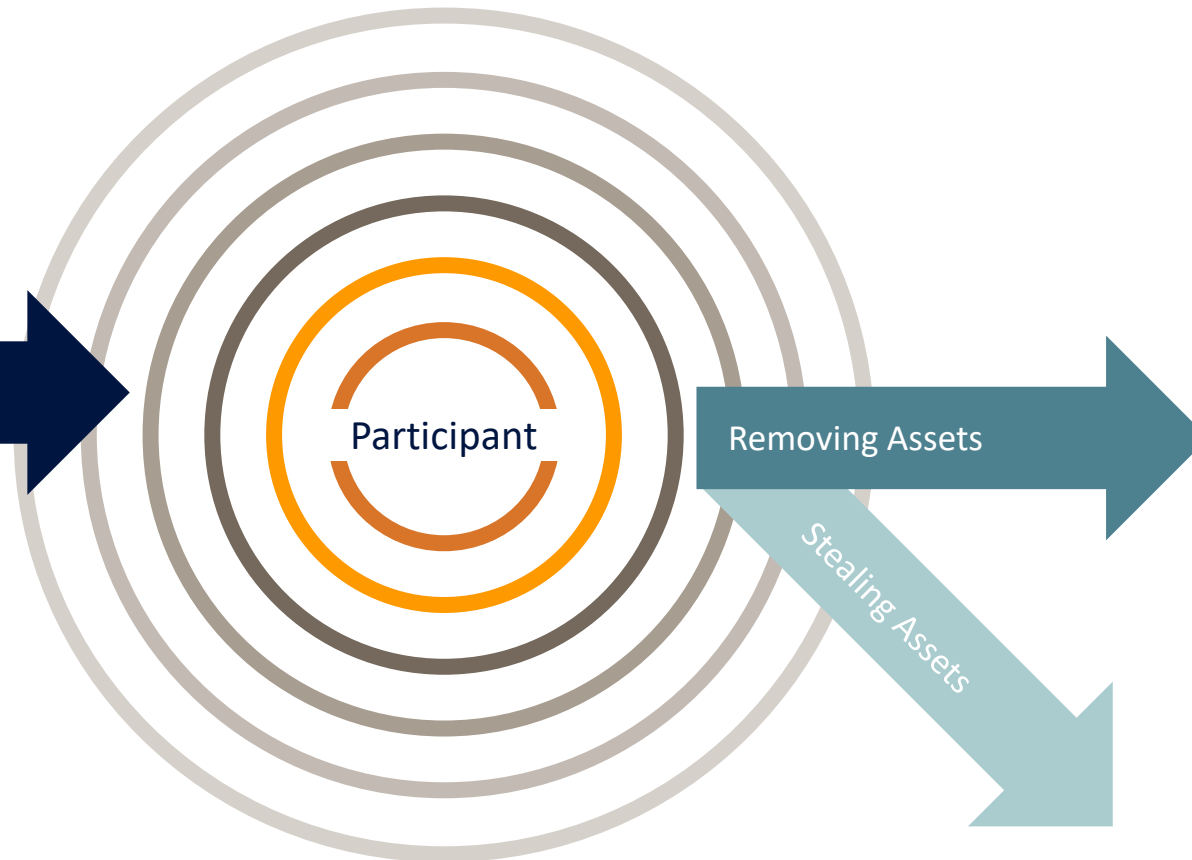
Plan Consultant

Outside Legal Counsel

Asset Management Companies/
Funds/Trust/Board of Directors

Trust Company & Custodian

Protecting Assets



Advisors

Brokers

Annuity Sales

Recordkeeper's IRA

03

Fiduciary Duties

FIDUCIARY DUTIES

Duty of Loyalty

Duty of Prudence

Duty to Follow Plan Document

Duty to Diversify

Duty of Loyalty

- Avoid self-dealing
- Avoid conflicts of interest
- Operate the plan for the exclusive purpose of providing benefits and offsetting reasonable expenses
- Reasonable Plan expenses may be charged

Duty of Prudence

- A fiduciary must execute his/her duties with the care, skill, prudence, and diligence under the prevailing circumstances that a prudent person acting in a like capacity and familiar with such matters would use:
 - Allows for the hiring of “experts” to assist
 - Experts must be prudently selected and monitored

Duty to Follow Plan Document

- Must oversee and make sure the plan operates in compliance with the plan document, trust agreements and/or other documents
- Fiduciaries should be familiar with:
 - Plan documents
 - Federal and State law in relations to the documents

Duty to Diversify

- The “Diversification Rule”:
 - “A fiduciary must diversify investments in order to minimize risk of loss unless it would be considered prudent not to diversify investments”
- For Defined Contribution Plans with Self-Direction of Investments by Participants:
 - ERISA § 404(c) is an accepted guide to minimums, but only requires three options

FIDUCIARY RESPONSIBILITIES

Plan Design & Administration Issues:

- Design the plan and fee allocation to be fair to all participants
- Establish appropriate rules and policies for participants
- Enforce plan rules consistently
- Communicate rules, policies and amendments to participants
- Review plan documents at least annually to ensure compliance
- Review trust, custodial and other service agreements regularly

FIDUCIARY RESPONSIBILITIES

CONT.

Plan Governance:

- ▶ Establish roles, rules and procedures for Committee functions
- ▶ Follow a prudent process when making decisions
- ▶ Select and train qualified people to serve on Committee
- ▶ Hold regular meetings
- ▶ Document decisions and keep minutes of fiduciary meetings

FIDUCIARY RESPONSIBILITIES

CONT.

Investment Responsibilities:

- Create an Investment Policy Statement (IPS) that reflects the plan objective and clarifies the responsibilities of all parties
- Determine types of investment options to be offered:
 - Number of asset classes
 - Diversification
 - Target-date funds
 - Managed accounts
- Develop criteria for selecting, monitoring and removing investments and investment managers/advice providers
- Set guidelines for appropriate actions

FIDUCIARY RESPONSIBILITIES

CONT.

Selection & Monitoring of Service Providers:

- All contracts should be in best interest of plan participants
- Competitive bid or search process should be based on objective criteria
- Follow a prudent process and be able to justify contract awards
- Establish appropriate performance standards
- Evaluate contractors regularly
- Have reasonable basis for determining appropriateness of provider fees:
 - Benchmarking
 - RFP

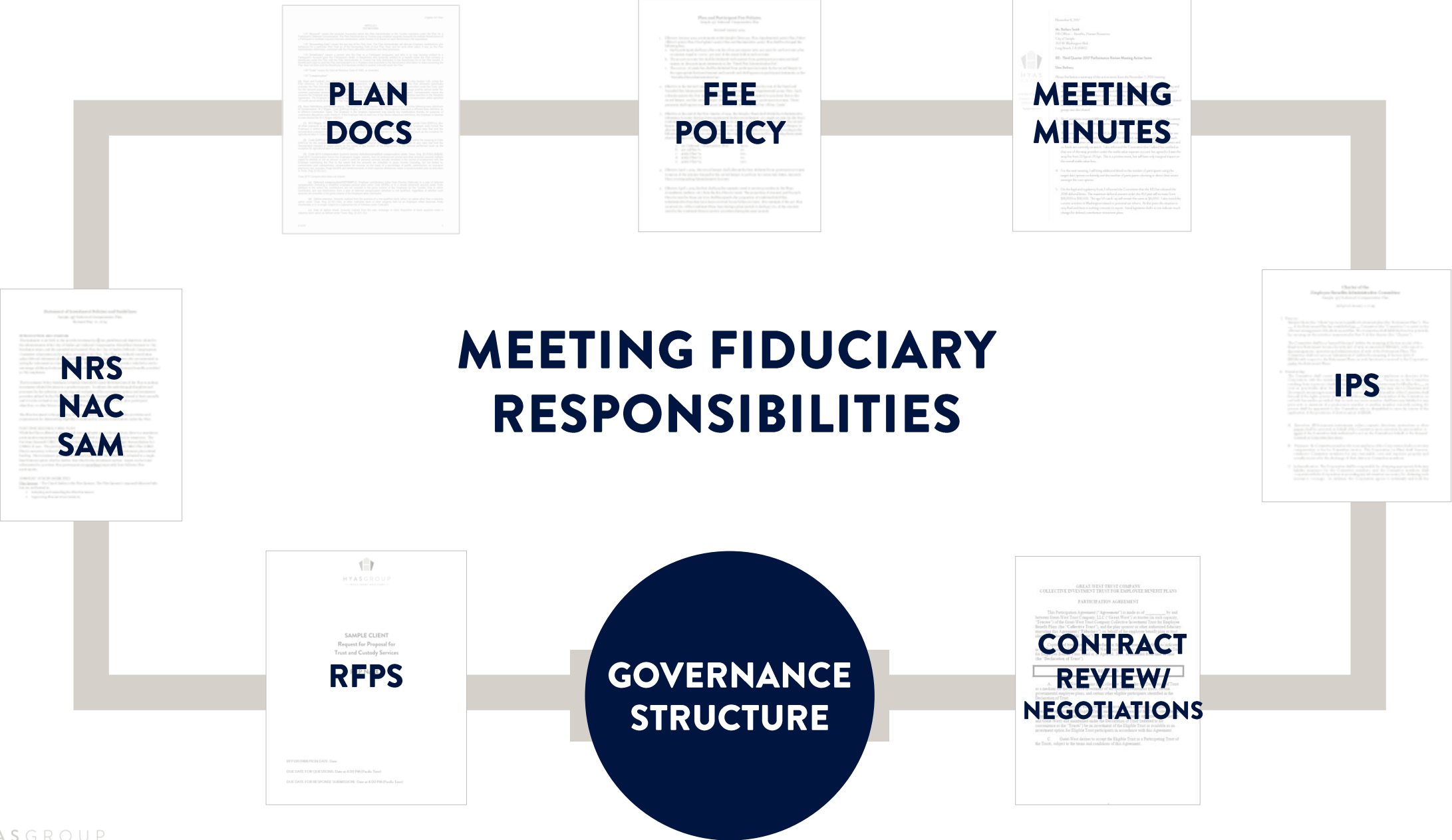
FEE DISCLOSURES

Participant Disclosures:

- General plan information
- Administrative expenses
- Investment information:
 - Performance
 - Fees and expenses
- In practice, disclosure is created by the record keeper; however, a fiduciary must approve it

Plan Sponsor Disclosures:

- Required of service providers (e.g. record keeper, consultant)
- Description of services, fiduciary status and fees for each provider
- Determine that fees are reasonable for services provided



RISK & PROTECTION FOR FIDUCIARIES

What is at risk?:

- › Cost of fiduciary breach
- › Penalties and taxes
- › Personal liability
- › Public relations problems
- › Fiduciary Insurance

Plan document/plan sponsor should protect fiduciaries from personal liability to the extent allowed by law:

- › State law may provide certain protections
- › Seek indemnification from employer
- › Evaluate fiduciary insurance and bonding needs

SUMMARY OF COMMITTEE RESPONSIBILITIES

- Fiduciary review of investments
- Fiduciary review of service providers
- Authorize changes to investments
- Authorize changes to investment providers
- Create or approve design of education/counseling programs
- Review and approval of hardship withdrawal requests
- Monitoring of fees and expenses

QUESTIONS?

CASE STUDY #1

The Committee has received a request from a plan participant to add a particular real asset fund to the 457 plan that has recently been performing very well. You actually know of the specific fund because you have invested in it through your IRA and it has performed very well for you. You have recently been considering adding more money to the fund.

As a Committee Member, do you vote to add the fund?

- a) Yes—Because you know the fund and it has done very well for you
- b) No—You abstain from voting because you don't feel you can be objective about the decision, given your personal experience with the fund
- c) Maybe—Discuss whether real asset funds are appropriate for your Plan's participants based on their investment knowledge

CASE STUDY #2

As a fiduciary Committee member, you are approached by the plan's record keeper.

He offers you two different share classes of the same mutual fund. One has an expense ratio of .70% annually, but rebates back .25% to the plan to help offset record keeping expenses. The other has an expense ratio of .55%, but rebates nothing to help offset expenses.

Which one do you choose?

- a) The less expensive one because it is cheaper for participants
- b) The more expensive one because revenue sharing pays all the plan's administrative expenses
- c) Neither until you have assessed fee reasonableness and method for allocating plan expenses

CASE STUDY #3

Your Committee has identified an investment manager that is not performing in line with expectations contained in the Investment Policy Statement.

What should you do?

- a) Replace the manager immediately
- b) Identify the reasons for failure to meet expectations
- c) Consult the Investment Policy Statement for a watch list procedure and follow it
- d) Both b) & c)
- e) None of the above

CASE STUDY #4

As a fiduciary Committee member, you have noticed that one of the other Committee members rarely attends any of the meetings. This member also does not appear to make any effort to become informed about what they may have missed when not in attendance.

What should you do?

- a) Nothing since you have a quorum without this member
- b) Contact the SEC
- c) Discuss the issue with the Committee since members may be responsible for the conduct of others on the Committee
- d) Quit the Committee immediately

CASE STUDY #5

In spite of efforts to provide clear, concise communications to participants about the plan fees and structure, a participant continues to complain about the costs associated with the investments in the plan and claims everything is too expensive.

As a Committee member, what would you do?

- a) Tell the participant to call the consultant
- b) Tell the participant to call his/her broker
- c) Discuss the situation with the full Committee and determine a course of action
- d) None of the above, participants are clueless

THANK YOU.

Rasch Cousineau | Senior Consultant
rcousineau@hyasgroup.com

702.898.0441



Nevada Public Employees' Deferred Compensation Program

Statement of Investment Policy Comparison and Comments

The Hyas Group has reviewed the current Statement of Investment Policy (Policy) for the Nevada Public Employees' Deferred Compensation Program (Program). This document contains two sections: 1) a comparison between the Program's Policy and one utilized by the Hyas Group, and 2) other comments and suggestions pertaining to the current Policy.

TOPIC	OLD IPS	NEW IPS
Introduction and Objectives of the Program	Paragraph four of page three contains a description of how funds for Program expenses are generated and how revenue sharing is treated.	The Hyas Group's practice is to generally treat these policies as "Fee Policies" to be commemorated in a separate "Fee Policy Statement." This is based on the view that these policies and their pertaining objectives are generally ancillary to investment performance and oversight.
	The first three sentences of paragraph four of page four state the Program's intention of following the Employee Retirement Income Security Act (ERISA) as a best, albeit not mandated, practice. This statement is broken out in a stand-alone section.	The Hyas Group's Policy typically labelled as "General Compliance" which also gives reference to Section 404(c) of ERISA.
	From the subsequent sentence up to the following section "Purpose of the Statement of Investment Policy"	Similar to a stand-alone section of the Hyas Group's Policy typically labelled as "General Investment Policy, Objectives, and Standards" which also lists the types of acceptable investment vehicles, demographic features to be considered, and a slightly longer discussion on risk and return.
Purpose of the Statement of Investment Policy and Decision-Making Process	Much of the information in these sections, which includes the Policy's objectives with respect to investment selection and monitoring, and responsibility for participants' investment decisions, is also contained in the section "General Investment Policy, Objectives, and Standards" of the Hyas Group's Policy.	
Selection of Investment Options	Both the Program's and the Hyas Group's Policy list investable asset classes in this section (the Hyas Group's comparable section is named "Investment Options").	<p>The Hyas Group's Policy, however, lists a broader range of asset classes, which in practice matches what is offered within a plan (Global Equity, for example, is listed in the Program's Policy but is not offered).</p> <p>Self-directed brokerage is also typically listed as an option in this section of the Hyas Group's Policy.</p>

TOPIC	OLD IPS	NEW IPS
Investment Fund Selection	The “Investment Option Selection Guidelines” section of the Hyas Group’s Policy is similarly structured.	
	Bullet point three of this section states that it will evaluate a manager’s ability to “Provide returns comparable to returns for similar investment options.”	The Hyas Group’s comparable criteria are for a manager to meet or exceed the performance of its peer group median or policy benchmark. This approach may help ensure that a manager’s performance exceeds, rather than is comparable to (and could plausibly lag), alternative options.
		Stemming from Department of Labor guidance, the Hyas Group’s Policy also states that a target date suite’s prospective risk and return profile relative to peers will be considered.
Investment Structure	This section lists Tiers of investment options and is comparable as such to the “Investment Options” section of the Hyas Group’s Policy. The Program’s Policy, however, describes each of the Tiers and is delineated in part along the lines of active and passive management.	The Hyas Group’s Tiers are delineated in terms of particular asset classes (e.g. U.S. Large Cap, U.S. Mid Cap, etc.).
Objectives & Performance Standards	This section generally provides the objectives, composition, and performance standards for each of the Tiers.	The “Investment Options” section of the Hyas Group’s Policy contains this information. The main difference is that the Hyas Group’s Policy states the specific peer group and performance benchmark on an asset class level (rather than on a Tier level) for each Plan investment.
	“Performance Standards” for the Fixed Income, U.S. Equity, and International Equity asset classes are to outperform a performance benchmark and peer group median for the trailing five-year period.	The Hyas Group’s performance standard is for a fund to outperform either the performance benchmark or peer group median for the trailing five-year period. This is to avoid being forced to adopt under-diversified funds, which can occur in periods when a benchmark index has outperformed the market due to the performance of a few large holdings.
	The last bullet point on page fourteen states the performance and tracking error criteria for International Equity index funds.	Hyas Group’s Policy states that tracking error attributable to “Fair Value Pricing” (SEC-mandated approach designed to prevent market timing of mutual funds) does not count towards this total.
	The “Qualified Default Investment Alternative” (QDIA) paragraph on page	Typically, this is a plan document provision among Hyas Group’s clients.

TOPIC	OLD IPS	NEW IPS
Objectives & Performance Standards, cont.	fifteen, states that defaults assume a retirement age of 65	
Reporting and Monitoring Procedures	The general information in this section is contained in the “Investment Option Review and Guidelines and Monitoring” section of the Hyas Group’s Policy.	
Investment Option Evaluation	The second sentence in this section mentions the potential to “freeze” a fund to new contributions.	The Hyas Group’s general approach is to avoid such treatment (the alternatives being to either replace or retain a fund) as it may lead to the potential retention of a lower-conviction fund.
	The second sentence also uses the term “formal review” as a potential Committee proceeding.	Though the Hyas Group’s Policy does not contain a comparable proceeding, we do not object to it. However, additional definition of the “formal review” procedure may be useful as it currently does not appear defined.
	The second sentence also refers to “Watch List” status, which is addressed in the “Investment Option Termination and Watch Guidelines” section of the Hyas Group’s Policy.	The Hyas Group’s Policy provides general criteria for removal from the “Watch List” (two consecutive quarters of Policy compliance).
		Under the Hyas Group’s Policy, target date funds are evaluated as a suite since they represent a unified (rather than a fund-by-fund) investment strategy. As such, a target date suite will be placed on watch when at least one-half of its funds in a plan lag investment policy criteria.
Termination of Fund and Fund Mapping	The “Investment Option Termination and Watch Guidelines” section of the Hyas Group’s Policy addresses these areas.	
Administrative Policies, Program Design and Administration, Review of the Record keeper, and Communication to Participants	The “Summary of Responsibilities” section of the Hyas Group’s Policy addresses these areas. One more notable difference between Policies is that the Program’s calls for an annual review of the record keeper, while the Hyas Group’s does not specify a monitoring interval.	
Parties Responsible for Management and Administration of the Program’s Investments:	The “Summary of Responsibilities” section of the Hyas Group’s Policy contains similar provisions as this section. One moderate difference is the Hyas Group’s Policy defines the role and responsibility of an “Investment Provider” (e.g. a mutual fund company) and an “Investment Manager” (the Investment Provider’s applicable manager).	
Self-Directed Brokerage Services		The contents of this section are usually contained at the end of the “Investment Options” section of the Hyas Group’s Policy,

TOPIC	OLD IPS	NEW IPS
Self-Directed Brokerage Services, cont.		where self-directed brokerage is described as an option.
		The Hyas Group's Policy will state any investments (such as un-covered call options) that are prohibited.
		The Hyas Group's Policy omits the limitations on transfer and balance limitations between self-directed brokerage and the core investment menu, on the view that this is generally a provider limitation.
Participant Advisory Services		The Hyas Group's Policy does not contain a section equivalent to this on the view that this provision is more applicable to recordkeepers.
Excessive Trading Policy		The Hyas Group's Policy does not contain a section equivalent to this on the view that this provision is more applicable to recordkeepers.

Other Comments

1. Paragraph three of page three describes the Program as a “voluntary, participant-directed plan.” The Committee may wish to confirm that there are no employer-contributions (typically infrequent in deferred compensation plans) to the Program and revise this language if necessary.
2. The last bullet point of page four states that participants will have access to options which “when combined with other alternatives, tends to minimize, through diversification, the overall risk of the portfolio.” Given that the Program has only two fixed income funds (the rest are equity or asset allocation options), it is likely that the addition of any option to a fixed income portfolio would increase its overall risk. We would consider exempting the Capital Preservation option from this statement.
3. The first bullet point under Performance Standards on page ten states that index funds should track within 0.40% of their applicable index in the case of Asset Allocation Portfolios. The second bullet point under “Performance Standards For Fixed Income” (page thirteen), U.S. Equity, and International Equity (both page fourteen) state a 0.20% tolerance range. We would consider having a uniform treatment of tracking error across index products (the Hyas Group's uses 0.15% for the trailing five-year period), both with respect to tolerance range and measurement period.
4. We would seek to inquire as to why there is a “Stability of Principle/Guaranteed Option” section on pages eleven through twelve and a “General Account Characteristics” section on pages twelve through thirteen. We note that the performance standards for the first section refer to the Hueiler Stable Value Index and refer to money market funds in the second. We would consider consolidating these sections into a single section representing the Program's capital preservation product.
 - a. The “Performance Standards” section of the “Stability of Principle/Guaranteed Option” section also lists a “declared annualized rate of interest” and review of the book to market ratio as standards as bullet points two and three. We would consider removing these bullet points as they do not necessarily measure how competitively the investment has performed.

5. The second bullet point under “Termination of Fund” on page seventeen states that “the Committee shall notify fund Participants within a reasonable time (90 days) of action taken.” While the Hyas Group does not take issue with this policy, or offer alternative language in our own Policy, we wish to point out that ERISA’s rules are for participants to receive notice thirty to sixty days prior to the scheduled change.
6. There appear to be some differences between Exhibit A on page twenty-three and the Program’s current investment options. For example, the Program does not offer a Small Cap Equity index fund or a Core Plus Fixed Income fund. There also appear to be a few minor formatting issues (blank boxes, word alignment, etc.).
7. The Program’s Policy does not contain procedures for voting proxies. The Hyas Group’s standard Policy is to state that the applicable Committee will vote proxies in the plan’s general interest.
8. There are some instances of wording and capitalization inconsistency in the Policy, which may warrant grammatical review.



**Nevada Public Employees
Deferred Compensation Program**

Plan Document

(Attachment A)

Amended and Effective ~~June 17, 2020~~January 2021

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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.

"CARES ACT Qualified Individual" is defined as:

(I) who is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention; or

(II) whose spouse or dependent (as defined in section 152 of the Internal Revenue Code of 1986) is diagnosed with such virus or disease by such a test; or

(III) who experiences adverse financial consequences as a result of being quarantined, being furloughed or laid off or having work hours reduced due to such virus or disease, being unable to work due to lack of child care due to such virus or disease, closing or reducing hours of a business owned or operated by the individual due to such virus or disease, or other factors as determined by the Secretary of the Treasury (or the Secretary's delegate).

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"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.

"Coronavirus-Related Distribution" Except as provided in paragraph (2) of Section 2202 the CARES Act, the term Coronavirus-Related Distribution or "CRD" means any distribution from an eligible retirement plan made—

(i) on or after January 1, 2020, and before December 31, 2020,

(ii) to a "CARES Act Qualified Individual"

(I) who is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention,
(II) whose spouse or dependent (as defined in section 152 of the Internal Revenue Code of 1986) is diagnosed with such virus or disease by such a test, or
(III) who experiences adverse financial consequences as a result of being quarantined, being furloughed or laid off or having work hours reduced due to such virus or disease, being unable to work due to lack of childcare due to such virus or disease, closing or reducing hours of a business owned or operated by the individual due to such virus or disease, or other factors as determined by the Secretary of the Treasury (or the Secretary's delegate).

"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 Adoptee" means any individual (other than a child of the taxpayer's spouse) who has not attained age 18 or is physically or mentally incapable of self-support.

"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 72. 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 Birth and Adoption" means any distribution from an applicable eligible retirement plan to an individual if made during the 1- year period beginning on the date on which a child of the individual is born or on which the legal adoption by the individual of an "Eligible Adoptee" is finalized.

"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 72, 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:
 - a) One-half (1/2) of the value of the State Participant's Account balance; or
 - b) Fifty thousand dollars (\$50,000).
- d) The terms of the loan shall:
 - a) 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.

- b) 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
 - a) 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
 - b) 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
 - a) 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.
 - b) 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.
 - c) 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
 - a) 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
 - a) 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).

i) 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.

k) Coronavirus Related Loan- From March 27, 2020 through September 30, 2020, participant may apply for and receive a second general purpose loan from the balance of his or her account up to a maximum \$100,000 or the present value of the nonforfeitable accrued benefit of the employee under the Plan, whichever is less, pursuant and in accordance with the provisions outlined in Section 2202 of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provided that the second general purpose loan must satisfy all the requirements and limits applicable under this Section. This provision is applicable to State of Nevada Employees ONLY.

a) Pursuant to subsection 7.3(k) above and Section 2202 of the CARES Act, Loan repayment relief is adopted and afforded to Qualified Individuals who take (or have previously taken) Plan Participant loans throughout the remainder of 2020 as well as in accordance of any procedures required by the Plan Administrative Staff and contracted Recordkeeper.

7.4 Coronavirus-Related Distribution (CRD)

a) Effective January 1, 2020 to December 30, 2020, a Participant who meets the criteria of a "Qualified Individual", as such term is defined in Section 2202 of the CARES Act and any amendments thereto, including any later-issued guidance from the IRS, may take up to \$100,000 as a CRD from the Participant's Account prior to Termination of Employment. The Plan Administrative Staff and contracted Recordkeeper may rely on the Participant's certification the the Participant meets the eligibility requirements of a qualified individual. Any CRD paid pursuant to this section will be made in accordance with all applicable IRS guidance as it exists at the time of payment from, and any repayment to the Plan.

7.5 Withdrawal for "Qualified Birth of Child or Adoption".

a) Effective January 1, 2021, a participant may take up to \$5000 as a Qualified Birth or Adoption distribution, as defined by Code Section 72(t)(2)(H)(iii)(I), from the Participant's Account Prior to Termination of Employment. Such distribution must satisfy all requirements of Code Section 72(t)(2)(H) and applicable guidance from IRS, as well as any procedures required by the Plan Administrative Staff and contracted Recordkeeper. A Participant who takes a distribution under this Section 7.4 may repay the distribution to the participant's account in accordance with Code Section 72(t)(2)(H)(iv)(I) and procedures established by the Plan Administrative Staff and contracted Recordkeeper.

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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

72; 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 72.
 - 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 72; 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 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 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.

GASB Statement No. 97 on Section 457 Deferred Compensation Plans

August 12, 2020

In June 2020, the Governmental Accounting Standards Board (GASB) finalized Statement No. 97.¹ Statement No. 97 represents a final rule of the accounting and financial reporting standards described in an Exposure Draft released in June 2019 and a revised Exposure Draft released in March 2020. Since this Statement will affect all governmental deferred compensation plans under Code section 457, NAGDCA provided comments to GASB on both of the Exposure Drafts.

STATEMENT OBJECTIVES AND REQUIREMENTS

GASB's stated objectives in finalizing Statement No. 97 were to clarify rules related to reporting of fiduciary activities under Statements No. 14 and No. 84, to mitigate costs for defined contribution plans, and to enhance the relevance, consistency, and comparability of the accounting and financial reporting of Code section 457 plans that meet the definition of a pension plan.

Statement No. 97 applies four new requirements to section 457 plans:

1. First, all governmental section 457 plans must be classified as either a pension plan or other employee benefit plan depending on whether the plan meets the definition of a pension plan as set forth in paragraph 51 of GASB Statement No. 67 or paragraph 128 of Statement No. 73. Plan sponsors need to make this determination using the definitions of pension plan and defined contribution pension plan set forth below.

Definition of Pension Plan in Statement 67:

- Pension plans are "arrangements through which pensions are determined, assets dedicated for pensions are accumulated and

managed, and benefits are paid as they come due."

- Statement 97 does not provide any examples of deferred compensation plans that meet the definition of a pension plan.

Definition of Defined Contribution Pension Plan under current GASB Guidance:

- Defined contribution pension plans are defined pursuant to three criteria:
 - i. the plan provides an individual account for each employee;
 - ii. the plan terms define the contributions that the employer is required to make for a specific period of service; and
 - iii. the pension an employee will receive depends only on the contributions to the employee's account, actual earnings on investments, and the effects of forfeitures and administrative costs that are allocated to the account.

It appears from the definitions above that the vast majority of governmental 457 plans will **NOT** meet the definition of a defined contribution

¹ [GASB Statement No. 97](#) Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans (an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32).

pension plan, but rather should be defined as an other employee benefit plan. We are hopeful, however, that prior to the effective date of Statement No. 97, GASB will publish implementation guidance providing specific circumstances and plan designs that could cause a section 457 plan to meet the definition of pension plan. For example, governmental section 457 plans that serve as a FICA alternative plan for part-time, seasonal, and temporary employees where the employer is required to contribute 7.5% of the participant's compensation pursuant to written plan terms or statute, may meet the definition of a defined contribution pension plan, subject to future guidance from GASB. Once implementation guidance is published, NAGDCA may be able to provide additional information regarding when section 457 plans meet the definition of a pension plan.

2. If you determine that your 457 plan meets the definition of a pension plan, all accounting and financial reporting requirements that are relevant to pensions should be applied to benefits provided through your section 457 plan.
3. All governmental section 457 plans must measure the fair value of investments as of the end of the plan's reporting period. It is important to note that under the prior rules, section 457 plans were permitted to value investments based on the most recent report of the plan administrator, regardless of the plan's reporting period.
4. GASB Statement No. 84, as amended by Statement No. 97, should be applied to all section 457 plans to determine whether the plan should be reported as a fiduciary activity. GASB indicated, however, that Statement No. 97 revised the rules under Statements No. 14 and No. 84 to limit their applicability to defined contribution plans, including section 457 plans.

EFFECTIVE DATES

The requirements that limit the applicability of fiduciary activity rules to defined contribution plans, as described in item 4 above, are effective immediately. The requirements related to accounting and financial reporting for section 457 plans, as described in items 1-3 above, are effective for **fiscal years beginning after June 15, 2021.**

WHAT SECTION 457 PLANS THAT ARE PENSION PLANS NEED TO KNOW

All section 457 plans that meet the definition of a pension plan should apply all accounting and financial reporting requirements relevant to pensions to benefits provided through the plan, including:

- Specific accounting and financial reporting requirements for defined contribution pension plans are set forth in GASB Statement No. 68 and its Implementation Guide.
- In Appendix B (Paragraph B38) to Statement 97, GASB indicates that the costs of applying pension standards to section 457 plans that meet the definition of a pension plan will generally be limited to note disclosures related to defined contribution pension plans, except where a section 457 plan is reported as a fiduciary activity.
- Further, due to the changes in Statement 97 relating to the application of fiduciary activity standards to defined contribution plans, the circumstances in which a 457 plan should be reported as fiduciary activity are expected to be limited. See GASB Statements No. 14 and No. 84 for additional information about when a section 457 plan must be reported as a fiduciary activity.

This publication is not intended to provide legal or accounting advice. Section 457 plans should consult with their legal counsel, accountants, and auditors with respect to the impact of GASB Statement No. 97 on the plan.



Nevada Public Employees' Deferred Compensation Program

FICA Alternative Plan Document

(Attachment A)

Effective and amended January 2021

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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 Adoptee" means any individual (other than a child of the taxpayer's spouse) who has not attained age 18 or is physically or mentally incapable of self-support.

"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 Birth and Adoption" means any distribution from an applicable eligible retirement plan to an individual if made during the 1- year period beginning on the date on which a child of the individual is born or on which the legal adoption by the individual of an "Eligible Adoptee" is finalized.

"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 Office, 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 72, 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 72; ~~or~~ (iii) the Participant's absence from employment for qualifying military service as described in the HEART Act; or (iv) for a Qualified Birth or Adoption pursuant to Code Section 72(t)(2)(H)(iii)(I). Effective January 1, 2021, a participant may take up to \$5000 as a Qualified Birth or Adoption distribution from the Participant's Account Prior to Termination of Employment. Such distribution must satisfy all requirements of Code Section 72(t)(2)(H) and applicable guidance from IRS, as well as any procedures required by the Plan Administrative Staff and contracted Recordkeeper. A Participant who takes a distribution under this Section 8.1(iv) may repay the distribution to the participant's account in accordance with Code Section 72(t)(2)(H)(iv)(I) and procedures established by the Plan Administrative Staff and contracted Recordkeeper.. 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.
- 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

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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.

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- 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 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.
- 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 72; 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 ;

:

- a)
- 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.

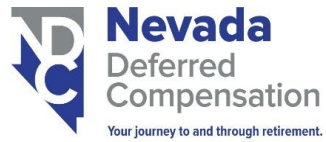
The duties and responsibilities allocated to each person under the Plan and the Trust Agreement shall be the several and not joint responsibility of each, and no such person shall be liable for the act or omission of any other person.

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 Policy Manual

Nevada Public Employees' Deferred Compensation Program

Updated [January 2021](#)~~June 2019~~

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Definitions

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

Article I Mission and Goals

1.1 - Mission

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

1.2 - Primary Goals

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

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

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

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

1.3 - FICA-Alternative/3121 Plan Mission

Part-time, seasonal, and temporary employees of the State of Nevada or the Nevada System of Higher Education are required to participate in the Nevada FICA Alternative

Deferred Compensation Plan, if hired on or after January 1, 2004 (State Government) or July 1, 2005 (Higher Education).

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

1.4 – Goals of FICA-Alternative Plan

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

1.5 - Program Rules and Regulations

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

Article II Legal and Procedural

2.1 - Federal Law

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

2.2 - State Law

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

2.3- Committee Documents

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

The Committee shall maintain and periodically review a Statement of Investment Policy to identify guidelines and procedures used by the Committee to review and evaluate the various investment options offered in the Program. The NDC Executive Officer,

Administrative Staff, or designee shall have the authority to implement any Committee approved changes to the adopted Investment Policy Statement.

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

2.4 - Committee Election Procedure

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

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

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

Article III Coordination of Audits

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

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

- (a) To ensure compliance with federal and state laws, standards, rules and regulations.
- (b) To evaluate Program efficiency and effectiveness, including investment providers, fund managers, and payroll centers processes and procedures.
- (c) To attest to the validity of financial information, recordkeeping, and accounting.
- (d) To ensure appropriate management and internal control systems are in place.
 - i. On January 2017 The NDC Administration developed and executed the following internal control per the Counsel provided by the State of Nevada's Internal Audits Division:

- a. Monthly, Staff receives a report that illustrates contributions submitted by each participating pay center in each Plan.
- b. Staff verifies a random sampling of confirmations directly with the pay center to ensure balancing for the month and document confirmations monthly.
- c. Should a discrepancy arise, the Executive Officer will address the discrepancy as soon as admiratively possible with all parties and document the resolution. Discrepancies will be managed in accordance to the existing service guarantees within the contract and reflected in the contractor regular evaluation and/or reviewed with the Pay Center amending their processes to meet compliance.

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

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

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

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

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

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

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

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

Article IV Records Retention

The NDC Administrative Staff will meet the requirements on the General Records Retention and Disposition Schedules (NRS 239.080). The most current version is available through the Records Management Program and at:
<http://nsla.nevadaculture.org/dmdocuments/generalschedules.pdf>

Article V Committee Operation

5.1 - Meeting Schedule

The Committee will endeavor to meet at least quarterly, to review the status of investment offerings and conduct other business of the Program. The Committee may elect to engage, at their discretion, in an annual strategic planning meeting outside of the four regular quarterly meetings to discuss future governance changes, administration changes, and/or other communication/marketing administration for the upcoming year. Special meetings may be called by the Committee Chair or NDC Executive Officer, Administrative Staff, or designee as deemed necessary and reasonable, and should be budgeted accordingly. All Program governance decisions are to be made in a open public meeting as established in and in accordance with NRS 241.

5.2 - Meeting Agenda

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

5.3 - Committee Action

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

5.4 - Meeting Record

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

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

5.5 - Budget Review and Approval

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

Article VI Plan Administration

6.1 - Activity reports

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

6.2 - Analysis of Investment Performance

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

6.3 - Quarterly Newsletter

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

6.4 - Fund Settlement Policy

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

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

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

6.6 – Review of Claims and Appeals; Process and Policy

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

action or decision that was determined within 90 days of the written claim or appeal being submitted to the NDC Executive Officer or designee in good order.

Article VII

Roles, Responsibilities and Duties

7.1 - Committee

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

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

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

7.2 – NDC Administrative Staff

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

- Operations management, including but not limited to the day to day oversight; employer relations; budget oversight; employee management and oversight; and the oversight and management of participant customer service.
- Administrative Staff management to include the following:
 - a. Employee recruiting, hiring, evaluations, and termination per the established State of Nevada Department of Administration Human Resource Management guidelines and standards.
 - b. Providing proper training opportunities to all employees when initially hired and refresher training as needed or mandated, either internally or externally.

- Committee business management, including but not limited to preparation and organization of agendas and meeting materials.
- Contractual management, including but not limited to Recordkeeping, Program Administration, investment management oversight, program compliance, and legislative management.
- Handling all participant complaints or concerns at the Plan level to ensure resolution if possible. The Executive Officer will determine whether a participant Complaint should be brought in front of the Committee for review, discussion, and/or further and final action at one of their scheduled Committee meetings. The Executive Officer is charged with the responsibility to gather all data and facts pertinent to a participant complaint and work with the Program contractor(s) to achieve a suitable resolution that is in-line with the Program's adopted Plan Document, Administrative Manual, and State/Federal regulations and/or Codes.

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

7.4 – Executive Officer's Review Process

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

7.5 - Legal Counsel

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

7.6 – Political Sub-Divisions

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

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

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

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

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

- Per IRC Section 414(h), pick-up contributions for participants who contribute to Nevada PERS "employee paid" system are being excluded from participant contributions based on percentage of pay;
- Data and money remittances must be sent electronically; and
- Working with the NDC contracted Recordkeeper to ensure participants are not exceeding the Internal Revenue Code annual contribution limits.
- Treas. Reg. Section 1.457-4(b)(1) **Annual Deferrals, Deferral Limitations, and Deferral agreements Under Eligible Plans**- adherence and compliance to the mandatory "First of the Month Rule", maximum deferral limitations, and 50+ Catch-Up and Special 457(b) Catch-Up Provision rules and guidelines.
- Ensuring that all employees enrolling or being enrolled in the NDC Program(s) declare at least a single primary beneficiary associated with their account. Should the participant not make a beneficiary designation, the payment of the account

shall be distributed according to provisions established and adopted within the Plan's current Plan Document specifically Article IX, Section 9.2(a)(b).

7.7 - Professional Advisors

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

7.8 - Recordkeeper(s)

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

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

Article VIII Code of Ethics

As Committee members appointed by the Governor of the State of Nevada and Program Administrative Staff appointed by and under the authority of the State of Nevada Department of Administration, as well as public employees of the State in most cases, members of the Committee and NDC Administrative Staff are subject to the provisions of the Nevada Ethics in Government Law in NRS 281A.010-281A.500, inclusive. Committee members and NDC Administrative Staff are encouraged to review the entire chapter and be especially familiar with the general requirements of the Code of Ethical Standards in NRS 281A.400, as well as Executive Order 2011-02 *Establishing Ethics Requirements for Certain Public Officers and Employees*, signed by the Governor January 3, 2011.

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

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

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

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

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

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

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

employee is a member of a body which makes decisions, the public officer or employee shall make the disclosure in public to the chair and other members of the body.

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

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

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

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

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

Article IX

Educational Travel and Conferences

The Committee and Executive Officer are charged with exercising fiduciary responsibility for the Program solely in the interest of the participants and their beneficiaries. As

fiduciaries, they are expected to be capable of carrying out their duties and responsibilities. To accomplish this, subject to Committee and budgetary approval, Committee members and NDC Administrative Staff shall avail themselves of educational opportunities to secure adequate training to fulfill those responsibilities, including attendance at appropriate off-site meetings, events, or conferences.

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

Article X Travel Policy

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

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

The rate of reimbursement for lodging, meals, and incidentals must be compliant with the Federal government's GSA rate based on travel destination and SAM Section 200. The GSA rates can be found via the following link:
<http://www.gsa.gov/portal/category/104877>

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

Hours and Conditions for Claiming Meals are as follows:

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

Incidental Reimbursement is as follows:

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

Mileage Reimbursement requests can be requested and paid as follows:

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

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

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

Addendum A

Fiduciary Compliance Checklist

I. General Fiduciary Responsibilities- Does the Committee:

- Act solely in the interest of plan participants and beneficiaries and with the exclusive purpose of providing a benefit to them
- Defray the reasonable costs of administration
- Act with the skill and diligence of a prudent person knowledgeable in the action being taken and in the best interest of the Program as a whole.
- Diversify plan investments
- Act in accordance with the established plan documents and look towards ERISA established standards as widely used practices within the industry; adopting policies if the Committee deems feasible.
- Avoid conflicts of interest and prohibited transactions

II. Committee Structure

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

III. Plan and Committee Procedures

- Has the Mission Statement of the Plan been established and reviewed at least annually, and are ongoing goals and objectives of the plan formally reviewed, discussed, amended (if needed), and documented on at least an annual basis?
- Are there formal policies and procedures established for the following:
 - i. Frequency of meetings (quarterly, etc.)
 - ii. Monitoring of service providers and other professionals (E.g., frequency of vendor searches, contract management, contract evaluation, etc.).
 - iii. Determining the prudence of investments
 - iv. Determining the reasonableness of fees
 - v. Determining reasonableness of service contract terms and conditions
 - vi. Appointing and/or replacing committee members
- Is there an Investment Policy Statement (IPS) established and adopted?
 - i. Is the IPS regularly consulted when making investment decisions?
 - ii. Is the IPS regularly reviewed and updated as appropriate?
- Is there documentation of the minutes of each committee meeting?
- Does the Plan follow the State of Nevada's Records Retention requirements?

IV. **Investment Management-** Does the Committee engage in regular monitoring of the following:

- Investment Structure:
 - i. Is the investment structure appropriate for underlying participants?
 - ii. Are the number of investment options appropriate?
 - iii. Do the investment options span the risk return spectrum?
 - iv. Can the participants understand the investment options?
 - v. Are there any voids in the current investment lineup?
- Qualified Default Investment Option (QDIA) (target date funds) Review:
 - i. Has a QDIA been adopted and ensure that an investment qualifying as a QDIA is appropriate as a single investment capable of meeting a worker's long-term retirement savings needs and the Plan's financial wellness goals and objectives
 - ii. Review the Plans employee demographics of the Plan and the current allocation by age
 - iii. Does the Committee regularly examine the asset allocation of the current QDIA to ensure it is appropriate for the generational employment demographic of the participating workforce of the Plan?
 - iv. Regularly review the current QDIA versus comparable vehicles
- Conduct at least an annual IPS Review
- Engage in an Investment Fund Performance Analysis: (at least quarterly):

- i. Review fund performance and risk measures vs. benchmarks and peer groups
- ii. Review plan level fund and contribution asset allocations
- iii. Assess fund performance and attributes vs. Investment Policy Statement criteria
- iv. Provide fund recommendations: Additions, Replacements, Watch List
- v. Conduct a Global Capital Market Review:
 - i. Review of activity in domestic and foreign markets
 - ii. Review of returns for various domestic, foreign and fixed income asset classes to include observations and trends
- vi. Conduct regular Fee Monitoring & Benchmarking (at least annually): versus plans in same industry and with similar number of participants and program demographics
 - i. Review participant, record keeper/administrative and investment fees for transparency and competitiveness
 - ii. Are the fees deemed "reasonable"?
- vii. Regularly review trends, developments, legal updates within the defined contribution environment as part of a compliance audit, review, or a provision of the Recordkeeping Services and/or Investment Consultant Contract(s).

V. Plan Administration and Compliance

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

VI. Plan Safeguards

- a. Although the Plan is NOT subject to ERISA Section 404(c), are the following safeguards considered or established if adopted:
 - i. Are participants provided with the following:

1. The right to direct their own investments, if applicable
 2. Reasonable opportunity to provide investment direction to the record keeper on a timely basis
 3. A diversified range of investments to choose from
 4. Investment education
- b. Are plan expenses monitored and benchmarked against industry averages?
 - c. Are vendors providing and updating 408(b)(2) disclosures
 - d. Is a Qualified Default Investment Alternative ("QDIA") provided under the plan?
 - i. Are QDIA notices distributed on a timely basis?
 - e. Is a Fidelity bond required by the State of Nevada? If so, has it been purchased and regularly renewed?
 - f. Is the plan covered by fiduciary liability insurance?
 - g. Does the employer have cyber security insurance, and/or does it require its contractors to maintain cyber security insurance?

VII. Communications

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

d. Is the effectiveness of investment education materials being measured regularly?

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Addendum B- Fee Policy Statement

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NEVADA PUBLIC EMPLOYEES' DEFERRED COMPENSATION PROGRAM

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FEE AND EXPENSE POLICY STATEMENT

STATE OF NEVADA

December 2020

Introduction and Purpose

The purpose of this Fee and Expense Policy Statement is to detail fees and expense-related procedures for the State of Nevada's 457(b) Deferred Compensation and 3121 FICA Alternative Programs. This document is reviewed at least annually by the Nevada Deferred Compensation ("NDC") Committee ("Committee") which serves as a Fiduciary to the Plans.

Participant Expenses

457 (b) Plan Administrative Fees: Effective January 1, 2020, a \$10.25 administrative flat per-account charge (\$41 per year) will be withdrawn quarterly for all participants with a total account balance of \$1,000 or more, regardless of how they are invested. 457 (b) Plan Administrative Fees do not subsidize the 3121 FICA Alternative Plan.

3121 FICA Alternative Plan Administrative Fees: Effective January 1, 2020, a \$0.55 administrative flat per-account charge (\$2.20 per year) will be withdrawn quarterly for all participants. 3121 FICA Alternative Plan Administrative Fees do not subsidize the 457 (b) Plan.

Fund Management fees depend on the investment option chosen. NDC will strive to offer the lowest cost share classes of funds (on a NET basis). All revenue share, if applicable, is provided back to participants as appropriate. Please refer to the Contract Prospectus Summary for each individual fund fee information.

Payment of Excess Plan Expenses

State of Nevada is the Plans' Sponsor. All expenses incidental to the administration or protection of the Plans, and the management of the assets of the Plans, shall be paid from the assets of the Plans or by the Plan participants; unless the Plan Sponsor chooses to pay such expenses directly.

To the extent permitted by law, the Plans' Administrative Allowance Account ("Account") may be reimbursed from the Plans for any direct expenses properly and actually incurred in connection with the performance of services for the Plans.

Expenses may be paid or reimbursed from the Account only upon the review and approval of the Committee, or by such other appropriate fiduciary of the Plans.

Qualified Expenses

The expenses that may be paid from, or which may be reimbursed to the Plan Sponsor for its payment of, include, and are not limited to, the following:

(a) Ongoing Plan administrative expenses, such as record keeping, legal, auditing, annual reporting, claims processing and similar administrative expenses;

(b) Investment advisory, investment management, administrative investment or service fees and expenses;

(c) Costs incurred in preparing, printing and distributing plan-related documents and other Participant communication materials;

(d) Costs associated with benefit distributions and transactions;

(e) Expenses to provide investment assistance and education to Participants; and

(f) Costs for providing on-going education, including the costs of attending seminars and conferences, for members of the Committee, fiduciaries and staff with respect to the Plans as necessary or appropriate to assist in the discharge of their responsibilities to the Plans.

Participant Fees in Excess of Plans' Administration Service Provider Costs

The agreements entered into between the Plan Sponsor and Plan Administration Service Provider state that participants shall pay an explicit fee which shall be used to pay for various aspects of Plan Administration. This fee may exceed the amount retained by the Plan Administration Service Provider to pay for its services.

Fees collected in excess of those retained by the Plan Administration Service Provider and received by the Plan shall be held in an unallocated trust assets account maintained under the Plan, to be called the Administrative Allowance Account.

Thereafter funds accrued in this account shall be used exclusively for the benefit of Participants and their Beneficiaries, or to defray the reasonable expenses of administering and managing the Plan.

Allocation of Excess Plan Administration Fees

Excess revenue remaining in the Administrative Allowance Account may be allocated to Plan participants at the Committee's discretion. Such amounts shall be allocated to Plan participants based on their pro-rata share of Plan assets.

Amendment

This Fee Policy may be amended by a majority vote of the Committee at a properly noticed meeting called for that purpose.

On behalf of the Nevada Deferred Compensation Committee, this Fee and Expense Policy Statement is adopted by the Committee and effective on this date:

Signature:

NDC Executive Officer

Name:

d- Date:

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Asian text, Adjust space between Asian text and numbers

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STATE OF NEVADA DEPARTMENT OF ADMINISTRATION

Steve Sisolak
Governor

Laura E. Freed
Director

Colleen Murphy
Deputy Director

Rob Boehmer
Executive Officer

PUBLIC EMPLOYEES' DEFERRED COMPENSATION PROGRAM

100 N. Stewart Street, Suite 100, Carson City, Nevada 89701
Telephone 775-684-3398 | Fax 775-684-3399 | defcomp.nv.gov

As requested at the December 1, 2020 meeting, the data was pulled that related to accounts under \$1,000 for all plans as reported at the end of Q3 2020 and also as of December 15, 2020. Note between account cash outs and amounts moving beyond the threshold, the number of accounts under the threshold has declined across all plans.

	625031	625032	625033	Totals
3Q Under \$1,000 # of Accounts	1348	281	209	1838
3Q Fees Waived (\$6.63)	\$ 8,937.24	\$ 1,863.03	\$ 1,385.67	\$ 12,185.94
3Q Under \$1,000 as percentage of total accounts	11.17%	8.20%	19.05%	
Under \$1,000 accounts forced out in November	70	17	3	90
As of 12/15/2020 - Accounts under \$1,000	1070	209	189	1468



NV

2021 Marketing & Communications Update







your
retirement



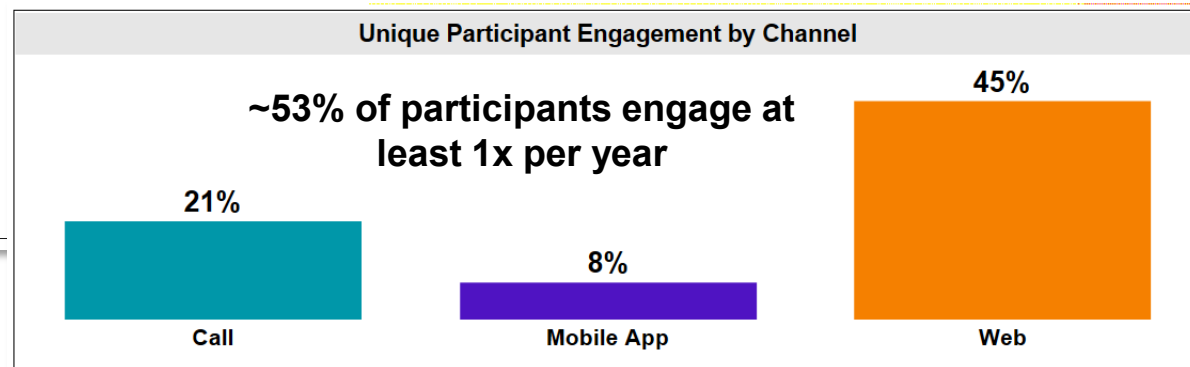
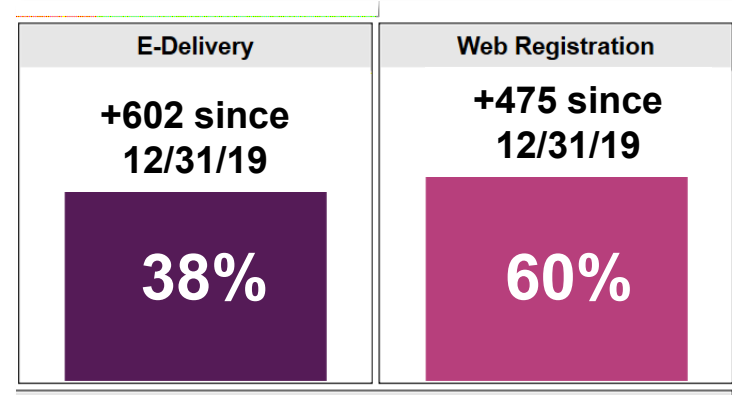
1

Participant Trends

Nevada Deferred Compensation

 12,110	Participant Accounts with a Balance
	Average Income Replacement
	Average Savings Rate
 \$33,333	Median Participant Salary
 52	Average Participant Age
 \$45,170	Average Savings Balance

As of September 30, 2020



Political Subdivision

 **3,450** **Participant Accounts with a Balance**

 **Average Income Replacement**

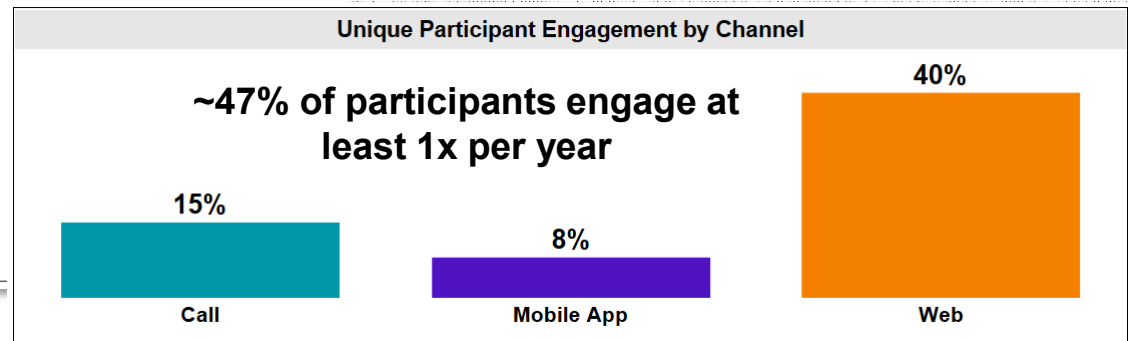
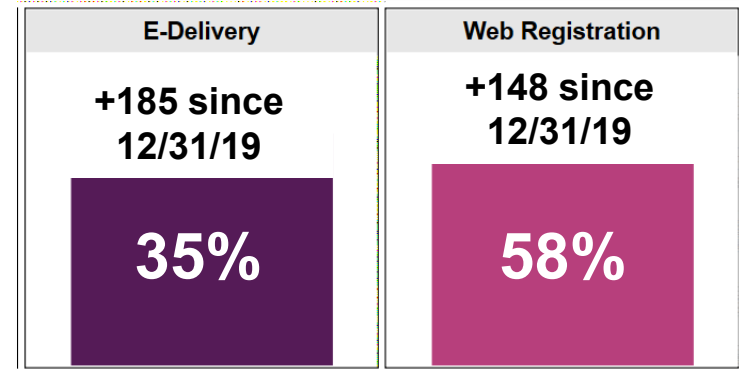
 **Average Savings Rate**

 **\$33,333** **Median Participant Salary**

 **49** **Average Participant Age**

 **\$56,141** **Average Savings Balance**

As of September 30, 2020



Nevada System of Higher Education

 **1,115** Participant Accounts with a Balance

 Average Income Replacement

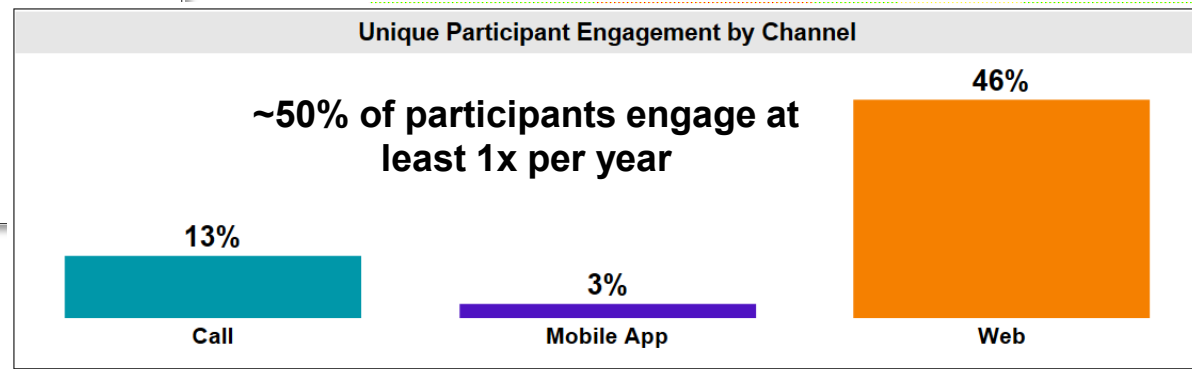
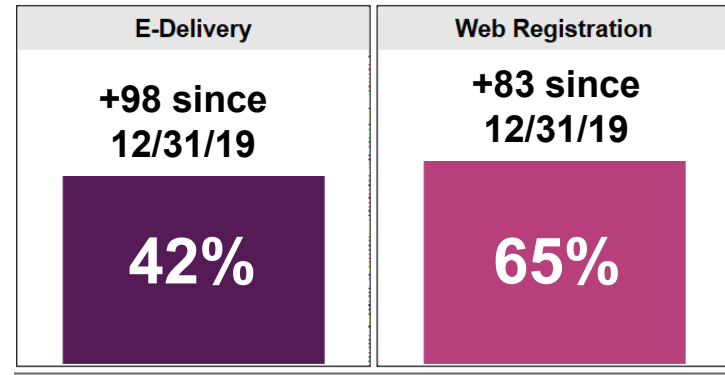
 Average Savings Rate

 **\$33,333** Median Participant Salary

 **51** Average Participant Age

 **\$62,225** Average Savings Balance

As of September 30, 2020





2

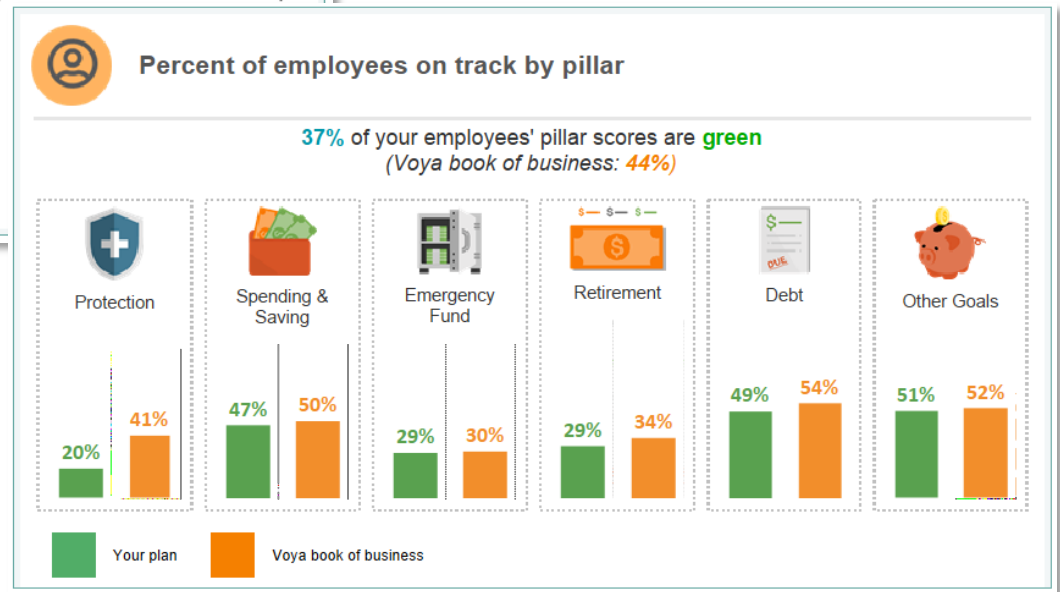
Financial Wellness

Nevada Deferred Compensation



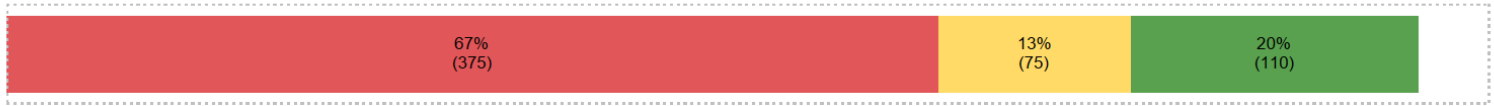
As of September 30, 2020

563 Financial Wellness Assessments completed



NDC FW Scores by Pillar

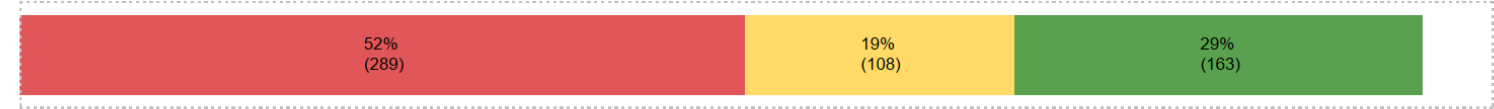
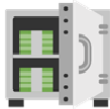
Protection



Spending & Saving



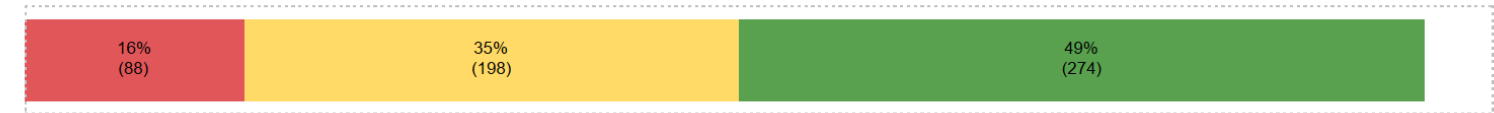
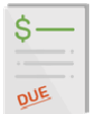
Emergency Fund



Retirement



Debt

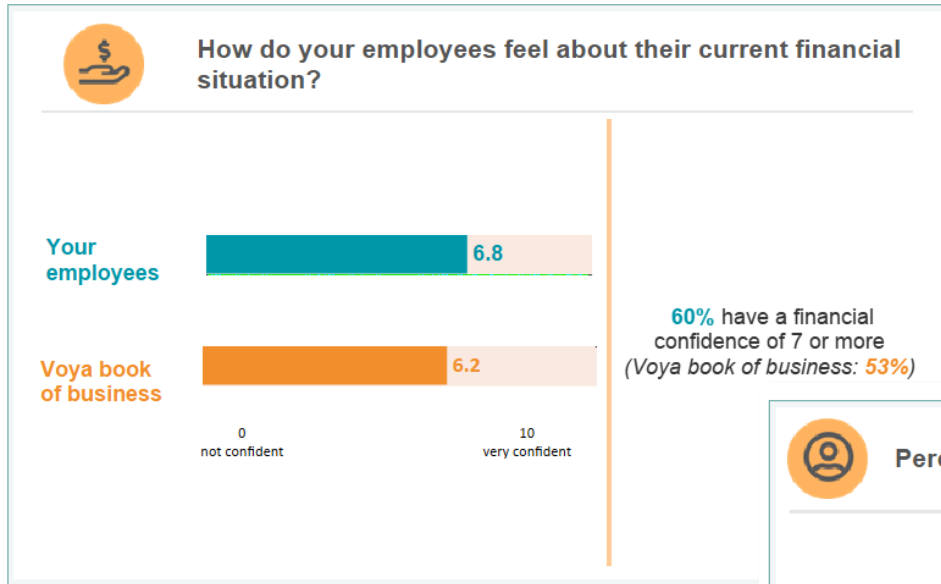


Other Goals

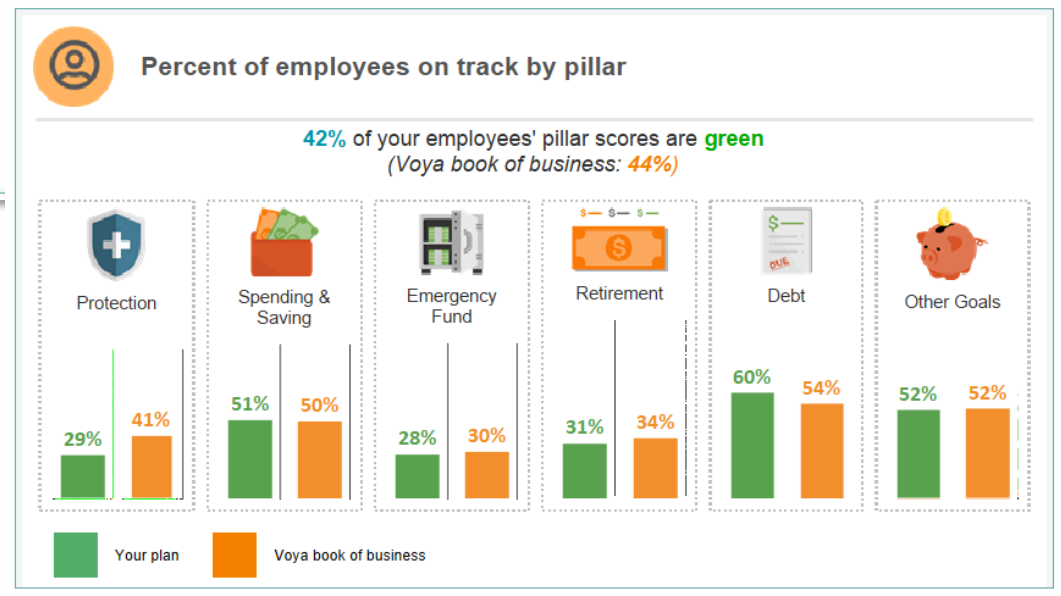


Political Subdivision

127 Financial Wellness Assessments completed

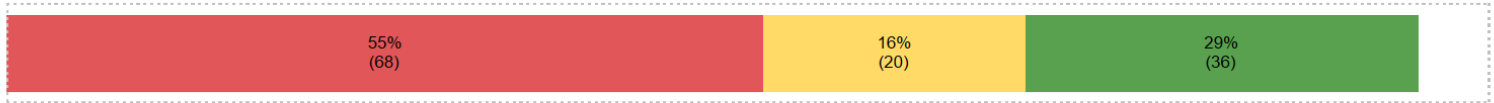


As of September 30, 2020



Political Subdivision FW Scores by Pillar

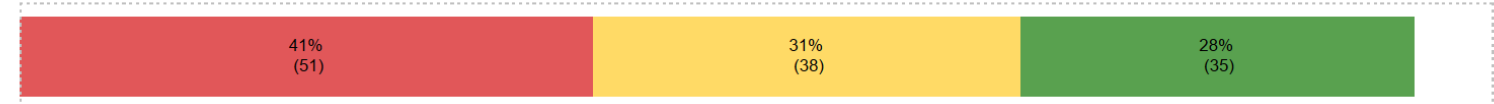
Protection



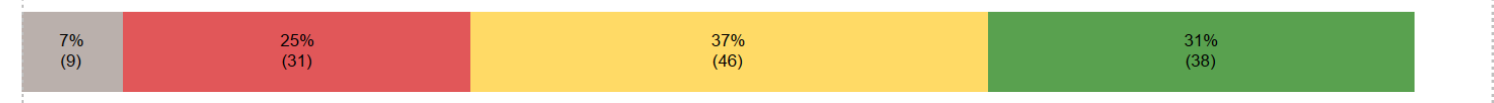
Spending & Saving



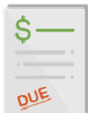
Emergency Fund



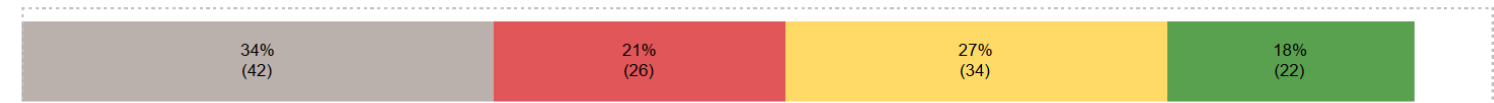
Retirement



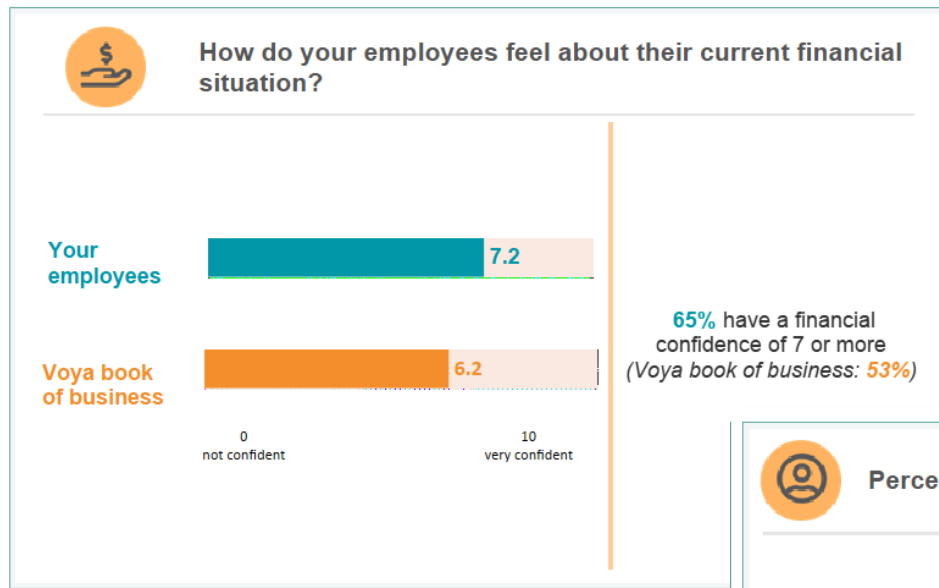
Debt



Other Goals

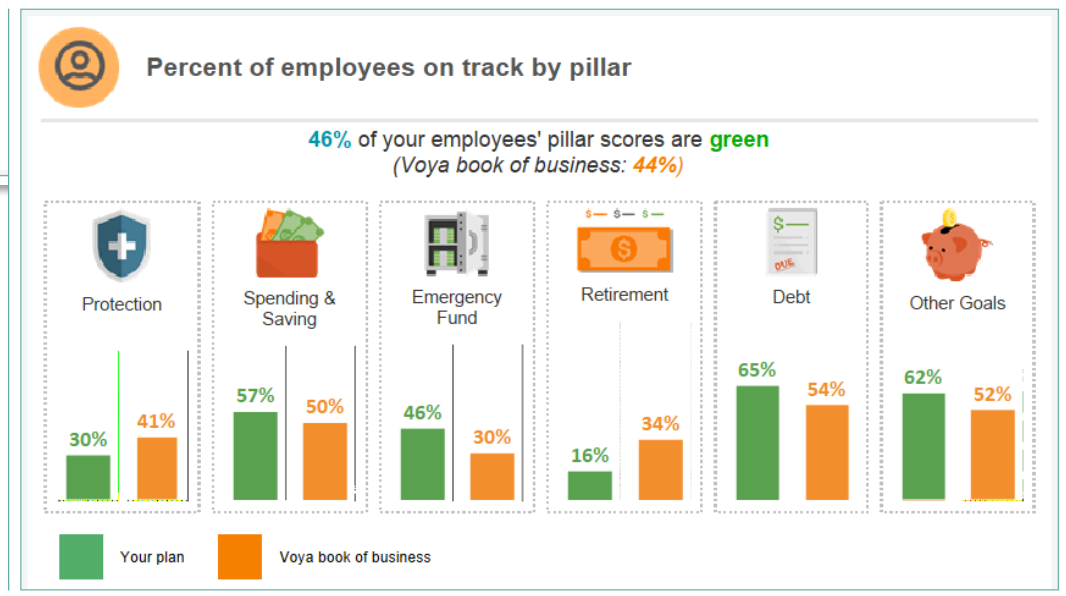


Nevada System of Higher Education



As of September 30, 2020

39 Financial Wellness Assessments completed



NSHE Financial Wellness Scores by Pillar

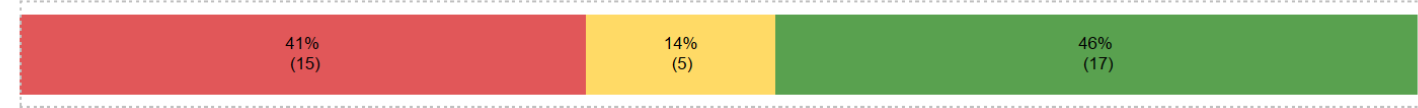
Protection



Spending & Saving



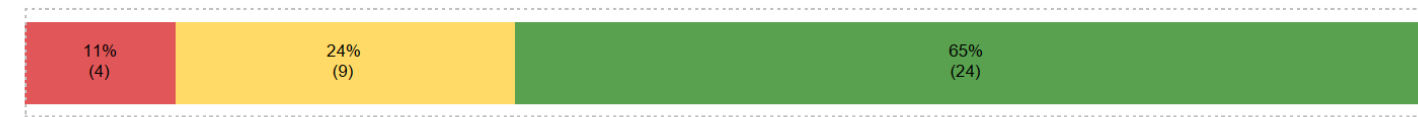
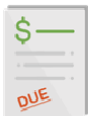
Emergency Fund



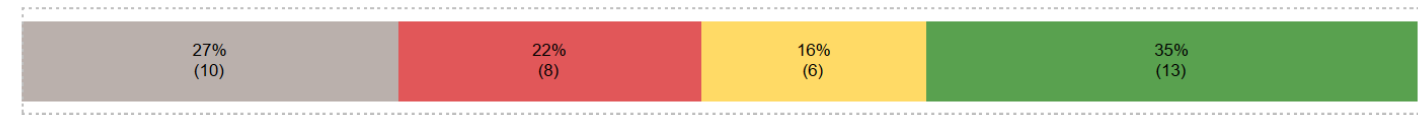
Retirement



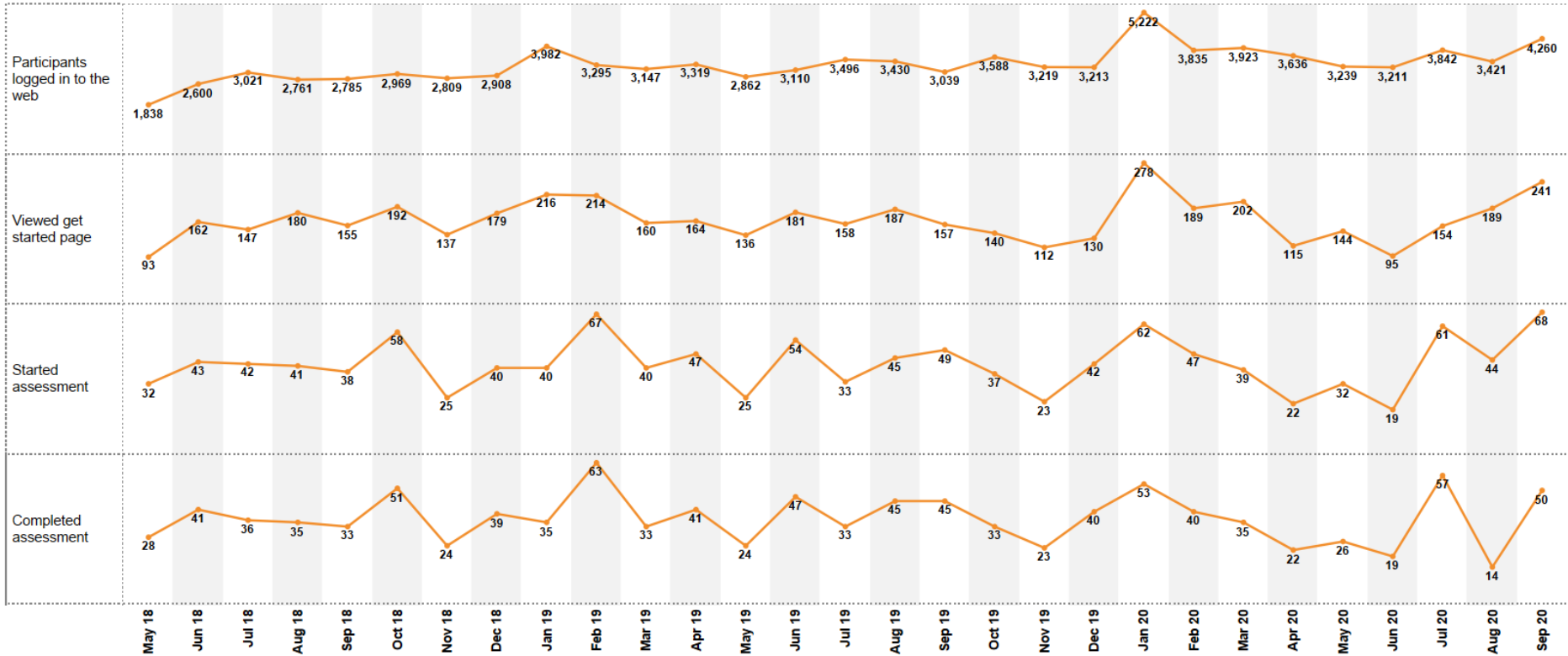
Debt



Other Goals



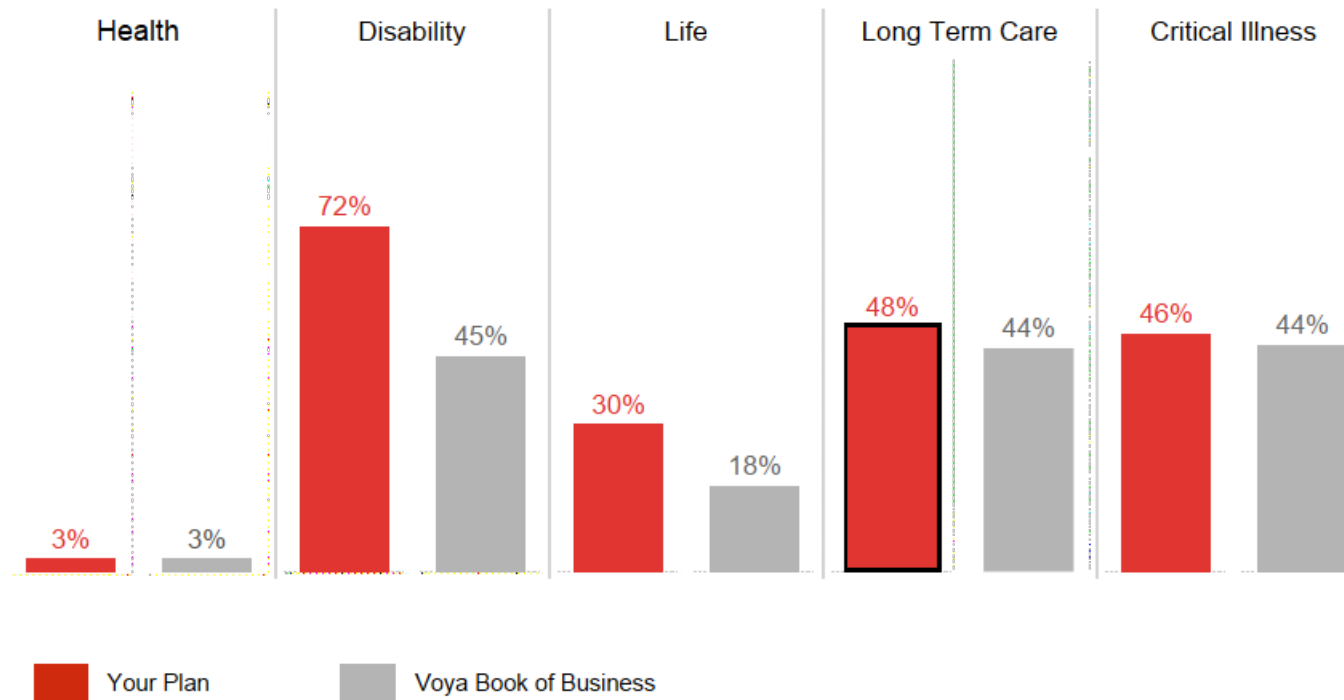
FW Engagement – All Nevada Plans



All Plans FW Scores by Pillar



Protection Pillar Summary



Notes:

- Health: includes employees who are age 65 or older without health insurance or Medicare with a Medicare Supplement.
- Disability: does not include employees who are retired.
- Life: only includes employees with dependents.
- Long term care: only includes employees who are age 50 or older who said they don't have coverage and are not prepared to cover expenses through another source if the need arises.
- Critical illness: only includes employees who are age 50 or older who said they don't have coverage and are not prepared to cover expenses through another source if the need arises. Off track metrics for Disability and Life could be understated as those who have these coverages may not be adequately insured. Assessment and scoring enhancements are in the pipeline to address this.



3

Guided Content Experiences

Accessing educational content

What we know about participants

Our personalized messages offer the right message at the right time based on what we know about a participant and their savings goals



What participants tell us

Our financial wellness experience helps participants prioritize their next best step based on how they answer a brief assessment



What participants choose

Our content hubs offer individuals the ability to learn about **specific topics**, or **follow learning modules** centered on life stage, goals and life events to educate them on holistic financial wellness.

Resource Center Library: Voya owned articles, infographics and tools on financial wellness topics. Content updated and posted as needed.

Retire Better Blog: Licensed articles from world-class publishers. New content posted weekly on timely and trending topics.

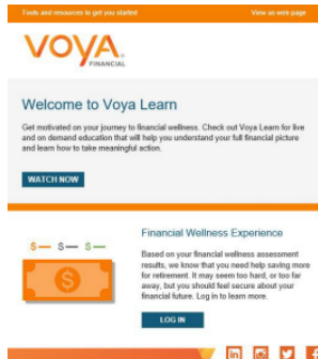
Voya Learn: Video-first, live and on demand education. Live sessions offered bi-weekly and new on demand content posted monthly.

Personalized Email Messaging Results

Personalized Financial Wellness Messaging has reached out to **10,234** participants

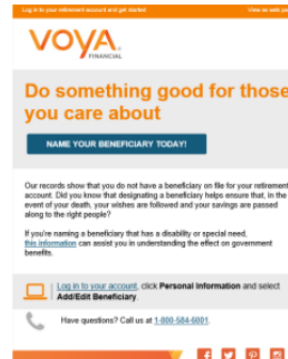
Of those, **63%** engaged with personalized financial wellness emails.

Quarterly Education



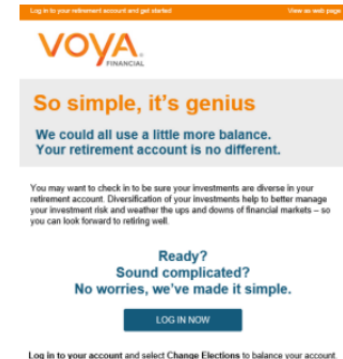
116 completed a financial wellness assessment

Beneficiary



265 named a beneficiary

Diversification



19 diversified their account

2021 Consumer Education Calendar

Participants who are engaged save more. myOrangeMoney users **save 34%** than non-users.¹

54% of participants reached through personalized financial wellness emails engaged with the message



Key Insights

Right now, employees are feeling **anxious, worried and stressed** in response to COVID-19. There is heightened fear around contracting the virus and job loss.²

Now more than ever, employees need/want a **variety of financial advice** from employers. emergency savings

1. Retirement planning
2. Cash management/ budgeting
3. Long-term savings goals
4. Protection

Companies have reinforced the importance of their greatest asset – their employees, and to that end, are moving quicker to increase investment in **diversity & inclusion, health and well-being** programs.

¹Digital Solutions – data as of 09/30/2020

²Voya's COVID-19 Poll was conducted through our proprietary research platform, the Online Consumer Community. This is a private digital space where a targeted group of consumers have been recruited to participate in research-related activities over an extended period of time. There are 400 consumers in the Online Consumer Community, balanced by age, gender and U.S. Census region. For this research, we executed an online survey and discussion with n=166 (n=103 Ages 18-44, n=63 Ages 45-70) consumers from March 27 to April 2, 2020 in order to understand current consumer sentiment regarding COVID-19.

2021 Consumer Education Calendar



Theme

Q1: Get organized

Start the new year by setting goals that matter to you and creating a plan to get there.

- Organize your finances
- Balance your priorities
- Set your achievements

Q2: Make key decisions

Understand how to make the financial choices that are right for your specific circumstances..

- Manage your debt
- How and where to save and invest
- Plan for life and family events

Q3: Protect your finances

Be prepared for the unexpected and confident you'll be able to handle what comes your way.

- Understand insurance coverage
- Keep your identity safe
- Emergency savings

Q4: Plan for your future

Prioritize your future self by planning and saving for retirement.

- Understand how much to save
- Access guidance and help
- What to consider as you near retirement

Check in

- Financial Awareness Assessment

- Budget Calculator

- Protection Calculators

- myOrangeMoney
- Retirement Workbook

Inclusivity & Awareness

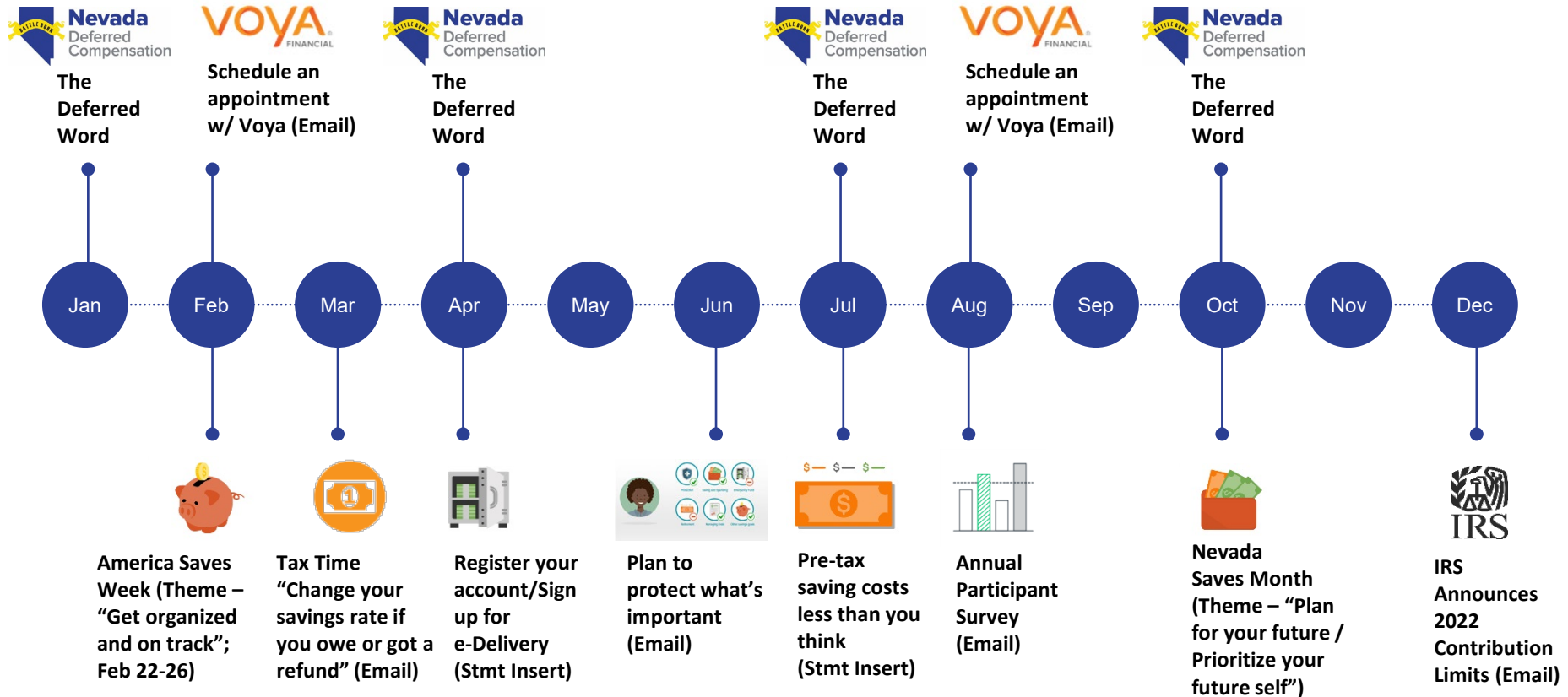
- Black History Month
- International Women's Day
- America Saves Week

- Pride Month

- Hispanic Heritage Month

- Disability Awareness Month
- National Retirement Security Month

2021 NDC Communication Calendar



TBD - VRA/FE Campaign

“Always On” Messaging – Financial Wellness, Diversification, & Beneficiary



4

2020 Participant Survey Results

Q1 Please indicate your level of satisfaction or dissatisfaction regarding the following aspects of participant service from Voya Financial for your NDC account.

Responses	Very Satisfied	Somewhat Satisfied	Neither Satisfied nor Dissatisfied	Somewhat Dissatisfied	Very Dissatisfied	Does not apply or unable to judge
Availability of Voya representatives – 2020	29.03%	11.9%	17.51%	5.15%	3.37%	32.96%
Availability of Voya representatives – 2019	33.43%	13.28%	16.12%	2.54%	3.13%	31.49%
Availability of Voya representatives – 2018	32.36%	15.28%	15.04%	4.88%	1.79%	30.65%
Interactions with Voya representatives – 2020	29.78%	9.46%	16.10%	4.40%	3.09%	37.17%
Interactions with Voya representatives – 2019	34.93%	13.28%	13.28%	3.28%	2.09%	33.13%
Interactions with Voya representatives – 2018	33.69%	13.46%	13.21%	4.40%	1.55%	33.69%
Telephone customer service when calling Voya – 2020	18.82%	9.08%	15.73%	3.00%	1.78%	51.59%
Telephone customer service when calling Voya – 2019	16.77%	8.83%	10.78%	2.40%	1.65%	59.58%
Telephone customer service when calling Voya – 2018	20.13%	9.21%	13.45%	2.28%	1.22%	53.71%
Ease of managing my account on the Voya website – 2020	24.63%	18.82%	16.76%	6.65%	3.28%	29.87%
Ease of managing my account on the Voya website – 2019	28.04%	19.04%	14.54%	5.70%	2.70%	29.99%
Ease of managing my account on the Voya website – 2018	24.43%	16.69%	13.44%	4.97%	2.36%	38.11%

Q1 Please indicate your level of satisfaction or dissatisfaction regarding the following aspects of participant service from Voya Financial for your NDC account.

Responses	Very Satisfied	Somewhat Satisfied	Neither Satisfied nor Dissatisfied	Somewhat Dissatisfied	Very Dissatisfied	Does not apply or unable to judge
Help with making investment selection – 2020	17.88%	10.77%	21.54%	5.43%	3.93%	40.45%
Help with making investment selection – 2019	20.66%	16.02%	17.96%	5.09%	4.04%	36.23%
Help with making investment selection – 2018	20.78%	10.27%	18.74%	6.44%	2.77%	40.99%
Retirement planning assistance – 2020	14.70%	10.11%	22.19%	5.52%	3.37%	44.10%
Retirement planning assistance – 2019	16.79%	13.46%	18.46%	4.54%	4.24%	42.51%
Retirement planning assistance – 2018	18.55%	9.72%	19.04%	5.39%	2.86%	44.44%
Quarterly Statements – 2020	36.89%	18.35%	17.60%	3.00%	3.00%	21.16%
Quarterly Statements – 2019	39.07%	22.01%	14.82%	2.54%	1.50%	20.06%
Quarterly Statements – 2018	38.81%	18.14%	14.38%	2.12%	2.37%	24.18%
Newsletters and mailings – 2020	30.71%	16.57%	24.72%	2.81%	2.53%	22.66%
Newsletters and mailings – 2019	31.24%	23.77%	19.28%	3.29%	1.79%	20.63%
Newsletters and mailings - 2018	32.92%	17.94%	20.56%	2.05%	1.56%	24.98%

Q1 Please indicate your level of satisfaction or dissatisfaction regarding the following aspects of participant service from Voya Financial for your NDC account.

Responses	Very Satisfied	Somewhat Satisfied	Neither Satisfied nor Dissatisfied	Somewhat Dissatisfied	Very Dissatisfied	Does not apply or unable to judge
Overall client service from Voya – 2020	31.55%	16.85%	20.04%	3.93%	3.37%	24.25%
Overall client service from Voya – 2019	33.38%	23.50%	16.92%	3.44%	2.10%	20.66%
Overall client service from Voya – 2018	31.91%	19.15%	16.76%	3.44%	2.13%	26.60%

Q3. Please indicate your level of satisfaction or dissatisfaction regarding the following aspects of participant service from the NDC Administrative Staff for your NDC Account.

Responses*	Very Satisfied	Somewhat Satisfied	Neither Satisfied nor Dissatisfied	Somewhat Dissatisfied	Very Dissatisfied	Does not apply or unable to judge
Availability of NDC Administrative Staff – 2020	20.40%	8.61%	18.28%	3.61%	2.34%	46.76%
Availability of NDC Administrative Staff - 2018	19.10%	8.43%	15.78%	2.33%	0.99%	53.36%
Accessibility of the NDC Office located at the Library and Archives building – 2020	10.95%	5.10%	19.34%	2.02%	3.08%	59.51%
Accessibility of the NDC Office located at the Library and Archives building– 2018	11.34%	5.40%	16.74%	1.89%	1.53%	63.10%
Interactions with NDC Administrative Staff – 2020	18.92%	5.95%	17.85%	2.76%	2.34%	52.18%
Interactions with NDC Administrative Staff - 2018	18.65%	6.40%	15.32%	1.35%	1.08%	57.21%
Telephone customer service when calling the NDC Administrative Office – 2020	16.79%	7.76%	17.75%	2.13%	1.91%	53.67%
Telephone customer service when calling the NDC Administrative Office – 2018	17.16%	7.01%	14.65%	1.53%	0.90%	58.76%

* Question was not asked in the 2019 survey.

Q3. Please indicate your level of satisfaction or dissatisfaction regarding the following aspects of participant service from the NDC Administrative Staff for your NDC Account.

Responses*	Very Satisfied	Somewhat Satisfied	Neither Satisfied nor Dissatisfied	Somewhat Dissatisfied	Very Dissatisfied	Does not apply or unable to judge
Ease of accessing information on the NDC website – 2020	21.68%	14.45%	20.40%	3.61%	3.29%	36.56%
Ease of accessing information on the NDC website – 2018	20.58%	11.95%	15.09%	3.59%	1.35%	47.44%
Retirement planning education – 2020	16.47%	10.52%	21.04%	6.38%	4.68%	40.91%
Retirement planning education – 2018	17.42%	10.38%	16.16%	4.33%	2.98%	48.74%
NDC Newsletter (The Deferred Word) – 2020	27.31%	16.68%	22.85%	2.44%	2.44%	28.27%
NDC Newsletter (The Deferred Word) – 2018	25.27%	16.28%	19.33%	1.53%	0.90%	36.69%
Overall participant service from the NDC Staff – 2020	22.53%	13.71%	20.40%	2.55%	2.76%	38.04%
Overall participant service from the NDC Staff – 2018	21.82%	11.00%	16.59%	2.34%	1.44%	46.80%

* Question was not asked in the 2019 survey.

Q5 Please indicate your level of satisfaction or dissatisfaction with the following aspects of the investment options offered through the NDC Plan.

Responses	Very Satisfied	Somewhat Satisfied	Neither Satisfied nor Dissatisfied	Somewhat Dissatisfied	Very Dissatisfied	Does not apply or unable to judge
Choices of investment options – 2020	25.84%	18.70%	22.49%	3.78%	2.70%	26.49%
Choices of investment options – 2019	23.90%	32.73%	17.67%	4.42%	1.81%	19.48%
Choices of investment options - 2018	21.59%	20.13%	19.95%	3.84%	2.29%	32.20%
Investment option performance – 2020	25.41%	19.68%	21.95%	4.43%	2.59%	25.95%
Investment option performance – 2019	21.73%	32.39%	20.32%	3.42%	2.21%	19.92%
Investment option performance – 2018	21.15%	20.05%	20.15%	4.58%	2.11%	31.96%
Investment option expenses – 2020	21.73%	16.86%	26.05%	5.08%	3.46%	26.81%
Investment option expenses – 2019	19.15%	27.42%	23.99%	6.25%	2.22%	20.97%
Investment option expenses – 2018	18.92%	16.90%	22.41%	5.88%	2.39%	33.52%
Safety of my assets - 2020	26.70%	19.89%	22.59%	3.68%	1.62%	25.51%
Safety of my assets – 2019	25.70%	31.93%	19.08%	3.21%	1.41%	18.67%
Safety of my assets – 2018	24.01%	19.52%	20.81%	1.65%	1.56%	32.45%

Q5 Please indicate your level of satisfaction or dissatisfaction with the following aspects of the investment options offered through the NDC Plan.

Responses	Very Satisfied	Somewhat Satisfied	Neither Satisfied nor Dissatisfied	Somewhat Dissatisfied	Very Dissatisfied	Does not apply or unable to judge
Overall satisfaction with investment options - 2020	26.49%	22.16%	20.97%	4.11%	2.49%	23.78%
Overall satisfaction with investment options - 2019	25.75%	34.00%	17.30%	3.22%	2.01%	17.71%
Overall satisfaction with investment options – 2018	22.32%	22.14%	18.48%	4.21%	2.20%	30.65%

Q7 What are the most important factors that influenced your choice of investment options within the NDC Plan? (select all that apply)

Responses	2020	2018
Default option/Target Retirement Date Funds	40.64%	35.14%
Investment fund performance	41.91%	39.07%
Low expenses	39.04%	39.96%
Prior experience with particular investment company	8.96%	6.59%
Reputation of the investment management company	17.34%	12.80%
Educational information provided by a friend, family member, or colleague	10.45%	9.65%
Advice from my independent financial advisor	13.20%	12.40%
Advice from our contract Investment Advisory/Professional Management services contractor	5.05%	4.04%
Educational information provided by a Voya representative	22.73%	25.49%
Educational information provided by a representative from a prior recordkeeper	4.59%	4.04%

Q8 Please indicate your level of satisfaction or dissatisfaction with the following aspects of the Nevada Deferred Compensation Program as a whole.

Responses	Very Satisfied	Somewhat Satisfied	Neither Satisfied nor Dissatisfied	Somewhat Dissatisfied	Very Dissatisfied	Does not apply or unable to judge
Information provided about choosing investment options - 2020	23.58%	22.16%	22.04%	7.94%	5.33%	18.96%
Information provided about choosing investment options – 2019	22.18%	25.71%	20.17%	9.58%	4.37%	17.98%
Information provided about choosing investment options – 2018	22.67%	20.41%	21.03%	7.49%	3.90%	24.51%
Information provided about retirement planning – 2020	22.27%	20.26%	22.16%	8.65%	5.81%	20.85%
Information provided about retirement planning – 2019	20.44%	23.99%	20.27%	10.81%	3.55%	20.95%
Information provided about retirement planning – 2018	24.18%	20.78%	19.44%	7.20%	3.50%	24.90%
Ease of enrollment – 2020	39.93%	20.85%	17.42%	2.37%	3.08%	16.35%
Ease of enrollment – 2019	45.52%	21.83%	10.83%	4.40%	1.69%	15.74%
Ease of enrollment – 2018	41.93%	20.76%	14.16%	1.75%	1.34%	20.04%

Q8 Please indicate your level of satisfaction or dissatisfaction with the following aspects of the Nevada Deferred Compensation Program as a whole.

Responses	Very Satisfied	Somewhat Satisfied	Neither Satisfied nor Dissatisfied	Somewhat Dissatisfied	Very Dissatisfied	Does not apply or unable to judge
Ease of changing current contribution levels or amounts - 2020	36.14%	16.00%	17.77%	4.98%	4.98%	20.14%
Ease of changing current contribution levels or amounts - 2019	38.62%	17.54%	14.17%	5.56%	3.37%	20.74%
Ease of changing current contribution levels or amounts - 2018	35.02%	17.30%	13.59%	4.22%	2.78%	27.09%
Overall program expenses and fees – 2020	23.58%	22.63%	26.42%	5.09%	4.62%	17.65%
Overall program expenses and fees – 2019	21.89%	22.39%	28.26%	7.91%	3.03%	16.50%
Overall program expenses and fees - 2018	24.15%	20.14%	22.51%	6.37%	2.96%	23.64%
Overall satisfaction with the NDC Program – 2020	31.64%	24.41%	20.38%	5.57%	3.44%	14.57%
Overall satisfaction with the NDC Program – 2019	33.50%	26.26%	19.70%	4.88%	2.36%	13.30%
Overall satisfaction with the NDC Program – 2018	30.71%	24.16%	19.14%	4.50%	1.64%	19.86%

Q12 Which of these potential enhancements or features would you have been interested in taking advantage of when you enrolled in the Nevada Deferred Compensation Plan, or you may be interested in as an option in the future? (select all that apply)

Responses	2020	2019	2018
Opt-In/Opt-Out Auto Enrollment at time of hire and then repeated annually as a reminder of the Program benefits and increasing Financial Wellness	43.54%	45.73%	41.73%
The ability to set up an Auto Increase/Escalation option - allows any participants to set an automatic increase of future pay check deductions by a specified amount anytime they receive annual merit step increases, Cost of Living Adjustment (COLA) increases, or annually on a specific date, etc. This feature would be able to be modified or cancelled anytime by the participant.	56.76%	57.26%	50.78%
Electronic Enrollment, Payroll Deduction, and Account Change Forms with secure electronic signature capabilities.	73.25%	64.61%	57.34%
The ability to convert your NDC Account into a Guaranteed Lifetime Income Benefit that you and/or your spouse can't outlive, similar to how your NVPERS pension works.	57.80%	61.83%	49.95%



NV

Voya Financial 2020 Participant Website Updates

Presented on January 11, 2021

your
retirement



Nevada
Deferred
Compensation

Disclosures

- ***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

Agenda

- Record Keeping Update



NV

Record Keeping Update

your
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Nevada
Deferred
Compensation

Spanish Language Capabilities

Provides Spanish translation of Pweb, Voya Enroll and custom website

The screenshot displays the Voya Financial website interface in Spanish. The header features the Voya logo and a search bar. The main navigation bar includes links for 'Your Retirement Plan', 'Casa', 'Bienestar Financiero', 'Cuenta', 'Inversiones', 'Declaraciones y Documentos', 'Información del Plan', 'Información Personal', 'Educación y Herramientas', and 'Contáctenos'. The main content area is titled 'Hablemos de sus ahorros de jubilación' and includes a 'myOrangeMoney' section. The footer contains a language selector with 'English' and 'Español' options, a copyright notice for 2020 Voya Services Company, and social media links.

- All digital content is translated and certified by TransPerfect, a world leader in translation and localization services
- TransPerfect also currently provides translator support to Voya's contact center
- Example shows sample translation of a Participant website home page
- The language selector will be present in the footer of the Participant website, Voya Enroll and microsites
- The user may switch their language at any time
- Their last language preference will be remembered for future use

Spanish Language Impact – NDC Website



Contáctenos

State of Nevada Retirement Plans

Inicie sesión

¿Olvidó su nombre de usuario?

¿Olvidó su contraseña?

Entre ☐ Recordarme

¿Nos visita por primera vez?

Regístrese ahora [¿Necesita ayuda?](#)

Acceda a su cuenta en el camino

Obtener la aplicación

El boletín trimestral de los participantes del NDC

Bienestar financiero

El futuro empieza hoy con la experiencia de bienestar financiero

Más información

A Mensaje especial del programa NDC: La Ley CARES La Ley de Ayuda, Alivio y Seguridad Económica por Coronavirus (Coronavirus Aid, Relief and Economic Security, CARES) se promulgó el 27 de Marzo, 2020 para ayudar a aliviar algunas de las presiones financieras que afrontan los estadounidenses tras el brote de COVID-19. Si usted o su familia se han visto afectados por el brote de COVID-19 y reúnen los requisitos de elegibilidad, la Ley CARES le permite tener más acceso a sus ahorros para jubilación por medio de una distribución relacionada con el coronavirus (Coronavirus-related distribution, CRD). Puede encontrar más detalles para obtener una CRD en la [notificación de la Ley CARES](#). Para obtener más información sobre las opciones de CRD antes de hacer una elección, llame a la Oficina Administrativa de NDC al (775) 684-3397 .

Budget Calculator

Provides easy-to-use, flexible budgeting tool to help engage participants in the creation of a monthly budget for spending and saving – including emergency funds

1

Budget Calculator

Get your 50/30/20 budget and then personalize it to your priorities and situation

The 50/30/20 approach can be a helpful way to get started with budgeting. It's a simple rule of thumb that suggests you put up to 50% of your after-tax income toward things you need, 30% toward things you want, and 20% toward savings.

Education: 50/30/20 approach

English and Spanish

Language selector

English

Español

English

50% Needs

Things you must have or can't live without.

Examples: housing, groceries, utilities, transportation, child care, debt payments

30% Wants

Things you can cut back on or do without.

Examples: entertainment, dining out, clothing, splurges

20% Savings

Money you save for future goals.

Examples: emergency fund, home, vacation, retirement, financial freedom

4

Good Job!

You have an extra **\$45**. Consider putting it toward savings or paying down any debt you have.

Monthly Budget

	Income	Allocated	Remaining
	\$3,900	\$3,855	\$45
		50/30/20	My Budget
Needs	\$1,950	\$3,630	↑ \$1,680
Wants	\$1,170	\$150	↓ \$1,020
Savings	\$780	\$75	↓ \$705

Next Steps

Get a copy of your budget or share it with your financial professional

[Download as PDF](#)

[Download as Excel](#)

Explore practical tips to balance your budget and stretch your income

[Explore Tips](#)

2

My 50/30/20 Monthly Budget

Needs 50%

\$2,166

Wants 30%

\$1,299

Savings 20%

\$866

Values are based on a monthly budget.

Congratulations, you're off to a great start!

Your 50/30/20 budget is a simple rule of thumb that can be a helpful way to get started with budgeting.

Take the next step and personalize your budget based on your priorities and financial situation.

Enter income to get your 50/30/20 budget

3

Personalize your monthly budget

[Need Help?](#) [Add/Edit](#)

Needs	Wants	Savings
Housing \$ <input type="text"/>	Entertainment \$ <input type="text"/>	Emergency Fund \$ <input type="text"/>
Utilities \$ <input type="text"/>	Dining Out \$ <input type="text"/>	Retirement \$ <input type="text"/>
Groceries \$ <input type="text"/>	Hobbies \$ <input type="text"/>	Vacation / Travel \$ <input type="text"/>
Transportation \$ <input type="text"/>	Splurges \$ <input type="text"/>	
Childcare \$ <input type="text"/>		
Healthcare \$ <input type="text"/>		
Student Loan Payments \$ <input type="text"/>		
Other Debt Payments \$ <input type="text"/>		

Personalize monthly budget using default categories or create your own

Nevada Deferred Compensation

7



NV

Thank you!

your
retirement



Nevada
Deferred
Compensation



NV

Edelman Financial Engines

Presented on January 11, 2021

your
retirement

Our philosophy

We believe investment advice should:

- **Be independent and unbiased**
 - Top DC managed account provider¹
- **Follow an investment process that's systematic, transparent, and objective**
 - Embraces market consensus expectations to avoid market timing
- **Be personalized to each individual**
 - Considers total assets & reflects personal risk preferences

Financial Engines delivers independent, institutional-quality, personalized advice & management to everyday investors

¹ Cerulli Associates, The Cerulli Edge—Retirement Edition, data as of June 30, 2020.

Our Methodology



Our focus is to provide independent, institutional-quality advice and management to help individuals accumulate for retirement and generate a stable income.

*Lifetime guarantee requires purchase of an out-of-plan annuity; issuer minimum purchase requirements may apply.

Extensive fund modeling & investment selection

- We model specific characteristics of **38,000+** mutual funds, collective investment trusts, ETFs, closed-end funds, and individual securities¹
- **Sophisticated Bayesian alpha model for selecting investments**
 - Accounts for exposures to **15 asset classes**
 - Considers the **impact of fund fees** and implicit trading costs
 - Evaluates manager alpha relative to a **custom estimated benchmark** for each fund
 - Evaluates **magnitude, consistency, and duration** of manager alpha to determine predictability of future performance
 - Models passive and active products with the same consistent approach
- **Trades off benefits of asset class diversification, predictable manager performance, and fund fees**

¹ Data according to the Financial Engines Data Warehouse, as of June 30, 2019.

Impact of Fund Changes to PM Member portfolios

VRA Member Asset Summary (as of Dec. 29, 2020)

Fund	Exp. Ratio	Current \$	Current %
Vanguard Institutional Index Fund;Institutional	0.05%	\$ 4,472,190	25%
Vanguard Total Bond Market Index Fund;Inst	0.035%	\$ 3,694,886	21%
Vanguard Developed Markets Index Fund;Inst	0.05%	\$ 3,453,845	19%
Vanguard Extended Market Index Fund;Institutional	0.05%	\$ 2,432,290	14%
Voya Fixed Account II	0.40%	\$ 1,553,153	9%
American Funds EuroPacific Growth Fund;R6	0.46%	\$ 908,584	5%
Vanguard Mid-Cap Value Index Fund;Admiral	0.07%	\$ 597,686	3%
Vanguard Mid-Cap Growth Index Fund;Admiral	0.07%	\$ 268,663	2%
T Rowe Price Growth Stock Fund;	0.52%	\$ 197,237	1%
Vanguard Institutional Target Retire 2015 Fd;Inst	0.06%	\$ 79,476	0%
MFS Value Fund;R4	0.57%	\$ 50,968	0%
Vanguard Institutional Target Retire 2035 Fd;Inst	0.06%	\$ 31,116	0%
Hartford MidCap HLS;IA	0.70%	\$ 30,757	0%
Vanguard Institutional Target Retire 2025 Fd;Inst	0.06%	\$ 6,546	0%
Vanguard Institutional Target Retire 2020 Fd;Inst	0.06%	\$ 4,264	0%
Vanguard Institutional Target Retire Inc Fund;Inst	0.06%	\$ 4,039	0%
Vanguard Institutional Target Retire 2045 Fd;Inst	0.06%	\$ 3,601	0%
		\$ 17,789,300	100%

- Proposed fund changes would eliminate 6 funds representing ~\$2M in AUM, or 11.2%
- Mapped assets into 4 new funds would be temporary
- PM Program will determine new optimal allocation for each member, and rebalance accordingly
- Anticipated AUM post rebalancing in new 4 funds is expected to be <1% in total
- Mapped assets will flow into VG Funds (Total Bond Market Index, Developed Market Index; Extended Market Index; Institutional Index)

Fund Replacement Options

Fund	Exp. Ratio
Sterling Capital Total Return Bond R6 (STRDX)	0.35%
JPMorgan SMID Cap Equity R6 (WOOSX)	0.39%
Hartford Core Equity R6 (HAITX)	0.64%
Hartford International Equity R6 (HDVVX)	0.54%

State of Nevada proposed fund structure updates

State of Nevada

Option 3: Aggressively refine current fund structure to one active and one passive option in equity asset classes and consolidate to SMID

Investment Menu	Ticker	Total Assets	Expense Ratio	Revenue Share	Map To:	New Investment Menu	Ticker	Expense Ratio	Revenue Share
Voya Fixed Account	-	\$338,286,038	0.40%	0.00%	➔	Voya Fixed Account	-	0.40%	0.00%
Vanguard Total Bond Market Index I	VBPIX	\$26,307,874	0.035%	0.00%	➔	Vanguard Total Bond Market Index I	VBPIX	0.035%	0.00%
-	-	-	-	-	➔				
Vanguard Institutional Index Instl	VINIX	\$107,196,040	0.035%	0.00%	➔	Vanguard Institutional Index Instl Plus	VIIIX	0.02%	0.00%
MFS Value R4	MELIX	\$16,887,050	0.57%	0.15%	➔				
T. Rowe Price Growth Stock I	PRUFIX	\$83,357,269	0.52%	0.00%	➔				
Vanguard Extended Market Index Instl	VIEIX	\$52,502,511	0.05%	0.00%	➔	Vanguard Extended Market Index Instl	VIEIX	0.05%	0.00%
Vanguard Mid-Cap Value Index Adm	VMVAX	\$2,833,311	0.07%	0.00%	➔				
Hartford MidCap HLS IA	HIMCX	\$50,238,602	0.70%	0.05%	➔				
Vanguard Mid-Cap Growth Index Adm	VMGMX	\$18,802,869	0.07%	0.00%	➔				
Vanguard Developed Markets Index Instl	VTMNX	\$29,321,518	0.05%	0.00%	➔	Vanguard Developed Markets Index Instl	VTMNX	0.05%	0.00%
American Funds EuroPacific Growth R6	REGX	\$6,931,802	0.46%	0.00%	➔				
Vanguard Target Retirement Series Instl	Multiple	\$191,277,186	0.09%	0.00%	➔	Vanguard Target Retirement Series Instl	Multiple	0.09%	0.00%
Self-Directed Brokerage Account	-	\$4,554,106	-	0.00%	➔	Self-Directed Brokerage Account	-	-	0.00%
		\$563,902,263	0.274%	0.009%				0.285%	0.000%
		Total Net Cost (%):	0.265%				Total Net Cost* (%):	0.285%	
		Total Net Cost (\$):	\$1,492,983				Total Net Cost* (\$):	\$1,609,864	

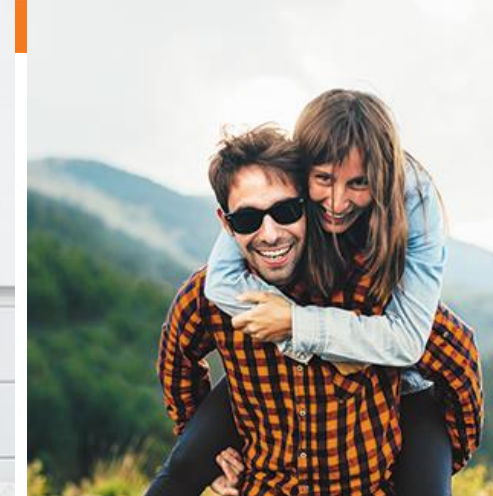
Sterling Capital Total Return Bond R6 (STRDX)

Hartford Core Equity R6 (HAITX)

JPMorgan SMID Cap Equity R6 (WOOSX)

Hartford International Equity R6 (HDVVX)

- Financial Engines utilized the above fund replacement options as part of our analysis; focusing more on publicly traded options with lower expense ratio



We are a different kind of company

For plan sponsor use only. Not for use with participants.
CN0403-41188-0520DBT

PLAN | INVEST | PROTECT

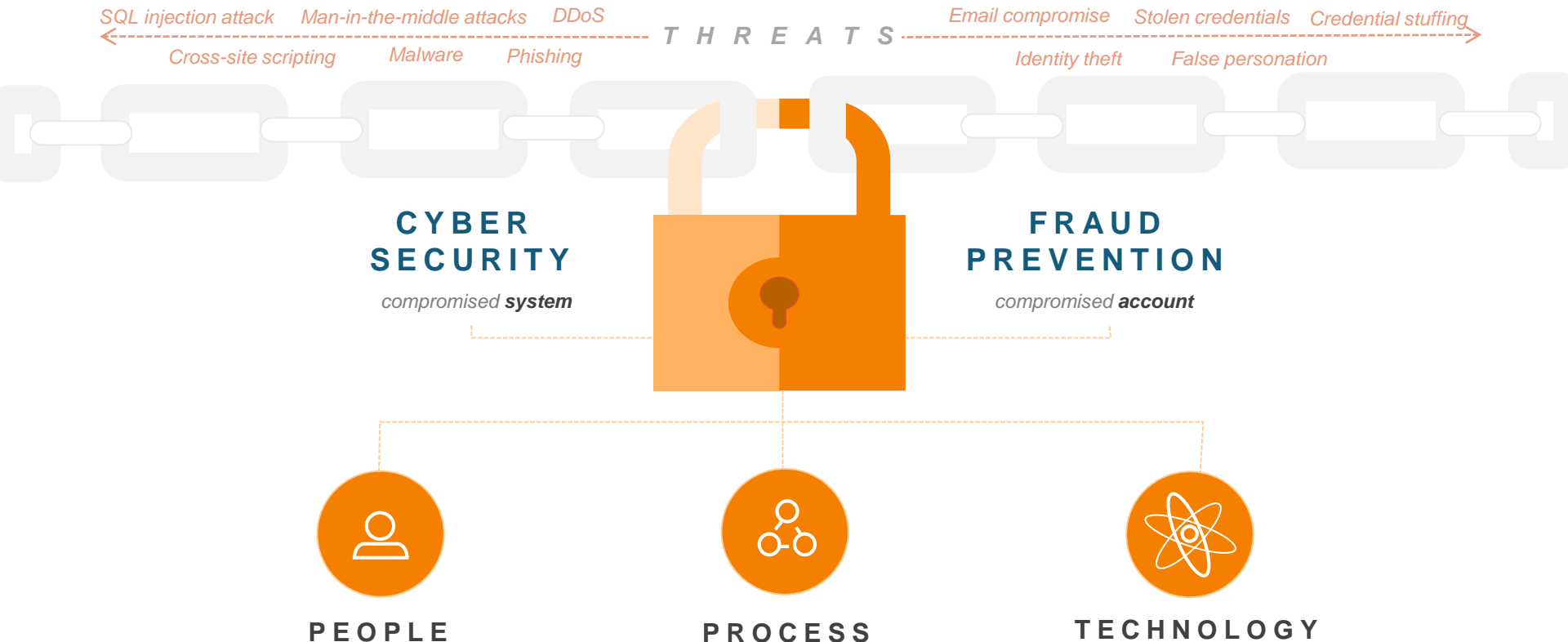
VOYA[®]
FINANCIAL

Agenda

- Voya Team Approach
- Cyber Security Overview
- General Firm Information
- Q&A

Cyber Security Overview

Building cyber resilience and proactively preventing fraud



The evolving landscape of cybersecurity threats

Cybersecurity

[.sībərsi'kyōōrədē] 

NOUN

: the process of protecting information by preventing, detecting and responding to attack.

- National Institute of Standards and Technology

At Voya, our security measures are continuously evolving to stay ahead. In an average month, we defend against 23,700,000 threats¹

In addition, we:

- Protect 22,000 endpoints and websites everyday
- Block 857,400 phishing emails
- Blocked 21,000,000 firewall hits
- Blocked 1,750,000 signature and vulnerability attacks
- Stopped 19,500 A-V, Data Loss Prevention and unauthorized applications

IN THE NEWS:



Cyber crime to cost \$6 trillion

by 2021

— Cybersecurity Ventures, 2016 report

83% of finance companies

incur **over 50 attacks** per month

— Data Connectors, 2019



Top data breaches in 2018:

Facebook – impacted 29 million user profiles ²

Google+ – impacted 52.5 million users ³

First American Financial – impacted 885 million customers ⁴

CapitalOne – impacted 106 million customers

Most reported records exposed in 2018:

Marriott International – impacting 383 million people worldwide

— News Center, News.Marriott.com, 2019

1 As of Feb 2019

2 NYPost.com 2018

3 USAToday 2019

4 Krebssecurity.com 2019

Highly skilled and certified security professionals



PEOPLE



PROCESS



TECHNOLOGY

100+

dedicated & certified
information security
professionals employed

participate in
global ethical hacking
competitions



**FRONT LINE
EMPLOYEES**

=

trained **first line of
defense** on fraud
detection & prevention



MONTHLY
phishing tests across
Voya Financial™

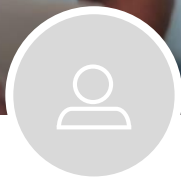
85,000

individual phishing tests
annually to train employees on
how to avoid phishing attacks.

PLAN | INVEST | PROTECT

Sourced By Voya Financial, as of 9/20/19

Applying industry best practice controls



PEOPLE



PROCESS

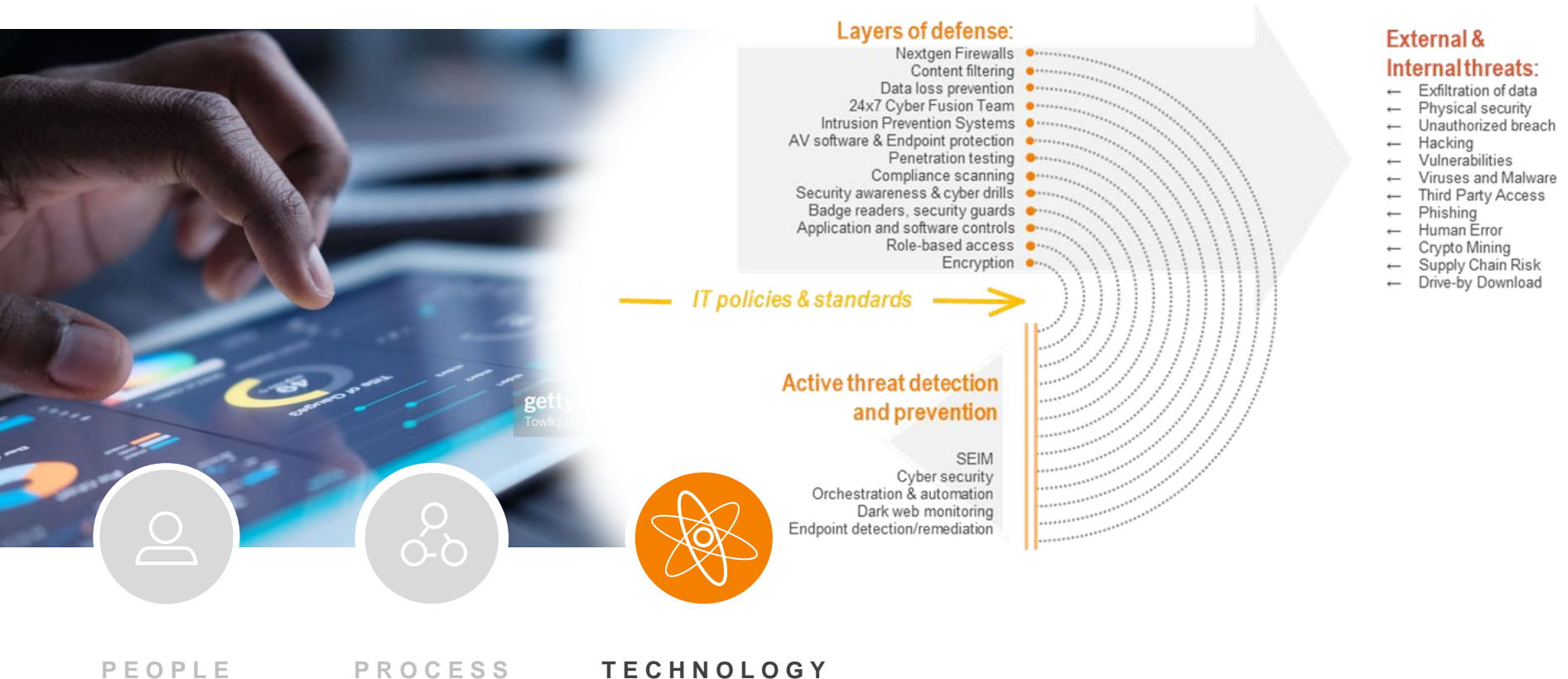


TECHNOLOGY

Industry best practice policies and controls


- Monitoring of daily activities, proactively flagging potential fraudulent behaviors
- Ongoing updates to our security protocols based on Department of Homeland Security information on domestic and international threats
- Participate in Industry Consortiums and government-sponsored organization that helps us stay informed of security risks and trends
- Industry best practice policies and controls
 - Strong alignment with ISO and NIST standards (based on peer benchmarking results)
 - SOC 1 and SOC 2 certifications
- Layers of security controls provide maximum protection, including password requirements, multi-factor authentication and identity verification

Systems designed to prevent corruption and unauthorized access



Account takeover attacks are rapidly reaching new horizons

Account takeover fraud

[əˈkount] [ˈtāk, ɒvər] [frôd] 

NOUN

: a form of identity theft where the fraudster attempts to impersonate a real customer using customer service channels to gain control of their account for the purposes of stealing funds.

We have to be prepared for personal information to be in the wrong hands

IN THE NEWS:



Over 2.3 billion usernames & passwords

were reported spilled from 51 organizations in 2017

- 2018 Credential Spill Report, Shape Security

446,515,334 records with sensitive personally identifiable information were exposed in 2018

up
126%
from 2017

- 2018 Identify Theft Resource Center (ITRC) report

\$6.5 - \$7 billion
lost per year
to account takeover attacks

- Forrester Wave™: Risk-Based Authentication, Q3 2017



Protecting participant accounts

Our proprietary technology and our focus on “people, process and technology” give us an advantage in **defending and resolving account takeover threats**.



PEOPLE

Multi-disciplined triage team of highly skilled fraud experts responsible for end-to-end action from prevention to customer care.

PROCESS

Highly adaptive, risk-based monitoring processes tailored to protect participant account assets.

TECHNOLOGY

Comprehensive systematic monitoring to identify fraudulent activity across all contact points; including artificial intelligence & behavior-based analytics models, event-based red flag monitoring, and industry watch-lists.

Geo-location analysis of all participants banking changes to prevent fraud

Our proprietary technology calculates a “safe” distance for all participant bank routing numbers based on our own participant banking relationships and external data.



TERI

- ON-TRACK TO RETIRE IN 4 YEARS
- FEELS CONFIDENT ABOUT RETIREMENT
- LIVES IN RICHMOND, TEXAS (77469)
- BANK OF AMERICA CUSTOMER
- TYPICALLY CALLS WHEN SHE'S CHECKING HER ACCOUNT BALANCE



“Hi, this is Teri. I’d like to make a bank change...”



New bank location:
Alexandria, VA (22301)

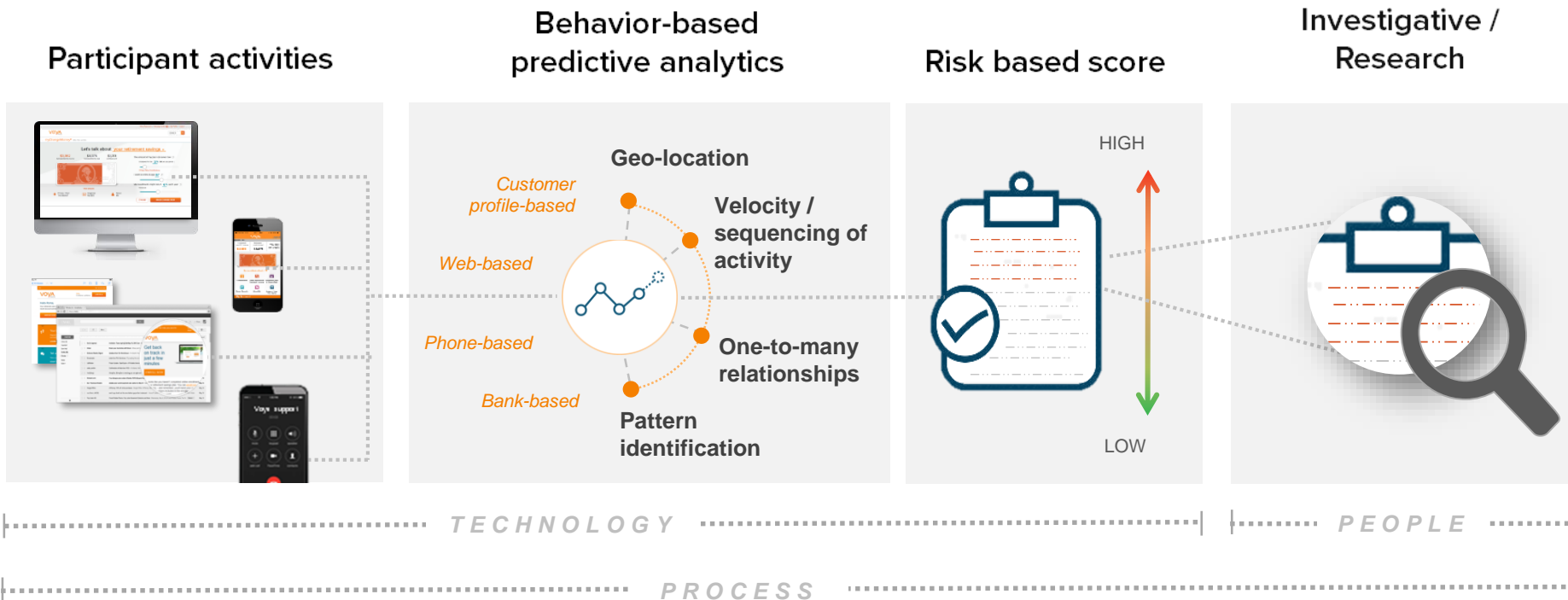
ACH routing location is
1,185 miles
from home address

**OUTSIDE
SAFE RADIUS**



Keeping accounts safe through use of predictive analytics and AI

Our proprietary behavior-based predictive analytics enable more **accurate and timely identification of account takeover attempts**.



+ Voya's S.A.F.E.® guarantee

Voya is committed to safeguarding your plan participants' accounts and personal information from the risk of fraud, cyber threats and unauthorized activity – so much so, we established the Voya S.A.F.E.® (Secure Accounts for Everyone) Guarantee.



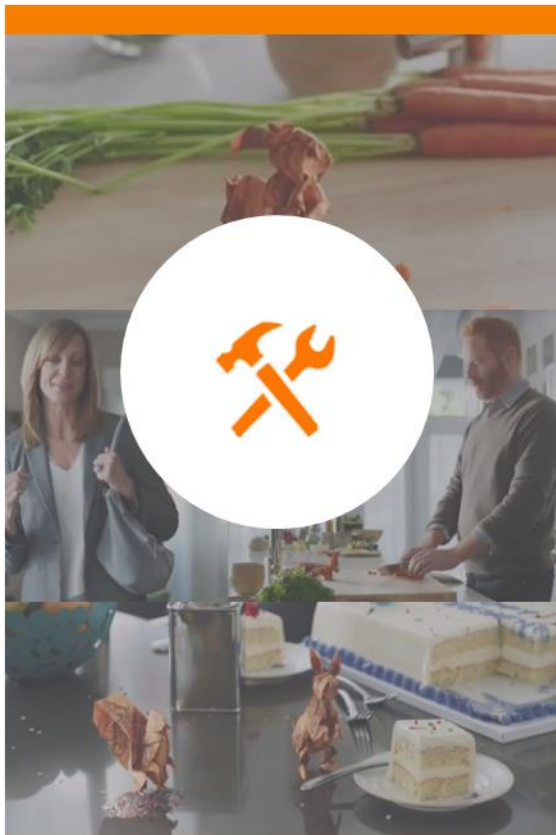
What does the S.A.F.E. Guarantee mean?

If any assets are taken from your workplace retirement plan account due to unauthorized activity and through no fault of your own, we will restore the value of your account subject to you taking action to satisfy the following key steps:

1. Register your account online.
2. Review your account information on a regular basis and keep your contact information current.
3. Promptly report any suspected identity theft or unauthorized activity.
4. Practice safe computing habits.

Why the S.A.F.E. requirements?

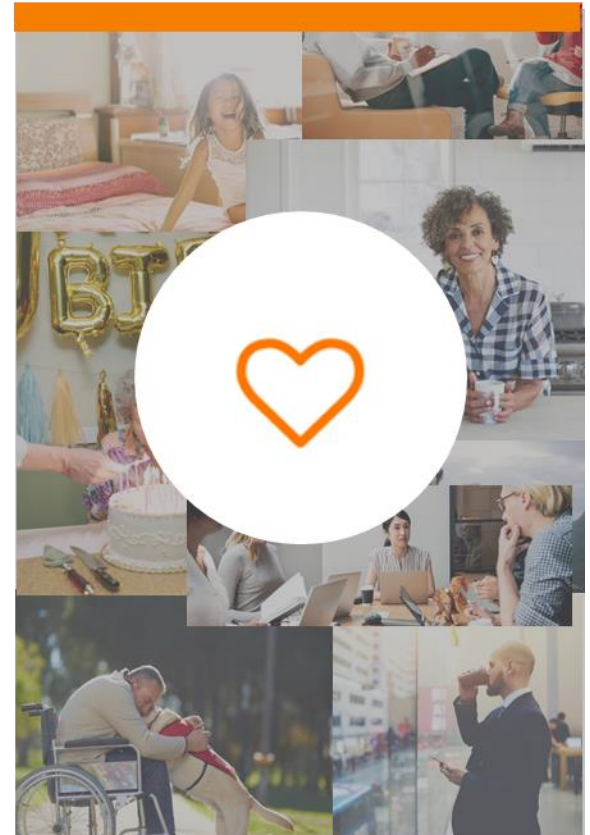
Because we're in this fight together.



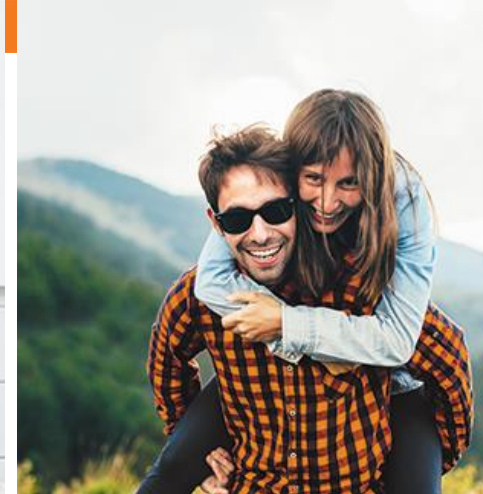
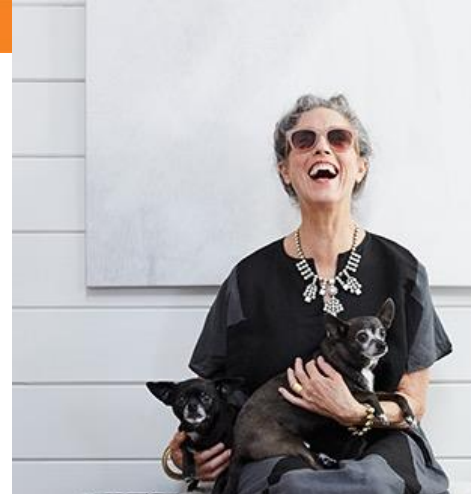
Built for
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a purpose



Unique
culture



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Any insurance products, annuities and funding agreements that you may have purchased are sold as securities and are issued by Voya Retirement Insurance and Annuity Company ("VRIAC"). Fixed annuities are issued by VRIAC. VRIAC is solely responsible for meeting its obligations. Plan administrative services provided by VRIAC or Voya Institutional Plan Services, LLC ("VIPS"). Neither VRIAC nor VIPS engage in the sale or solicitation of securities. If custodial or trust agreements are part of this arrangement, they may be provided by Voya Institutional Trust Company. All companies are members of the Voya family of companies. **Securities distributed by Voya Financial Partners, LLC (member SIPC) or other broker-dealers with which it has a selling agreement.** All products or services may not be available in all states.

To: Rob Boehmer

cc: Rasch Cousineau

Fr: M. Bishop Bastien - Vice President – Tax Exempt Markets

Date: December 21, 2020

Re: Emergency Savings Accounts

As requested, the following details provide the State of Nevada with information related to Voya's activities related to emergency savings solutions.

Voya recognizes that individuals are juggling multiple financial priorities and competing needs for their income and that a lack of emergency savings can put one's retirement at risk. Additionally, individuals are looking to their employer to support their broad financial wellness needs. Employers are also beginning to focus on ways they can help employees make the most out of their workplace savings plans to achieve emergency savings.

As a leader in the financial services market, Voya recognizes this need and is exploring opportunities to provide a workplace emergency savings solution for our plan sponsors. The following provides some high level points on possible Voya solutions:

- Offering may be aligned with a third party firm which would enable us to offer taxable custody accounts as a savings vehicle;
- Intent is to allow employees to contribute to the custody account via ACH or payroll deduct;
- Disbursements from the custody account could be to a linked bank account through ACH;
- Likely that there would be a monthly fee for each open account that covers support, maintenance and payroll deduct; and
- Possible that these accounts would have FDIC account coverage applied to them, but there is anticipated ability to leverage other investment options.

At this time, there are no intended announcements related to such product availability and the direction of the firm is not confirmed. I will keep you apprised as our direction in this area continues.

Nevada Public Employees' Deferred Compensation Program

Crosscheck_{SM} Report

Prepared by: Segal Consulting (2017)



This document is privileged and confidential.



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Special Note: Segal Consulting, as an independent actuarial and employee benefits consulting firm, does not provide legal advice. The information and opinions expressed in this Executive Summary represent our understanding of the law and regulations and their applicability to the Program. Unless otherwise indicated, our observations and recommendations concerning the plan document and plan operations are based on materials furnished to us by the Program. This report is not a legal opinion and has been prepared solely so that the Program and its legal counsel may consider our findings and recommendations in order to determine what corrective action, if any, are necessary.

EXECUTIVE SUMMARY

Segal Consulting was engaged by the Deferred Compensation Committee (“Committee”) of the State of Nevada to conduct an independent, comprehensive review of the Nevada Public Employees’ Deferred Compensation Program (“Program”) to determine the status of the Program’s compliance with the Internal Revenue Code rules and regulations governing 457(b) plans, as well as compliance with other applicable federal laws, and to determine whether the Program’s administrative operations and practices meet the standards set forth in the Program’s governing documents. We reviewed the documents and operations of both the Deferred Compensation Plan and the FICA Alternative Plan (“Plans”). The Program is administered by an Executive Officer and Program staff, as well as by a third-party recordkeeper, Voya.

This Executive Summary describes our findings and analysis from the comprehensive compliance review, which include a review of Plan documents, governance structure and administrative functions, compliance with applicable federal laws and consistency of administration with Program rules, as well as provides recommendations and suggestions for improvements in the Program’s administrative functions and operational compliance with federal tax law.

We wish to thank Mr. Rob Boehmer and Ms. Micah Salerno, as well as personnel at Voya, for their immense cooperation and support during this project. The Program was gracious and candid and provided full access to staff and documents during the review process.

As a result of our compliance review, we conclude that the Plans are substantially in compliance with the requirements under section 457(b) of the Internal Revenue Code (“Code”) and related regulations and other applicable federal laws. We have identified a few areas of Program administration that may be of concern to the Committee and could warrant further review or modification. In addition, the governing plan documents have some minor defects, which should be corrected to provide administrative clarity and to ensure operational compliance. We also identified areas where procedures to monitor ongoing compliance may need to be developed and implemented.

We note that, as a technical matter, even a minor failure to comply with the requirements under Code section 457(b), including failure to follow the plan document terms, even if a plan provision is not required under the Code, may cause a plan to fail to be an eligible plan under Code section 457(b). However, under the “flush language” between Code section 457(b) and 457(c), there is a special retroactive correction period for governmental 457(b) plans that generally allows compliance errors to be corrected prior to the first day of the first plan year beginning more than 180 days after the IRS notifies the plan sponsor in writing that the plan has been administered in a manner that is inconsistent with Code section 457(b) or the regulations thereunder. Consequently, 457(b) errors can be corrected without the plan failing to be considered an eligible plan.

Overall, it appears that the administration of the Program is consistent with IRS rules and governing plan documents. During a compliance review of any retirement plan, we discover operational and compliance issues and areas for improvement to the administrative processes. Retirement plan administration is inherently complex due to the number of constantly changing

regulations required to be followed. While our report does identify several compliance-related operational issues, the majority of issues relate to administrative processes and minor plan document defects that can be corrected satisfactorily.

Segal's compliance review services, known as ***Crosscheck***, is a comprehensive review of plan operating procedures to determine whether they are in compliance with applicable requirements of the Internal Revenue Code and other federal legislation and regulatory guidance, as well as with the provisions of the Plan documents. The goal of a ***Crosscheck*** review is to:

1. **Assess** the current state of plan administration.
2. **Confirm** that procedures correspond to what the plan documentation states.
3. **Review** operational compliance with the Internal Revenue Code and other federal laws.
4. **Identify** potential risks associated with noncompliance.

Plan Review and Analysis

Our review and analysis of plan documents and operations included an extensive examination of federal laws and regulations, as described below. Our compliance review focused on the following areas:

- Written plan requirements for 457(b) plans
- Trust and exclusive benefit requirements
- Plan administrator duties and delegation
- Plan recordkeeping
- Eligible employees and eligible participating employers
- Enrollment and deferral agreement formalities
- Qualified Roth contribution program requirements
- Code section 401(a)(9) minimum required distributions
- Code section 457(b) deferral limits and catch-up rules
- Plan distribution rules
- Direct rollovers and transfers
- Qualified domestic relations orders
- Unforeseeable emergency distributions
- Plan loans
- Small benefit cashouts
- Rules for spouses, domestic partners, and beneficiaries
- Federal income tax reporting and withholding requirements

- Age Discrimination in Employment Act (ADEA)
- Veterans' employee benefit rights (USERRA and HEART Act)
- Family and Medical Leave Act (FMLA)

Furthermore, we focused on reviewing areas of Plan governance and administration that warranted additional investigation based on the results of our prior compliance review in 2014, including:

1. Review of governing Plan documents for both the Deferred Compensation Plan and the FICA Alternative Plan to determine whether the Plans have been amended to correct any deficiencies noted in our prior review, as well as to update the Plans for any changes in federal laws or regulations since that time.
2. Review of the processes and procedures followed by the Program administrator and applicable payroll centers in order to comply with the first-of-month rule, which requires a 457(b) plan to commence deferral of compensation no earlier than the first of the month following the date a deferral agreement (or change thereto) has been submitted to the plan.
3. Audit a sampling of transactions conducted by the Program and its recordkeeper for three types of transactions: (a) distributions due to an unforeseeable emergency; (b) plan loans; and (c) verification of compliance with the special catch-up contributions for the last three years prior to normal retirement age.
4. Review of the Program's governance structure, practices and written policies to ensure the Program is following industry best practices in these areas, particularly the Program's internal controls over plan administration by the recordkeeper.

Project Methodology

To understand our findings and recommendations, it is important to describe Segal's **Crosscheck** process and methodology. As background, our review of the Program followed our **Crosscheck** compliance review and analysis methodology, which was individually tailored for the Plan's specific compliance needs.

Step One: Data Collection and Documentation Review

Prior to interviews with the Program and its recordkeeper, various Plan documents were requested and collected from the Program, including governing statutes and plan documents, written administrative procedures, salary deferral agreements and trust documents. Further documentation was requested from the Program's recordkeeper, such as service agreements, internal administration forms and worksheets and participant communications. Such plan documentation was thoroughly analyzed by two senior compliance consultants. In addition, we reviewed all Program communications, publications, forms and reports contained on the Program's website.

A brief familiarity review was performed of the Plan documentation, in order to prepare for interviews with Program staff. A **Crosscheck** workbook, designed by Segal with questions specific to the type of plan, was used as a guide during the interview process.

Our documentation analysis also reviewed the consistency of Plan documents, including:

- “Fit” of participant communications with governing documents, including recent revisions;
- Consistency of operational processes and procedures, as well as other written materials with governing documents and employee communication materials; and
- Consistency of administrative actions with governing documents and written policies and procedures for Plan administration.

Step Two: Interviews with Program Staff and Recordkeeper

The second phase of the **Crosscheck** process consisted of interviews with the Executive Officer and Program staff who are responsible for the day-to-day operation of the Program. The goal of the interview process is to ensure that Segal, as well as those involved with administration of the Plans, understand the rules of the Plan and actually administer those rules according to Plan documentation. As indicated above, we covered an extensive array of questions that were designed by Segal regarding Program administration and operational issues. The interview also provided an educational opportunity for Program staff to address questions to our compliance experts on matters related to pension administration.

In addition to our interviews with the Program staff, we conducted telephone interviews with the Program’s recordkeeper, Voya. The interviews were conducted informally and designed to further investigate certain areas of administration that were pertinent to our compliance review, based upon the information gathered from our plan documentary review and interview with Program staff.

Step Three: Audit of Individual Data Files

After the interviews were conducted, Segal requested detailed information from the recordkeeper on processed applications for unforeseeable emergency distributions, plan loans and catch-up contribution elections during the period from 07/01/2015 to 06/30/2017, including a complete copy of the recordkeeper’s files maintained for a sampling of individual participants. The selected files were reviewed for compliance with Plan rules and administrative effectiveness with respect to unforeseeable emergency distributions, plan loans, and catch-up contribution elections.

Step Four: Written Report

At the conclusion of our review, we prepared this written report of our findings, which identifies and outlines action items, including identification of areas requiring further inquiry, and recommendations on corrective action, if indicated. Subject to review and approval by the Executive Officer, the final report will be presented to the Committee.

Since this report is not a legal audit, it cannot be considered a legal opinion concerning the Plans’ qualification status or compliance with relevant statutes and rules. However, if the Committee wishes to act on any of the results of the **Crosscheck** review, we can assist in developing solutions and will work with legal counsel as requested. The accuracy of the review and the resulting report is a direct function of the quantity and quality of data available for review.

We thank the Committee once again for selecting Segal to conduct this compliance review and look forward to discussing our findings and recommendations.

FINDINGS AND RECOMMENDATIONS

In our review of the Plans' documentation, we found that the governing documents are substantially in compliance with applicable federal laws regarding written plan requirements for qualified plans and that the Plans' overall documentation was consistent with Program operations and administration. In addition, we found that governance of the Program was appropriate for the type and structure of the Plans. Furthermore, we conclude that the overall Program administration is generally compliant with both applicable federal laws and the terms of the governing Plan documents. Following is a description of the important areas of Program administration and documentation that, based on our review, may warrant further review and modification.

1. First of the month rule

Code section 457(b)(4) provides that compensation under a 457(b) plan may be deferred for any calendar month only if an agreement providing for deferral has been entered into before the beginning of the month such compensation is paid or made available. This first-of-the-month rule is set forth in Section 2.1 of the Deferred Compensation Plan document.

As part of our prior compliance review, we noted that the Program was not monitoring the timing of elections and subsequent changes to deferrals to ensure compliance with this rule, nor was the Program's recordkeeper(s). Since the State has biweekly payroll periods, it was possible that employees were electing deferral amounts and having those amounts deferred in the same calendar month, which is not permitted under the Code. Upon our recommendation, the Program began monitoring the timing of deferral elections, including both the initial participation election and subsequent deferral election changes, to ensure that deferral agreements do not go into effect until the first day of the month following the date the deferral amount is elected. In addition, the Program has since implemented processes to ensure that participating employers are complying with the first-of-the-month rule, such as periodically reminding participating employers about their responsibilities under the Code and providing assistance to the employers and their payroll centers in complying with this rule.

However, there is still one area in which it appears that the Program is not complying with the first-of-the month rule, and that is where the participant changes his/her deferral election to cease all deferrals to the Deferred Compensation Plan, the Program stops deferrals on behalf of the participant as of the next pay period even if this has the effect of ceasing deferrals prior to the first day of the month following the participant's election. The IRS clearly stated its position that the first-of-the-month rule applies to all deferral elections, including any modification or revocation of a deferral agreement in proposed Treas. Reg. section 1.457-4(b)(1), which reads in part [emphasis added] *"To be an eligible plan, the plan must provide that compensation for any calendar month may be deferred by salary reduction only if an agreement providing for the deferral has been entered into before the first day of the month in which the compensation to be deferred under the agreement would otherwise be paid or made available, and any modification or revocation of such an agreement may not become effective before the first day of the month following the month in which the modification or revocation occurs."* Section 3.1(b) of the

Deferred Compensation Plan document also requires that any increase or decrease in the rate of deferrals elected by a participant be reflected in the first pay period of the month following the month in which the request was executed.

Therefore, we recommend that the Program modify its practice of ceasing deferrals immediately upon such election by the participant in order to ensure that the Program is complying with IRS rules, as well as following the terms of the Deferred Compensation Plan document.

2. Required minimum distributions

Pursuant to Code section 457(d)(2), eligible deferred compensation plans must comply with the required minimum distribution rules under Code section 401(a)(9), which generally require a tax-deferred plan to begin distributions to participants (or beneficiaries) no later than April 1 of the calendar year after the calendar year in which the participant attains age 70 ½ (or severs from employment, if later) payable over a period that does not extend beyond the lifetime (or life expectancy) of the participant (and any beneficiaries). Both the Deferred Compensation Plan document and FICA Alternative Plan document contain sufficient language for complying required minimum distribution rules in form. The Committee delegated the operational function of making required minimum distributions from the Plans to the recordkeeper. In our interview with Voya, their staff described a formal process for making required minimum distribution payments to participants on a timely basis, including the process for locating lost participants, and for participants who cannot be located, processing uncashed checks through the State's unclaimed property fund.

Recently, the Department of Labor and Internal Revenue Service have focused enforcement efforts on the issue of timely payment of required minimum distributions, and in particular the issue of locating lost participants in order to make required payments. The Department of Labor (DOL) published the findings of their investigation of these issues on a group of large defined benefit plans, which included: (1) there were significant number of participants eligible for benefits who had not been paid; (2) some benefit payments were diminished by the 50% excise tax on late required minimum distributions; and (3) the aggregate amount of unpaid benefits was very large (over one-half billion dollars). The DOL investigation also revealed some common reasons why benefits were not being paid on a timely basis, such as: (a) plans not having written procedures to identify and locate lost participants and beneficiaries; (b) plans with procedures not using them on a regular basis; and (3) plans not having adequate records to make payments on time. Finally, the DOL reiterated their position that failure to make timely required minimum distributions could violate ERISA fiduciary obligations. While DOL rules are not directly applicable to governmental 457(b) plans, the agency's guidance on this issue may be useful to all retirement plans.

In October 2017, the Internal Revenue Service (IRS) published a memorandum that directed its auditors of employee plans not to challenge a qualified plan as failing to satisfy required minimum distribution standards under Code section 401(a)(9) if the plan has taken the following steps:

- Searched plan and related plan, sponsor, and publicly-available records or directories for alternative contact information;
- Used any of the following search methods: a commercial locator service, a credit reporting agency, or a proprietary internet search tool for locating individuals; and
- Attempted contact via United States Postal Service certified mail to the last known mailing address and through appropriate means for any address or contact information (including email addresses and telephone numbers).

If a plan has not completed the steps above, the IRS auditor may challenge a qualified plan for violation of required minimum distribution standards or for the failure to commence or make a distribution to a participant or beneficiary to whom a payment is due.

Additionally, in our interview with Voya, they indicated that their records are missing beneficiary designations for 34% of Deferred Compensation Plan participants and 71% of FICA Alternative Plan participants. The lack of beneficiary designations is due in part to the transition from two recordkeepers to a single recordkeeper, where the prior recordkeeper did not provide data on beneficiary designations for its participants. For this reason, Voya takes a number of actions to obtain beneficiary information for participants who have not designated a beneficiary, such as semiannual reminders to such participants, sharing missing beneficiary data with the Program on a quarterly basis, and requiring field agents to inquire about beneficiary information upon any contact with participants. Since required minimum distributions must be paid to beneficiaries on a timely basis, we recommend that the Program and Voya continue their efforts to obtain beneficiary designations from participants, as well as consider new methods to collect this information.

Considering the focus on enforcement of required minimum distributions by IRS and DOL, we recommend that the Program develop and maintain formal, written procedures for complying with required minimum distribution rules that accurately reflect the Program's current operations as described by Voya and include the required steps for locating lost participants set forth in the IRS memorandum.

3. Website errors

During our data collection process for this project, we reviewed the Plan's website to obtain a wealth of information about the Plan's operations. In this process we discovered a few errors on the Plan's website that may need to be addressed, as follows:

- Under the Investment tab, Investment Options, the website provides a list of the available investment options under the Plan with a link to each option for additional information. The link to the Fixed Account option (under Stability of Principal category) has consistently provided only an error message since we first reviewed the website in early 2017 until November 2017. It is our understanding that the Fixed Account option is utilized by a significant number of participants in the Deferred Compensation Plan.

- Under the Resources tab, ROTH, the website provides a link to a Roth calculator. However, this is a broken link that only takes the reader to a blank page.

We recommend that the Committee take steps to correct these website errors and take action to ensure that the website is periodically monitored for any additional errors that may occur.

4. Last three years catch-up verification

The Deferred Compensation Plan permits eligible participants to take advantage of the special catch-up rule for 457(b) plans during the last three years prior to normal retirement age, which allows such participants to elect to defer up to the lesser of two times the regular deferral limit or the amount of underutilized prior years' maximum contribution limitation for years the individual was eligible to participate in the Deferred Compensation Plan. The Program's recordkeeper is responsible for administering this catch-up contribution and monitoring limitations thereunder.

We reviewed summary information about all catch-up elections made during the two-year period from 07/01/2015 to 06/30/2017. Then, we reviewed detailed files for four participants who made a catch-up election during this period. Determining the maximum catch-up contribution amount is a complex calculation, and based on our transactional review and interviews with Voya, the recordkeeper relies primarily on the participant to determine the underutilized prior years' maximum contribution limitation by having them fill out a worksheet. In addition, although the Plan document defines "Normal Retirement Age" for this purpose as beginning no earlier than the unreduced retirement age under the employer's pension plan and ending no later than age 70 1/2, the recordkeeper does not verify a participant's unreduced retirement age under the applicable State retirement plan before permitting catch-up contributions under the Plan. As part of our transactional review, we discovered that one participant elected catch-up contributions using a normal retirement age of 44 years. It is unlikely that this participant had met unreduced retirement age under a pension plan at the time of the catch-up election.

Therefore, we recommend that the Program, in coordination with the recordkeeper, develop and implement a formal process for monitoring the allowable amount of this type of catch-up contribution. This process should include utilizing the information about participants that is readily available to the Plan, such as any prior catch-up election made by the participant, the participant's unreduced retirement age under the applicable State plan, and the amount of prior years' deferrals to the Plan to determine the amount of any underutilized maximum contribution limitation in such years.

5. Plan loans

In 2015, the Deferred Compensation Plan adopted a loan program that allows State of Nevada employees to take a plan loan in accordance with Code section 72(p) and Section 7.3 of the Plan document. Based on our interviews with Voya, the plan loan default rate is approximately 15%. We reviewed summary information about all plan loans made during the two-year period from 07/01/2015 to 06/30/2017. Then, we reviewed detailed files of five plan loans that were made to

four participants of the Deferred Compensation Plan and found that these loans were processed in a manner that is consistent with the Plan document and applicable Code requirements.

6. Unforeseeable emergency distributions

We reviewed summary information about all unforeseeable emergency distribution applications processed during the two-year period from 07/01/2015 to 06/30/2017. Then, we reviewed detailed recordkeeping files for twenty-three unforeseeable emergency distribution applications made by eight participants that were processed by Voya. We discovered numerous, significant problems with these unforeseeable distributions that were processed in a manner that is not consistent with the terms of the Plan document and Code section 457 (and the applicable regulations thereunder), as described below:

- In our review of processed unforeseeable emergency applications, we discovered several individuals who received multiple distributions within the two-year period we reviewed, often in amounts equal to the individual's entire account balance based solely on contributions made since the previous unforeseeable emergency distribution. For example, we reviewed applications for a participant who was paid an unforeseeable emergency distribution thirteen times in the two-year period.
- In several instances, unforeseeable emergency distributions were made for only a few hundred dollars and some distributions were made for less than one hundred dollars. It is unlikely that distributions for amounts representing only a fraction of the individual's monthly paycheck or amounts not much more than the total deferrals made in a month would satisfy the facts and circumstances tests required for such distributions under applicable regulations in determining whether an unforeseeable emergency exists. Treas. Reg. section 1.457-6(c) specifically states that a distribution on account of unforeseeable emergency may not be made to the extent such emergency may be relieved through cessation of deferrals to the plan. For the participant who received thirteen distributions in two years, the largest distribution amount was \$235.00 and the smallest distribution amount was \$51.38.
- In our review of processed applications, we also discovered several instances where the documentation of the amount and type of expenses submitted for payment was not sufficient for an unforeseeable emergency distribution. For example, with respect to the participant who submitted thirteen applications, for three of those applications the participant submitted documentation of medical expenses that was identical to documentation submitted for a prior application where an unforeseeable emergency distribution was paid. Another participant whose detailed files we reviewed submitted as documentation of expenses that must be paid to avoid eviction from their residence a typed document without letterhead from "Mr. John" who provided a contact telephone number which was the participant's own telephone number. Finally, a participant whose detailed files we reviewed received a plan loan in the amount of \$40,000 in December 2016, and an unforeseeable emergency distribution of approximately

\$64,500 in January 2017, and then paid off the loan in full in February 2017. This participant submitted documentation of medical expenses for dates of service as early as 2012, some of which were for expenses incurred for a person with the first name of the participant's spouse but with a last name that was different than for other medical bills.

- Section 7.1 of the Deferred Compensation Plan document requires that participants take a distribution of any rollover account balance before they are eligible for an unforeseeable emergency distribution. However, in our interview with Voya, they indicated that they do not impose this requirement before approving an unforeseeable emergency distribution. In the detailed files we reviewed, we discovered a participant who received an unforeseeable emergency distribution in the amount of \$36,000 in June 2016 where such participant's date of hire was in February 2015. Such participant may have received an unforeseeable emergency distribution that included a portion of a rollover account.

We recommend the Program develop and implement procedures for monitoring the unforeseeable emergency distributions made from the Plan to ensure that for each application approved by the recordkeeper, proper documentation of the financial need has been provided. It may be advisable for the Program to provide some guidelines to the recordkeeper as to the sufficiency of certain types of documentation, so that the recordkeeper may deny applications that do not include proper documentation without exercising any discretion. For example, with respect to medical expenses, the Program may require that all documentation include a date of service and type of medical expense and that medical expenses be incurred a specified period prior to the application (e.g., within two years). With respect to eviction or foreclosure, the Program may require that all documentation be provided in writing on the letterhead of the creditor (e.g., landlord, property manager, or mortgage company) with contact information for the creditor so that the documentation can be verified. Pursuant to discussions with Program staff, it may be advisable for the Program to review unforeseeable applications where the documentation may not be sufficient, at least temporarily, to determine the type of guidelines that may be useful to Voya and may reduce the number of fraudulent applications that are approved for payment.

In addition, the Program may wish to consider implementing rules and procedures to ensure that unforeseeable emergency distributions are not paid that could have been relieved through other means, including cessation of deferrals. One method to do this is require that participants cease making deferrals for a period of time after an unforeseeable emergency distribution is made, similar to the requirements for hardship distributions from 401(k) plans (e.g., deferrals must cease for six months). Other alternatives for this purpose include (1) requiring a minimum amount for unforeseeable emergency distributions, such as many plans do for loans; (2) denying applications for multiple unforeseeable emergency distributions for amounts that represent solely the contributions made since the previous distribution; or (3) limiting the number of unforeseeable emergency distributions in a specific period (e.g., no more than two per year or five over a two-year period). Taking these measures may also reduce the total number of unforeseeable emergency distribution applications, which aids the Program in ensuring that administration of such distributions does not utilize a disproportionate share of Program resources when measured against

the resources utilized for the basic purpose of the Plan (e.g., retirement savings) and other features that the Plan offers (e.g. assisting participants with investment strategies and decisions). Permitting an unlimited number of unforeseeable emergency distributions from the Plan may not be benefiting all participants equally in the use of the Program's resources. However, we cannot draw that conclusion based on our review, and this issue likely warrants further investigation.

7. Review of governing Plan documents

A. *Deferred Compensation Plan.* In our review of this Plan document, we noted several provisions that may need to be amended, as follows:

(1) There are a number of places in the Plan document where the formalities of a governing plan document are not practiced with consistency and accuracy. Thus, we recommend that the Committee consider amending Plan document provisions in a manner that clarifies the meaning and purpose of the substantive language in those provisions. For example:

- The terms "Article" and "Section" are used interchangeably in the document when referring to specific provisions of the Plan;
- A number of references to specific sections in the Plan document and of the Internal Revenue Code are inaccurate;
- Capitalization to indicate defined terms is not used consistently where some defined terms are not capitalized and some undefined terms are capitalized;
- The terms "Roth Program" and "Unit" are defined in Section 1.1 but then not used elsewhere in the Plan document; and
- Sections 14.4 and 14.6 regarding notices to stated parties are nearly identical and could be combined into a single section.

(2) Voya reviewed this Plan document and provided several comments on potential changes to the Plan with which we concur and, therefore, are provided here as part of our recommendations for amending the Plan document.

- Purpose (third paragraph)
The reference in the following should be to IRC Section 457(e)(1)(A) (which applies to governmental employers rather than IRC Section 457(e)(1)(B) (which applies to nonprofit employers): *"The Plan and Trust Agreement are intended to satisfy the requirements for an eligible deferred compensation plan under Section 457(e)(1)(B) of the Code ..."* Similar revisions would be needed at Section 5.1 (Transfers From Another Governmental Plan).

- Section 3.2(b) (457 Catch-Up) does not address how the underutilized amounts are determined if the participant had contributed prior to 2002 (ie, taking into account prior contributions made to any 401(k) or 403(b) plans in which he also participated). See the [language] from Voya specimen 457(b) plan for governmental employers.
- Section 8.4(b) (Beneficiary Rollover Distributions)
The State may wish to consider incorporating language appearing in Section 1.1 defining “Eligible Retirement Plan” to tighten up the distinctions between rollover rules nonspousal and spousal beneficiaries. As currently drafted, the provision addresses this implicitly by referring to “Eligible Retirement Plan”.

(3) We recommend that the Committee consider eliminating the defined term “Enrollment Date” from the Plan document. This term is generally defined as any payroll date on which an employee receives compensation, and then it is used in Articles II and III as the date an employee participates in the Plan or makes a change to their deferral agreement. When used this way, the term Enrollment Date appears to allow a change to deferrals that does not comply with the first-of-month rule.

(4) We recommend that the Committee consider eliminating the defined term “Minimum Required Distribution Date” from the Plan document. The definition of this term is nearly identical to the defined term “Required Beginning Date” where the term Required Beginning Date is used throughout the document and the term Minimum Required Distribution Date is not used elsewhere in the document. Also, the term Required Beginning Date is defined in Treasury Regulations.

(5) We recommend that the Committee consider amending the definition of the term “Unforeseeable Emergency Distribution” to include additional clarifying language from applicable Treasury Regulations and an updated definition of dependent under the Code for this purpose. Sample language for this purpose can be found in Rev. Proc. 2004-56, which provides IRS model language for governmental 457(b) plans.

(6) We recommend that the Committee considering amending Article III (Amounts Deferred or Contributed), as well as any other applicable provisions of the Plan, to include language that governs any employer contributions to this Plan. Our review of your audit report dated 06/30/2015 indicated that some employer contributions are made to this Plan, which was confirmed during our interviews with Program staff. However, the Plan document does not mention employer contributions as permitted or prohibited. The types of contributions permitted to be made to a tax-deferred plan and any limits that apply to such contributions is a required written plan provision under IRS rules.

(7) We recommend that the Committee review the provisions of Article XI (Administration) to determine if any revisions are necessary to reflect the changes made by recently enacted legislation to certain duties of the Committee under the Program.

B. FICA Alternative Plan. In our review of this Plan document, we noted several provisions that may need to be amended, as follows:

(1) There are a number of places in the Plan document where the formalities of a governing plan document are not practiced with consistency and accuracy. Thus, we recommend that the Committee consider amending Plan document provisions in a manner that clarifies the meaning and purpose of the substantive language in those provisions. For example:

- The terms “Article” and “Section” are used interchangeably in the document when referring to specific provisions of the Plan;
- A number of references to specific sections in the Plan document and of the Internal Revenue Code are inaccurate;
- Capitalization to indicate defined terms is not used consistently where some defined terms are not capitalized and some undefined terms are capitalized;
- The term “Enrollment Date” is defined in Section 1.1 but then not used elsewhere in the Plan document;
- Sections 14.4 and 14.6 regarding notices to stated parties are nearly identical and could be combined into a single section; and
- Inapplicable language regarding unforeseeable emergency distributions is contained in the definition of “Eligible Rollover Distribution.”

(2) Voya reviewed this Plan document and provided several comments on potential changes to the Plan with which we concur and, therefore, are provided here as part of our recommendations for amending the Plan document.

- Purpose (third paragraph)
The reference in the following should be to IRC Section 457(e)(1)(A) (which applies to governmental employers rather than IRC Section 457(e)(1)(B) (which applies to nonprofit employers): *“The Plan and Trust Agreement are intended to satisfy the requirements for an eligible deferred compensation plan under Section 457(e)(1)(B) of the Code ...”* Similar revisions would be needed at Section 5.1 (Transfers From Another Governmental Plan).
- Section 3.1 is entitled “Non-Elective Deferrals” – the State may wish to revise to Non-Elective Contributions (to be consistent with the definition in Section 1.1).
- Section 5.2(a) (Rollover Contributions in General)
For purposes of rollovers in, this section needs to carve Roth IRAs out of the definition of Eligible Retirement Plan. While a governmental 457 participant can roll his account to a Roth IRA, a governmental 457(b) plan cannot accept a rollover from a Roth IRA.

- Section 8.4(b) (Beneficiary Rollover Distributions)
The State may wish to consider incorporating language appearing in Section 1.1 defining “Eligible Retirement Plan” to tighten up the distinctions between rollover rules nonspousal and spousal beneficiaries. As currently drafted, the provision addresses this implicitly by referring to “Eligible Retirement Plan”.

(3) We recommend that the Committee consider eliminating the defined term “Minimum Required Distribution Date” from the Plan document. The definition of this term is nearly identical to the defined term “Required Beginning Date” where the term Required Beginning Date is used throughout the document and the term Minimum Required Distribution Date is not used elsewhere in the document. Also, the term Required Beginning Date is defined in Treasury Regulations.

(4) We recommend that the Committee review the provisions of Article XI (Administration) to determine if any revisions are necessary to reflect the changes made by recently enacted legislation to certain duties of the Committee under the Program.

C. State Administrative Manual. In our review of this administrative document, we noted a few provisions that may need to be amended, as follows:

(1) Voya reviewed this administrative document and provided several comments on potential changes to the document with which we concur and, therefore, are provided here as part of our recommendations for amending the State Administrative Manual.

- Section 3802 (Authority)
While the State law speaks to the authority to establish a 401(k) plan, the Tax Reform Act of 1986 does not allow a governmental employer to establish a 401(k) plan if that plan was not already in existence as of May 5, 1986.

The manual notes that *“All compensation amounts deferred pursuant to the program, all property and rights purchased with those amounts and all income attributable to those amounts remain solely the property or rights of the State of Nevada or the Nevada System of Higher Education, subject only to the claims of general creditors, until made available to the participants in the program or their beneficiaries.”* That State rule would conflict with the federal Internal Revenue Code, which requires that 401 and 457(b) plans be held in trust or similar custodial arrangement for the exclusive benefit of plan participants and beneficiaries. ... So the amounts contributed to a retirement plan would neither be the property of the State or reachable by its general creditors. It is possible that ... this section of the manual reflects the Internal Revenue Code prior to modification by the Small Business Jobs Protection Act of 1996.

(2) We recommend that the Committee review the provisions of Section 3804 (Deferred Compensation Committee) to determine if any revisions are necessary to reflect the changes made by recently enacted legislation to certain duties of the Committee under the Program.

D. Nevada Public Employees' Deferred Compensation Program Administrative Manual. In our review of this administrative document, we noted a few provisions that may need to be amended, as follows:

(1) Voya reviewed this administrative document and provided a comments on a potential changes to the document with which we concur and, therefore, is provided here as part of our recommendations for amending this Administrative Manual.

Section 7.7 (Recordkeeper(s))

The first bullet discusses compliance with IRC Section 402(g), which would not apply to 457(b) plans. That should be replaced with references to IRC Sections 457(b) (which would address both the general 457(b) annual contribution limit and the Special 457(b) catch-up) and 414(v) (which is the Age 50+ catch-up).

(2) We recommend that the Committee review the provisions of Article VII (Roles, Responsibilities and Duties) to determine if any revisions are necessary to reflect the changes made by recently enacted legislation to certain duties of the Committee under the Program.

(3) During our fiduciary training session with the Committee, this governing body expressed a desire to develop written policies relating to communications between relevant parties that is consistent with the Committee's commitment to open governance. Furthermore, during our interviews with the Program, staff expressed a desire to develop written procedures governing claims and appeals that is consistent with the provisions set forth in Section 11.8 of the Deferred Compensation Plan document. We concur that a formal, written communication policy would be helpful to the Committee, and that written procedures governing the Deferred Compensation Plan's claims and appeals process would be helpful to the Program, both of which may be appropriate additions to this Administrative Manual.

With respect to written procedures governing claims and appeals under the Program, the Committee and Program staff will need to consider a number of issues before drafting the procedures, including the following:

- When is a "claim" determined to be made?
- For what actions will the procedures apply (e.g., only for unforeseeable emergency distributions, for any distribution from the plan, for deferral agreements, for investment elections, etc.)
- How can a participant (or beneficiary) make an appeal (in writing or orally)?

- Will there be strict deadlines for certain actions in the appeal process?
- Does any part of the State's administrative law rules govern or guide these procedures?
- Who will be responsible for each action or decision-making step in the process?
- To what extent will the claims and appeals procedures follow ERISA rules?

8. Plan governance

Generally, the governance structure of the Program is well-established and appropriately documented. In addition, the Program has procedures in place for monitoring important aspects of Plan compliance, such as payroll audits to ensure proper transmission of contributions and payroll reports to ensure excess deferrals are not made. Also, Article III (Coordination of Audits) of the Program's Administrative Manual requires a biennial compliance audit of the Program. However, as a plan fiduciary, the Committee is responsible for monitoring the performance of its recordkeeper to ensure compliance with all Code section 457 rules and other applicable federal laws.

In the course of our compliance review, we identified two specific areas of Program operations where the recordkeeper may not be complying with Code section 457 rules and related regulations: catch-up contributions and unforeseeable emergency distributions. The Program should develop and implement a formal process for periodically reviewing administration of these areas to ensure compliance with the Internal Revenue Code and maintenance of the eligible status of the 457(b) Plan. Furthermore, in our review of the Program's governing document, we recommended that the Deferred Compensation Plan document and FICA Alternative Plan document be amended (or restated) to make a number of clarifying changes.

We hope that the information provided in this report can provide assistance to the Committee, Program staff and recordkeeper with respect to areas to focus on for future improvements to the Program.

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CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

A Contract Between the State of Nevada
Acting by and Through its

Agency Name:	Department of Administration Deferred Compensation Program
Address:	100 Stewart Street
City, State, Zip Code:	Carson City, Nevada 89701
Contact:	Robert Boehmer
Phone:	775-684-3397
Fax:	775-684-3399
Email:	<u>rboehmer@defcomp.nv.gov</u>

Contractor Name:	Hyas Group LLC
Address:	108 Northwest Ninth Avenue, Suite 203
City, State, Zip Code:	Portland, Oregon 97209
Contact:	Rausch Cousineau
Phone:	971-634-1514
Fax:	971-275-1856
Email:	<u>rcousineau@hyasgroup.com</u>

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.

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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.

Effective from:	June 1, 2020	To:	May 31, 2025
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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:	NEGOTIATED POINTS
ATTACHMENT BB:	STATE SOLICITATION OR RFP # 08DOA-S935
ATTACHMENT BB:	INSURANCE SCHEDULE
ATTACHMENT CC:	CONTRACTOR'S RESPONSE

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:

\$60,000.00	per	Year (year 1-4)
\$62,000.00		Year (year 5)
\$38,000.00		Vendor Search
\$8,500.00		Compliance Search per occurrence

Total Contract or installments payable at:	As invoiced by vendor and accepted by the State
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Total Contract Not to Exceed:	\$357,000.00
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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 stale 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

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the additional costs to the state of processing the billing as a stale claim and that this amount will be deducted from the stale 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, debarred, 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.

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- 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;

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B. Any federal, state, county or local legislator, commission member, council member, board member, or other elected official; or

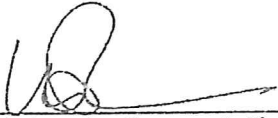
C. Any officer or employee of any federal, state, county or local agency; legislature, commission, council or board.

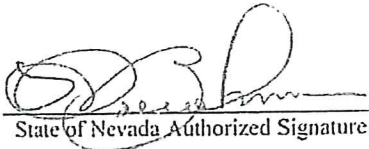
26. **GENERAL WARRANTY.** Contractor warrants that all services, deliverables, and/or work products under this Contract shall be completed in a workmanlike manner consistent with standards in the trade, profession, or industry; shall conform to or exceed the specifications set forth in the incorporated 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.
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.
32. **PROXY VOTING.** Consultant does not exercise proxy voting authority over client securities. The obligation to vote client proxies at all times rests with Client. However, Client is not precluded from contacting Consultant for advice or information about a particular proxy vote. However, Consultant will not be deemed to have proxy voting authority as a result of providing such advice to Client. Should Consultant inadvertently receive proxy information for a security held in the Plan's account, Consultant will immediately forward such information to Client, but will not take any further action with respect to the voting of such proxy. Upon termination of this Agreement, Consultant will make a good faith and reasonable attempt to forward proxy information inadvertently received by Consultant on Client's behalf to the forwarding address provided by Client.

33. **RISK.** Client recognizes that there may be loss or depreciation of the value of any investment due to the fluctuation of market values. Client represents that no party to this Agreement has made any guarantee, either oral or written, that the Plan's investment objectives will be achieved. Consultant will not be liable for any error in judgment and/or for any investment losses in the absence of malfeasance, negligence or violation of applicable law. Nothing in this Agreement will constitute a waiver or limitation of any rights which Client may have under applicable state or federal law, including without limitation state and federal securities laws.
34. **ACKNOWLEDGEMENT OF RECEIPT OF PART 2 FORM ADV.** Client acknowledges that it has received and has had an opportunity to read Consultant's firm brochure (Form ADV, Part 2A) and applicable brochure supplements (Form ADV, Part 2B) prior to, or at the time of, entering into this Agreement.
35. **ACKNOWLEDGEMENT OF RECEIPT OF PRIVACY NOTICE.** Client acknowledges that it has received and has had an opportunity to read Consultant's privacy notice prior to, or at the time of, entering into this Agreement.
36. **FIDUCIARY RESPONSIBILITY.** Consultant acknowledges and agrees that in providing services described in the Scope of Work, it is acting as an investment advisor fiduciary as defined in ERISA § 3(21) in rendering investment advice to the Client based on the particular needs of the Client as stated herein.

CETS#
RFP# 08DOA-S935

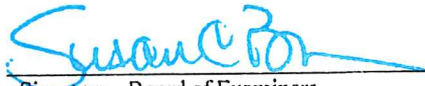
IN WITNESS WHEREOF, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.


March 24, 2020
Managing Partner
 Independent Contractor's Signature Date Independent Contractor's Title


03/25/2020
Executive Officer
 State of Nevada Authorized Signature Date Title

 State of Nevada Authorized Signature Date Title


 State of Nevada Authorized Signature Date Title


 Signature - Board of Examiners

APPROVED BY BOARD OF EXAMINERS

On: 5.12.2020
 Date

Approved as to form by:


 On: 26 March 20
 Deputy Attorney General for Attorney General Date

CONTRACT SUMMARY

(This form must accompany all contracts submitted to the Board of Examiners (BOE) for review and approval)

I. DESCRIPTION OF CONTRACT1. Contract Number: **23057**Agency Name: **ADMIN - DEFERRED
COMPENSATION**Agency Code: **920**Appropriation Unit: **1017-04**Is budget authority available?: **Yes**

If "No" please explain: Not Applicable

Legal Entity Name: Hyas Group LLC

Contractor Name: **Hyas Group LLC**Address: **108 Northwest Ninth Avenue
Suite 203**City/State/Zip: **Portland , OR 97209**

Contact/Phone: 971-634-1514

Vendor No.: Pending

NV Business ID: NV20031277923

To what State Fiscal Year(s) will the contract be charged? **2020-2025**

What is the source of funds that will be used to pay the contractor? Indicate the percentage of each funding source if the contractor will be paid by multiple funding sources.

General Funds	0.00 %	Fees	0.00 %
Federal Funds	0.00 %	Bonds	0.00 %
Highway Funds	0.00 %	X Other funding	100.00 % Vendor Reimbursements

Agency Reference #: RFP 08DOA-S395

2. Contract start date:

a. Effective upon Board of Examiner's approval? **No** or b. other effective date **06/01/2020**

Anticipated BOE meeting date 05/2020

Retroactive? **No**

If "Yes", please explain

Not Applicable3. Termination Date: **05/31/2025**Contract term: **5 years**4. Type of contract: **Contract**Contract description: **Deferred Comp Invest**

5. Purpose of contract:

This is a new contract to provide ongoing investment consulting services.

6. NEW CONTRACT

The maximum amount of the contract for the term of the contract is: **\$357,000.00****II. JUSTIFICATION**

7. What conditions require that this work be done?

Deferred Compensation needs an Investment Consultant Service.

8. Explain why State employees in your agency or other State agencies are not able to do this work:

This is a Specialized Service.

9. Were quotes or proposals solicited?

No

Was the solicitation (RFP) done by the Purchasing Division?

No

a. List the names of vendors that were solicited to submit proposals (include at least three):

Not Applicable

b. Solicitation Waiver: **Not Applicable**

c. Why was this contractor chosen in preference to other?

10. Does the contract contain any IT components? No

III. OTHER INFORMATION

11. Is there an Indirect Cost Rate or Percentage Paid to the Contractor?

No If "Yes", please provide the Indirect Cost Rate or Percentage Paid to the Contractor

Not Applicable

12. a. Is the contractor a current employee of the State of Nevada or will the contracted services be performed by a current employee of the State of Nevada?

No

b. Was the contractor formerly employed by the State of Nevada within the last 24 months or will the contracted services be performed by someone formerly employed by the State of Nevada within the last 24 months?

No

c. Is the contractor employed by any of Nevada's political subdivisions or by any other government?

No If "Yes", please explain

Not Applicable

13. Has the contractor ever been engaged under contract by any State agency?

No If "Yes", specify when and for which agency and indicate if the quality of service provided to the identified agency has been verified as satisfactory:

Not Applicable

14. Is the contractor currently involved in litigation with the State of Nevada?

No If "Yes", please provide details of the litigation and facts supporting approval of the contract:

Not Applicable

15. The contractor is registered with the Nevada Secretary of State's Office as a:

Nevada Corporation

16. a. Is the Contractor Name the same as the legal Entity Name?

Yes

17. a. Does the contractor have a current Nevada State Business License (SBL)?

Yes

18. a. Is the legal entity active and in good standing with the Nevada Secretary of State's Office?

Yes

19. Agency Field Contract Monitor:

Micah Salerno, AA2 Ph: 684-3398

20. Contract Status:

Contract Approvals:

Approval Level	User	Signature Date
Budget Account Approval	ssands	04/14/2020 10:33:35 AM
Division Approval	ssands	04/14/2020 10:33:38 AM
Department Approval	ssands	04/14/2020 10:33:41 AM
Contract Manager Approval	ssands	04/14/2020 10:33:44 AM
Budget Analyst Approval	dlenzner	04/23/2020 08:56:27 AM
BOE Agenda Approval	hfield	04/23/2020 09:22:21 AM
BOE Final Approval	mdoya1	05/12/2020 10:50:31 AM

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

A Contract Between the State of Nevada
Acting by and Through its

Agency Name:	Nevada Deferred Compensation Program
Address:	100 N Stewart Street Ste 100
City, State, Zip Code:	Carson City, NV 89701
Contact:	Rob Boehmer, Administrator
Phone:	775-684-3397
Fax:	775-684-3399
Email:	rboehmer@defcomp.nv.gov

Contractor Name:	Voya Institutional Plan Services, LLC
Address:	One Orange Way
City, State, Zip Code:	Windsor, CT 06095
Contact:	M. Bishop Bastien, Vice President, Institutional Clients
Phone:	916-774-7595
Fax:	612-492-0682
Email:	Bishop.bastien@voya.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 August 13, 2019).

Effective from:	January 1, 2020	To:	December 31, 2025
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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:	NEGOTIATED ITEMS 457(b) Plan including the following documents: Negotiated Points; Administrative Service Agreement; Participation Rate Goals; Plan Service Guarantees; Custodial Agreement and VRA Investment Advisory Service Agreement including disclosure statement form ADV parts 2A and 2B.
ATTACHMENT BB:	INSURANCE SCHEDULE
ATTACHMENT CC:	STATE SOLICITATION OR RFP 08DOA-S514 and AMENDMENT #1
ATTACHMENT DD:	CONTRACTOR'S BEST AND FINAL RESPONSE
ATTACHMENT EE:	CONTRACTOR'S RESPONSE

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:

at a cost of \$14.50 per participant account annually. Additionally, a flat \$450 fee will be assessed to a participant requesting the Contractor to develop and administrate any Qualified Domestic Relations Order (QDRO), and a \$100 Loan Set-up fee will be assessed to any qualifying participant who requests a loan of their account per the parameters established in the Program's adopted Plan Document. Contractor shall pay the State a one-time fee of \$42,750 for the cost related to the Request for Proposal process, payable immediately upon approval of this contract by the Board of Examiners. The Contractor will develop and record keep an administration account on behalf of the Plan to deposit collected administrative revenue into and will be invested in the Contractor's proprietary stable value fixed investment option; the Plan will regularly draft out of the Administrative account to fund the Program's approved annual budget and any other approved Program related expenses. The total estimated contract value including anticipated Program growth is approximately \$1,338,900.00

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 stale 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 stale claim and that this amount will be deducted from the stale 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, debarred, 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.

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.

Lea Telegiano 7/12/19 VP, Operations
 Independent Contractor's Signature Date Independent Contractor's Title

Rob Boehmer 7/12/19 _____
 Rob Boehmer Date Executive Officer
 Title

Susan Bo

APPROVED BY BOARD OF EXAMINERS

Signature – Board of Examiners

On: 8/9/2019
 Date

Approved as to form by:

[Signature] On: 12 July 19
 Deputy Attorney General for Attorney General Date

Attachment AA

Negotiated Items

Documents included:

Administrative Service Agreement

Participation Rate Goals

Plan Serve Guarantees;

Custodial Agreement and VRA Investment Advisory Service Agreement include disclosure statement form ADV Parts 2A and 2B

**NEGOTIATED POINTS
STATE OF NEVADA 457 PLANS**

Both parties agree to the following:

1. Voya's Compensation

Voya will receive compensation on a "per account basis" for the following plans listed in the Exhibit C of the 457(b) Administrative Services Agreement: (1) State of Nevada 457 plan; (2) State of Nevada Political Subdivisions Plan; and (3) State of Nevada – Nevada System of Higher Education. The specific per account fee for the (1) State of Nevada 457 plan; (2) State of Nevada Political Subdivisions Plan; and (3) State of Nevada – Nevada System of Higher Education (as set forth in Exhibit B of the Administrative Services Agreement) is \$14.50 per account. Only the per account fee noted above and the fees outlined in Exhibit B of the Administrative Services Agreements shall apply.

2. Voya's Fixed Account Credited Rate and Liquidity

Voya's product offering to the State of Nevada shall be based upon the use of a general account stable value fund – the Voya Fixed Account 457/401 II – which provides for the full liquidity of plan assets to accommodate a book value settlement.

The credited rate of the Voya Fixed Account 457/401 II will be equal to at least the following throughout the term of the contract period:

- 1/1/2020 through 12/31/2021: 3.10%
- 1/1/2022 through 12/31/2024: 3.00%
- Voya's prevailing credited interest rate will apply thereafter.

Voya's Fixed Account 457/401 II includes a 5 year PUT (12 month notice) to provide full liquidity of the assets at the end of the contract term.

3. Plan Communication

Voya shall utilize custom communications materials designed for the plan which utilizes an agreed upon color scheme and style for all communication materials. Such materials are to encompass at least the following items:

- The introduction the Plans' new fee structure;
- The implementation of any new Plan features including those participant facing areas related to the upgrade to Voya's latest version of OMNI; and
- All future investment changes or Plan level communications.

In addition to these items, Voya shall explore the possibility of developing and utilizing custom branded web-based videos and self-paced online courses that will be educational in nature and not constitute "advice." Such items will be explored within the context of the Plan's overall communications plans and with an eye towards driving plan action as it relates to increasing Plan participation and overall retirement readiness.

Voya agrees that all communication developed for the Plan must be approved for use by the Plan's Executive Officer prior to use. Voya also agrees to include adherence to this requirement within its revised service guarantees.

4. Plan Staffing and Reporting

Staffing

Voya shall obtain the Plan's approval for all staff or assigned educational representatives assigned to the Plan prior to making any changes or hiring any new personnel. Voya shall provide the Plan with the resume of all newly proposed staff and all educational representatives and shall also allow the Plan to interview all recommended staff or educational representatives beforehand. Voya also agrees to include adherence to this requirement within its revised service guarantees.

While Voya's proposal of three full time dedicated educational representatives is designed to address the current and projected needs of the Plan, Voya agrees that in the case that the plan materially grows above our expectations through the addition of a large Political Subdivision of the state that we will review the support of an additional educational representative, or representatives as the case may warrant. Such discussions will be undertaken based upon the full transfer of all of the Political Subdivisions plan level assets and with the understanding that the State will serve as the sole vendor in such instances.

Voya affirms the State's ability to request the removal and replacement of an assigned educational representative if the individual(s) fail to comply with the directives of the State or fail to meet the State's desired service standards.

Reporting

Voya shall work with the Plan to develop a mutually agreed upon calendar for the worksite service schedule of all assigned educational representatives. This calendar shall be based upon an annual, quarterly or monthly basis and will outline the activity of all representatives and their available service days and locations for the various state agencies; the Plan's included Political Subdivisions and NSHE.

Voya shall also provide a report to the Plan on both an annual and quarterly basis as to the activity of all educational representatives including details on each State agency, Political Subdivision, and NSHE.

Voya shall also provide a report to the Plan on a monthly basis as to the activity of all educational representatives including details on each State agency, Political Subdivision, and NSHE. This report shall include a report of the outcome of the individual meetings including enrollments, rollovers into the Plan, etc.

Voya also agrees to include adherence to these requirements within its revised service guarantees.

5. Educational Representative and Financial Advisor Disclosure

Voya will work with the Plan to develop a mutually agreeable and compliance approved Compensation Disclosure document for both Voya's dedicated educational representatives and Voya's Financial Advisors.

6. Managed Account Services

Voya agrees to revise its proposed tiered fee structure for managed account services. Rather than applying a tiered rate structure, Voya will utilize a flat rate structure of 0.50% regardless of the asset size of the participants account.

Voya agrees to provide the Plan with a "Reach and Impact Report" on at least a semi-annual basis to allow the Plan to review the services provided through Voya Retirement Advisors and Financial Engines, the impact of Voya's managed account services and the services provided the Plan's participants.

Voya agrees to allow the Plan to monitor a random sampling of participant calls held with the Voya Retirement Advisors team on a quarterly basis. Such reviews will be carried out on a mutually agreeable basis for both the Plan and Voya.

7. Utilization of Participant Data and Ancillary Sales

Voya shall not be permitted to use participant specific Plan data to solicit any other services or retail products not agreed upon or outlined in the Plan's services agreement, or otherwise approved in writing by an authorized representative of the Plan Sponsor. Voya shall not be permitted to share participant specific Plan data outside of or among other divisions of Voya Financial except to the extent necessary to provide Plan services set forth in the Administrative Services Agreement.

8. Reporting of Rollovers out of the Plan

Voya shall provide a report to the Plan on a quarterly basis as to all rollover activity for the prior quarter which outlines the date, amount of the rollover and the receiving firm if applicable of all rollovers processed.

9. Voya Call Center

Voya agrees to utilize customer service representatives that are dedicated to our tax-exempt market clients to address all inbound calls from Plan participants.

Voya agrees to allow the Plan to monitor a random sampling of Plan participant calls handled by our customer service representatives on a quarterly basis. Such reviews will be carried out on a mutually agreeable basis for both the Plan and Voya.

10. Plan Participation

Voya agrees to the inclusion of an increase in overall plan participation for the contract term. The targeted increase will be based upon the plans participation rate for the State Plan as measure in the first quarter of each contract year.

Based upon eligible employee and participating employee data as of January 2020 and annually thereafter, Voya agrees to an overall increase in plan participation of 3.5% in the participation rate for the core State Plan over the course of five year contract term and based upon the provision of no employer matching contribution, no auto enrollment adoption and no plan demographics being provided. With the provision of full demographic data, Voya agrees to an overall increase in plan participation of 5.5% over the course of the five-year contract term. The 5.5% increase based upon the provision of full demographic data may either be measured on a full contract term basis or is measurable by 1% increases on an annual basis.

This participation increase is to be based upon the attached mutually agreeable plan of action included as Appendix A to these Negotiated Points and which contains the details on the demographic assumptions required

Voya also agrees to include adherence to these requirements within its revised service guarantees.

11. Service Guarantees

Voya agrees to revise the proposed service guarantees as provided for in both our RFP response and our response to Best and Final items for both the 457 Plan and the FICA Alternative Plan. Although the allocations may change, the amount of fees at risk on an annual basis will remain unchanged from the 20% of fees at risk outlined previously. The revised service guarantees are included as Appendix B to these Negotiated Points.

12. State Cyber Security Policy

Voya agrees to assist the Plan in the development of a cyber security policy for the Plan.

13. Voya Annual Client Summit

Voya agrees to extend an invitation the Plan's Executive Officer and members of the Plans Advisory Committee to its annual client summit.

AMENDMENT # 1 457b Plan

TO CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

Between the State of Nevada

Acting By and Through Its

Agency Name:	Nevada Deferred Compensation Program
Address	100 N Stewart Street Ste 100
City, State, Zip Code:	Carson City, NV 89701
Contact:	Rob Boehmer, Administrator
Phone:	775-684-3397
Fax:	775-684-3399
Email:	rboehmer@defcomp.nv.gov

Contractor Name:	Voya Institutional Plan Services, LLC
Address:	One Orange Way
City, State, Zip Code:	Windsor, CT 06095
Contact:	M. Bishop Bastien, Vice President, Institutional Clients
Phone:	916-774-7595
Fax:	612-492-0682
Email:	Bishop.bastien@voyacom

1. **AMENDMENTS.** For and in consideration of mutual promises and/or their valuable considerations, all provisions of the original contract resulting from Request for Proposal #08DOA-S514 and dated 08/09/19, attached hereto as Exhibit A, remain in full force and effect with the exception of the following:

A. This is the first amendment to change the contract termination date from December 31, 2025 to December 31, 2024.

B. Current Contract Language:

Effective from:	January 1, 2020	To:	December 31, 2025
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C. Amended Contract Language:

Effective from:	January 1, 2020	To:	December 31, 2024
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2. **INCORPORATED DOCUMENTS.** Exhibit A (Original Contract) is attached hereto, incorporated by reference herein and made a part of this amended contract

CETS#22175

RFP#08DOA-S514

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

Joe Telesiano 8/12/19 VP, Operations
Independent Contractor's Signature Date Independent Contractor's Title
Rob Boehmer 8/12/19 Executive Officer
Rob Boehmer Date Title
for Susan Brown
Signature -- Board of Examiners APPROVED BY BOARD OF EXAMINERS

On: 8/14/19
Date

Approved as to form by:

Jeffrey M. [Signature]
Deputy Attorney General

On: 12 Aug 19

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

A Contract Between the State of Nevada

Acting by and Through its

Agency Name:	Nevada Deferred Compensation Program
Address:	100 N Stewart Street Ste 100
City, State, Zip Code:	Carson City, NV 89701
Contact:	Rob Boehmer, Administrator
Phone:	775-684-3397
Fax:	775-684-3399
Email:	rboehmer@defcomp.nv.gov

Contractor Name:	Voya Institutional Plan Services, LLC
Address:	One Orange Way
City, State, Zip Code:	Windsor, CT 06095
Contact:	M. Bishop Bastien, Vice President, Institutional Clients
Phone:	916-774-7595
Fax:	612-492-0682
Email:	Bishop.bastien@voya.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 August 13, 2019).

Effective from:	January 1, 2020	To:	December 31, 2025
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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:	NEGOTIATED ITEMS FICA plan including the following documents: Negotiated Points; Administrative Service Agreement; Plan Service Guarantees; Custodial Agreement
ATTACHMENT BB:	INSURANCE SCHEDULE
ATTACHMENT CC:	STATE SOLICITATION OR RFP 08DOA-S514 and AMENDMENT #1
ATTACHMENT DD:	CONTRACTOR'S BEST AND FINAL RESPONSE
ATTACHMENT EE:	CONTRACTOR'S RESPONSE

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:

at a cost of \$1.40 per participant account annually. Additionally, a flat \$450 fee will be assessed to a participant requesting the Contractor to develop and administrate any Qualified Domestic Relations Order (QDRO). Contractor shall pay the State a one-time fee of \$2,250.00 for the cost related to the Request for Proposal process, payable immediately upon approval of this contract by the Board of Examiners. The Contractor will develop and record keep an administration account on behalf of the Plan to deposit collected administrative revenue into and will be invested in the Contractor's proprietary stable value fixed investment option The Plan will regularly draft out of the Administrative account to fund the Program's approved annual budget and any other approved Program related expenses. The total estimated contract value including anticipated Program growth is approximately \$189,952.00.

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 stale 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 stale claim and that this amount will be deducted from the stale 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, debarred, 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.

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.

Lea Telesiano 7/12/19
Independent Contractor's Signature Date

VP, Operations
Independent Contractor's Title

[Signature] 7/12/19
Rob Boehmer Date

Executive Officer
Title

[Signature]
Signature – Board of Examiners

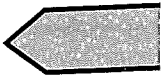
APPROVED BY BOARD OF EXAMINERS

On: 8/9/2019
Date

Approved as to form by:

[Signature]
Deputy Attorney General for Attorney General

On: 12 July 19
Date



Attachment AA

Negotiated Items

Documents included:

Administrative Service Agreement

Plan Service Guarantees

Custodial Agreement

NEGOTIATED POINTS
STATE OF NEVADA FICA ALTERNATIVE PLAN

Both parties agree to the following:

1. Voya's Compensation

Voya will receive compensation on a "per account basis" for the following plans listed in Exhibit C of the FICA Alternative Plan Administrative Services Agreement: (1) State of Nevada FICA Alternative Plan. The specific per account fee for the (1) FICA Alternative Plan (as set forth in Exhibit B of the FICA Alternative Plan Administrative Services Agreement) is \$1.40 per account. Only the per account fee noted above and the fees outlined in Exhibit B of the Administrative Services Agreement shall apply.

2. Voya's Fixed Account Credited Rate and Liquidity

Voya's product offering to the State of Nevada shall be based upon the use of a general account stable value fund – the Voya Fixed Account 457/401 II – which provides for the full liquidity of plan assets to accommodate a book value settlement.

The credited rate of the Voya Fixed Account 457/401 II will be equal to at least the following throughout the term of the contract period:

- 1/1/2020 through 12/31/2024: 2.25%
- Voya's prevailing credited interest rate will apply thereafter.

Voya's Fixed Account 457/401 II includes a 5 year PUT (12 month notice) to provide full liquidity of the assets at the end of the contract term.

3. Plan Communication

Voya shall utilize custom communications materials designed for the plan which utilizes an agreed upon color scheme and style for all communication materials. Such materials are to encompass at least the following items:

- The introduction the Plans' new fee structure;
- The implementation of any new Plan features including those participant facing areas related to the upgrade to Voya's latest version of OMNI; and
- All future investment changes or Plan level communications.

Voya agrees that all communication developed for the Plan must be approved for use by the Plan's Executive Officer prior to use. Voya also agrees to include adherence to this requirement within its revised service guarantees.

4. Educational Representative and Financial Advisor Disclosure

Voya will work with the Plan to develop a mutually agreeable and compliance approved Compensation Disclosure document for both Voya's dedicated educational representatives and Voya's Financial Advisors.

5. Managed Account Services

Voya agrees to revise its proposed tiered fee structure for managed account services. Rather than applying a tiered rate structure, Voya will utilize a flat rate structure of 0.50% regardless of the asset size of the participants account.

Voya agrees to provide the Plan with a "Reach and Impact Report" on at least a semi-annual basis to allow the Plan to review the services provided through Voya Retirement Advisors and Financial Engines, the impact of Voya's managed account services and the services provided the Plan's participants.

Voya agrees to allow the Plan to monitor a random sampling of participant calls held with the Voya Retirement Advisors team on a quarterly basis. Such reviews will be carried out on a mutually agreeable basis for both the Plan and Voya.

6. Utilization of Participant Data and Ancillary Sales

Voya shall not be permitted to use participant specific Plan data to solicit any other services or retail products not agreed upon or outlined in the Plan's services agreement, or otherwise approved in writing by an authorized representative of the Plan Sponsor. Voya shall not be permitted to share participant specific Plan data outside of or among other divisions of Voya Financial except to the extent necessary to provide Plan services set forth in the Administrative Services Agreement.

7. Reporting of Rollovers out of the Plan

Voya shall provide a report to the Plan on a quarterly basis as to all rollover activity for the prior quarter which outlines the date, amount of the rollover and the receiving firm if applicable of all rollovers processed.

8. Voya Call Center

Voya agrees to utilize customer service representatives that are dedicated to our tax exempt market clients to address all inbound calls from Plan participants.

Voya agrees to allow the Plan to monitor a random sampling of Plan participant calls handled by our customer service representatives on a quarterly basis. Such reviews will be carried out on a mutually agreeable basis for both the Plan and Voya.

9. Service Guarantees

Voya agrees to revise the proposed service guarantees as provided for in both our RFP response and our response to Best and Final items for both the FICA Alternative Plan. The amount of fees at risk on an annual basis remains unchanged from the 20% of fees at risk outlined previously. The revised service guarantees are included as Appendix A to these Negotiated Points.

10. State Cyber Security Policy

Voya agrees to assist the Plan in the development of a cyber security policy for the Plan.

AMENDMENT # 1 FICA

TO CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

Between the State of Nevada

Acting By and Through Its

Agency Name:	Nevada Deferred Compensation Program
Address:	100 N Stewart Street Ste 100
City, State, Zip Code:	Carson City, NV 89701
Contact:	Rob Boehmer, Administrator
Phone:	775-684-3397
Fax:	775-684-3399
Email:	rboehmer@defcomp.nv.gov

Contractor Name:	Voya Institutional Plan Services, LLC
Address:	One Orange Way
City, State, Zip Code:	Windsor, CT 06095
Contact:	M. Bishop Bastien, Vice President, Institutional Clients
Phone:	916-774-7595
Fax:	612-492-0682
Email:	Bishop.bastien@voyacom

1. **AMENDMENTS.** For and in consideration of mutual promises and/or their valuable considerations, all provisions of the original contract resulting from Request for Proposal #08DOA-S514 and dated 08/09/19, attached hereto as Exhibit A, remain in full force and effect with the exception of the following:

A. This is the first amendment to change the contract termination date from December 31, 2025 to December 31, 2024

B. Current Contract Language:

Effective from:	January 1, 2020	To:	December 31, 2025
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C. Amended Contract Language:

Effective from:	January 1, 2020	To:	December 31, 2024
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2. **INCORPORATED DOCUMENTS.** Exhibit A (Original Contract) is attached hereto, incorporated by reference herein and made a part of this amended contract.

CETS#22175

RFP#08DOA-S514

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.

Lia Teleciano 8/12/19 Vice President, Operations
Independent Contractor's Signature Date Independent Contractor's Title
[Signature] 8/12/19 Executive Officer
Rob Boehmer Date Title
[Signature] for Susan Brown
Signature - Board of Examiners

APPROVED BY BOARD OF EXAMINERS

On: 8/14/19
Date

Approved as to form by:

[Signature]
Deputy Attorney General

On: 12 Aug 19

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

A Contract Between the State of Nevada
Acting by and Through its

Agency Name:	Department of Administration Nevada Public Employees 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:	Casey Neilon, Inc.
Address:	503 N. Division Street
City, State, Zip Code:	Carson City, Nevada 89703
Contact:	Suzanne Olsen
Phone:	775-283-5555
Email:	solsen@caseyneilon.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.

Effective from:	Upon Approval of Board of Examiners	To:	June 30, 2021
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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:	STATE SOLICITATION
ATTACHMENT BB:	INSURANCE SCHEDULE
ATTACHMENT CC:	CONTRACTOR'S RESPONSE

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:

This is a new contract to provide a financial statement audit for the Deferred Compensation Program with an option to renew for two more years.

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 a Deferred Compensation designee.
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Total Contract Not to Exceed:	\$71,750.00
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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 stale 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 stale claim and that this amount will be deducted from the stale 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, debarred, 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.
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.

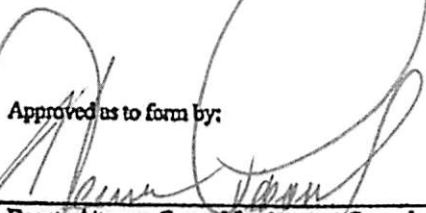
 2/27/2020 SHAREHOLDER, CPA
Independent Contractor's Signature Date Independent Contractor's Title

 3/01/2020 Executive Officer
State of Nevada Authorized Signature Date Title


Signature - Board of Examiners

APPROVED BY BOARD OF EXAMINERS

Approved as to form by:


Deputy Attorney General for Attorney General

On: 4-14-2020
Date

On: 3/3/20
Date

ATTACHMENT “AA”

Solicitation of Work

State of Nevada
Department of Administration

Administrative Services Division
209 E. Musser Street, Room 304
Carson City, NV 89701-4204
Phone: (775) 684-0273
Email: ASDContractsGroup@admin.nv.gov



Steve Sisolak
Governor

Jenni Cartwright
Administrator

Robert Boehmer
Deferred Comp Executive Officer

STATE SOLICITATION

01/31/2020

Casey, Neilon
503 Division Street
Carson City, Nevada, 89703
ATTN: Leslie Kidd

Email Delivery: lkidd@caseyneilon.com

Subject: Solicitation for Proposal

The Nevada Public Employees Deferred Compensation Program (NDC) is seeking proposals from qualified accounting firms to conduct a financial statement audit of the Deferred Compensation Program. It is the State's intent to enter into contracts with accounting firms, acting as independent contractors, who have experience as described in the attached "Scope of Work".

This contract will be administered by the Department of Administration, Administrative Services Division, and is anticipated to commence upon Board of Examiners' approval for a 2-year period.

Your response should address, at a minimum, the following:

- That you can provide service in Carson City, Nevada
- A copy of your Nevada Business License
- A copy of your Certificate of Insurance
- Contact person, and telephone number for service inquiries
- Provide a minimum of three references
- Provide staff resumes
- Prior two years Financial statements and Management letters
- Cost

Attached to this request you will find the State's standard Contract for Services of Independent Contractor form for your review. Please give special consideration to Attachment BB, as this identifies the insurance limits contracted vendors will be expected to maintain for the life of the contract.

Questions regarding this solicitation should be sent to Rob Boehmer & Sue Sands, in writing. Questions may be sent by fax to (775) 684-5846 or e-mail to rboehmer@defcomp.nv.gov and sasands@admin.nv.gov. Responses will be provided in writing as soon as administratively possible.

If you are interested in proposing, please notify the NDC Executive Officer, Rob Boehmer. Your proposal must be addressed to Sue Sands, Program Officer I, Contracts Section, Department of Administration, Administrative Services Division, 209 E. Musser St., Room 304, Carson City, NV 89701 OR be emailed to sasands@admin.nv.gov. Should you have any questions please do not hesitate to contact me at (775) 684-0279.

If you DO NOT intend to bid on this service, your response indicating "not submitting proposal" would be appreciated.

Sincerely,

Sue Sands
Program Officer

ENCS.

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 and finalize the 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 may 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 may 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 Contractor is to provide a reconciliation of payroll contributions from State of Nevada Central Payroll. The Contractor may also consider conducting a reconciliation of payroll contributions from the Nevada System of Higher Education (NSHE), and any number of payroll centers associated with any of our contracted political subdivisions within the Program. The Program's Executive Officer will approve the payroll locations of each annual audit. NDC requires that an Agreed Upon Procedure (AUP) be completed and issued by the Contractor to include the following requirements if not already part of your standard audit procedures:

- 1) A reconciliation of payroll contributions to the NDC contracted Recordkeeper's published contribution confirmation statement that they issue to each Payroll Center verifying receipt, accuracy, and balancing of each submission.
- 2) A reconciliation of a sample of participants contributing to the Plan(s) being reviewed from their respective payroll center to the participant's NDC account(s).

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.

ATTACHMENT “BB”

Insurance

INSURANCE REQUIREMENTS FOR CONTRACTS

Standard Professional Service Contracts

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. **Automobile 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
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- 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.

4. **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

INSURANCE REQUIREMENTS FOR CONTRACTS

- 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, Department of Administration, Division of Administrative Services, Attention: Contracts Section, 209 E. Musser, Suite 304, Carson City, Nevada 89701 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:** Contractor shall for each insurance policy required by the insurance provisions of this Contract shall not be suspended, voided or canceled except after providing thirty (30) days prior written notice 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 Department of Administration, Division of Administrative Services, Attention: Contracts Section, 209 E. Musser, Suite 304, Carson City, Nevada 89701
- J. Should contractor fail to provide State timely notice, contractor will be considered in breach and subject to cure provisions set forth within this contract.
- 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 Agency Representative's Name and Address)**. 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.
- 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 Risk Management Division or the Attorney General's Office, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

ATTACHMENT CC

Contractor's Response



CASEY NEILON

February 12, 2020

Rob Boehmer
Department of Administration
209 E. Musser St., Room 304
Carson City, NV, 89701

Dear Mr. Boehmer:

It is our pleasure to have the opportunity to submit this proposal to provide auditing and other attest services to the Department of Administration for the years ended June 30, 2019 and 2020.

I would like to take this opportunity to introduce our company, Casey Neilon, Inc. (a Nevada corporation). We are a local public accounting firm with offices in Reno and Carson City, that is dedicated to providing high quality accounting, auditing and tax services to our clients. We are currently staffed with 27 employees including 8 certified public accountants and 10 non licensed accountants. Our staff has a long history of auditing private companies, state and local governmental entities and non-profits in the State of Nevada. We currently provide attest and tax services to many companies, NFPs and governmental entities with revenues ranging from a low of less than \$500,000 to a high of over \$300 million.

The contact person for this proposal is:

Suzanne Olsen, CPA, Shareholder
503 N Division St, Carson City, NV 89703
(775) 283-5555 ext. 102; (775) 283-0494 (fax)
solsen@caseyneilon.com

Please do not hesitate to contact me for any questions regarding this proposal.

Very truly yours,

Suzanne Olsen, CPA

503 N. Division St.
Carson City, NV 89703
775 . 283 . 5555

+

730 Sandhill Rd., Ste. 300
Reno, NV 89521
775 . 329 . 9999

If awarded this contract, the Company would provide a certificate of insurance with the Department as a certificate holder, and replacement certificates on renewal of all policies.

Terminations for Default, Settlements or Pending Terminations

The Company has not experienced any terminations for default, settlements or pending terminations.

Americans with Disabilities

The Company is knowledgeable about, and complies with the requirements of the ADA.

Records Retention

All records related to the engagement will be maintained in accordance with the Company's record retention policy of seven years and will be available to the Department or its designees for examination upon request.

Timeframe for Deliverables

A preliminary draft of the audit would be available prior to June 30, 2020 for the first year and prior to November 30, 2020 of the second year. Final reports for the 2019 and 2020 audit would be presented or available to be presented to the Committee no later than July 1, 2020 and December 1, 2020, respectively.

Work Program

This engagement plan reflects our commitment to provide the Department with timely, efficient and constructive audit services. It gives special attention to early identification and resolution of problems and provides for timely response on technical matters.

Scope of work

Audit: The primary purpose of our audit is to express an opinion (examination of the financial statements) on the fairness of presentation of the financial statements of the Nevada Public Employees Deferred Compensation Program and the Nevada FICA Alternative Deferred Compensation Plan for the year ended June 30, 2019. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America, as included in Statements on Auditing Standards published by the American Institute of Certified Public Accountants, and any other applicable rules, regulations, or accounting standards.

Agreed Upon Procedures: The primary purpose of our agreed upon procedures engagement is to perform procedures agreed to by the Department in regards to the Nevada Public Employees Deferred Compensation Program and to present the results of the procedures performed in a schedule of findings. Our agreed upon procedures engagement will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

Final reports are to be delivered to the Department no later than the July 1st of the subsequent year. This deadline is dependent on obtaining complete, accurate and timely information from the Department.

Deliverables

The deliverables shall include:

- The auditors' report on the financial statements and required supplementary information, and required disclosures.
- A management letter that details any areas that we have identified that are not considered to be significant deficiencies or material weaknesses, but that could assist management in improving internal controls or operating effectiveness.
- Written communication to those charged with governance as required by AU-C Section 260 that details the significant audit findings, including:
 - qualitative aspects of accounting practices,
 - difficulties encountered in performing the audit,
 - corrected and uncorrected misstatements,
 - disagreements with management,
 - management representations
 - management consultations with other independent accountants
 - other audit findings or issues

Working Papers

All audit work papers shall be retained in accordance with our firm policy, but in no event for less than 7 years, and will be available to the Department for examination upon request.

Additional Services

Upon request of the Department, we will be available to give periodic advice regarding accounting, reporting, and updates to best practices. Advice that falls outside of the scope of the audit and that requires significant research or consultation may be subject to additional fees; but, under no circumstances would any additional fees be incurred without consent of the Department and amendment to the scope of this proposal.

Audit Policies and Procedures

Casey Neilon Inc. utilizes framework of audit policies and procedures which enable us to perform quality work in a timely and efficient manner. These policies are designed to implement the profession's standards and utilize advanced concepts of risk identification and analysis.

Appreciation of these concepts particularly facilitates our analysis of three critical audit variables:

- Areas of specific audit risk
- Control measures in place to mitigate such risks
- The effectiveness of these controls

The quality of the audit is ultimately determined by the firm's knowledge and understanding of its client and by appropriate risk assessment

procedures, and tailoring of the audit plan to address the risks identified. Because Casey Neilon, Inc. is a local firm, we can effectively relate to our client's business environment and remain accessible to our clients throughout the year.

Audit Plan

We have prepared a preliminary plan for the audit as of June 30, 2019. The final schedule will, of course, be subject to your review and approval; we have the flexibility to make revisions as necessary to meet your needs. The following summarizes our audit approach with a description of each major phase. The work in each phase will be performed by the audit staff under the direct supervision of the project supervisor and partners.

Advance planning (Prior to year end)

Audit planning involves all members of the audit team as required by professional standards. Advance planning involves scheduling and staffing as well as a general risk analysis and a fraud risk analysis to determine areas of general and specific concern and to identify areas where Department personnel can be utilized to minimize time and maximize efficiency.

Additionally, as there would be a transition of audit firms, our initial planning would include communication with the predecessor auditor regarding matters of audit significance and a review of their workpapers to enable us to rely on the audit work performed over beginning balances. This review would also provide us with information regarding the consistency of accounting policies and procedures and assist us in identifying matters of concern for the upcoming audit.

An effective and efficient audit must be planned to carefully analyze control procedures in place, to determine that the controls adequately safeguard assets and to ensure accurate and complete accounting data is available to promote operational efficiency and to encourage adherence to managerial policies. If effective controls are in place, we will rely on them in determining the nature, timing and extent of audit tests to be performed. Our documentation of systems and procedures will include questionnaires and narrative descriptions of the transaction flow of major systems.

During this phase, we will obtain an understanding of the components of internal control that is sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. This evaluation will also assist us in planning the audit to obtain reasonable assurance about whether the financial statements, including note disclosures, are free of material misstatement, whether caused by error or fraud, and material misstatements arising from illegal acts that have a direct and material effect on the determination of financial statement amounts, as well as planning the audit to provide reasonable assurance of detecting material misstatements that result from violations of provisions of contracts or grant agreements that could

have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

Professional standards also require communications with other parties providing specialized services that relate to the audit.

During this phase of the audit we will meet with the Department to identify significant business and environmental factors that impact the financial reporting of the Department and prepare the confirmations for cash, investments, and any receivables considered necessary. Additionally, we will finalize the timetable for obtaining the records and analyses of accounts to be prepared by the association employees in anticipation of field work.

**Field work
(April - June)**

Field work consists primarily of substantive testing and documentation of

- Investments
- Notes receivable
- Contributions
- Investment income
- Deductions

The audit methodologies employed are a matter of judgment, and are dependent upon our risk analysis. Our engagement team utilizes analytical procedures during our preliminary risk assessment to reduce substantive testing in low risk areas and also during substantive testing for those accounts for which reasonable expectations can be set. We utilize third party confirmations for cash, investment and receivables, where applicable and obtain SOCI/SSAE 18 reports from service organizations to assist in identifying controls at these organizations that may reduce our required audit procedures. For accounts with a significant volume of transactions we employ a combination of statistical sampling and scope testing depending on the risk involved in the accounts. We have invested heavily in technology to ensure that data is transferred securely and that audit procedures are performed efficiently and effectively.

Draft reports

At the conclusion of field work (mid-June); audit comments pertaining to the prepared draft financial statements will be forwarded to the Department for review and comment. Once comments have been received from the association the draft report will be submitted for Compliance Review.

**Compliance Review
(June)**

The financial statements will be reviewed by a shareholder independent of fieldwork and skilled in financial reporting requirements. This review is to ensure compliance with presentation and disclosure standards as well as compliance with firm quality control standards.

Exit conference (June)	We will review the draft financial statements with Department management. At this time the management letter will be available for review. This letter will communicate material audit findings and recommendations affecting the financial statements, internal control system, accounting systems, computer systems and any other matters. Findings may include reportable conditions, material weaknesses and management comments as considered necessary. Discussions will occur throughout the audit cycle to keep management apprised of our findings and concerns.
Final reports (June)	Once the draft reports have been approved by both Department management and the compliance partner, electronic and hard copies of the final reports and management letter will be issued.
Report Presentation	The financial statement audit will be presented to the Committee at an agreed upon Committee meeting.

We assert that the timelines set forth in this proposal can be achieved, and we commit to ensuring that these timelines are met provided that all data required from the Department is received in a timely manner.

Cost Proposal

The cost to onboard an audit client include one time costs that include communication with the predecessor auditor, review of their audit files in accordance with professional standards, developing an understanding of the policies and procedures of the Department and developing an understanding of internal controls. As we are proposing on a two year audit period, we are able to spread these costs in a more budget friendly manner for the Department.

Our proposed fees for the two year audit and attest period are as follows:

June 30, 2019 \$35,000

June 30, 2020 \$36,750

Any out-of-pocket expenses incurred would be charged in addition to the fees above. These fees are expected to be less than \$100 and are primarily for electronic confirmations. Additional services requested would be charged at our standard hourly rate. However, under no circumstances would we incur additional charges without first coming to an agreement over scope and cost with the Department,

We appreciate the opportunity to provide you with this proposal, and look forward to your consideration of it. If you have any questions, do not hesitate to call us.

Very truly yours,

Suzanne Olsen, CPA

Proposal Acceptance

Accepted by:

Nevada State Department of Administration

VENDOR RATING WORKSHEET

Agency Name: Nevada Deferred Compensation

Vendor: Hvas Group

Contract Monitor/Rater: _____

Date of Rating: 12/31/2020

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: Casey Neilon

Contract Monitor/Rater: _____

Date of Rating: 12/31/2020

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

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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: Vova Financial

Contract Monitor/Rater: _____

Date of Rating: 01/01/2021

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

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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

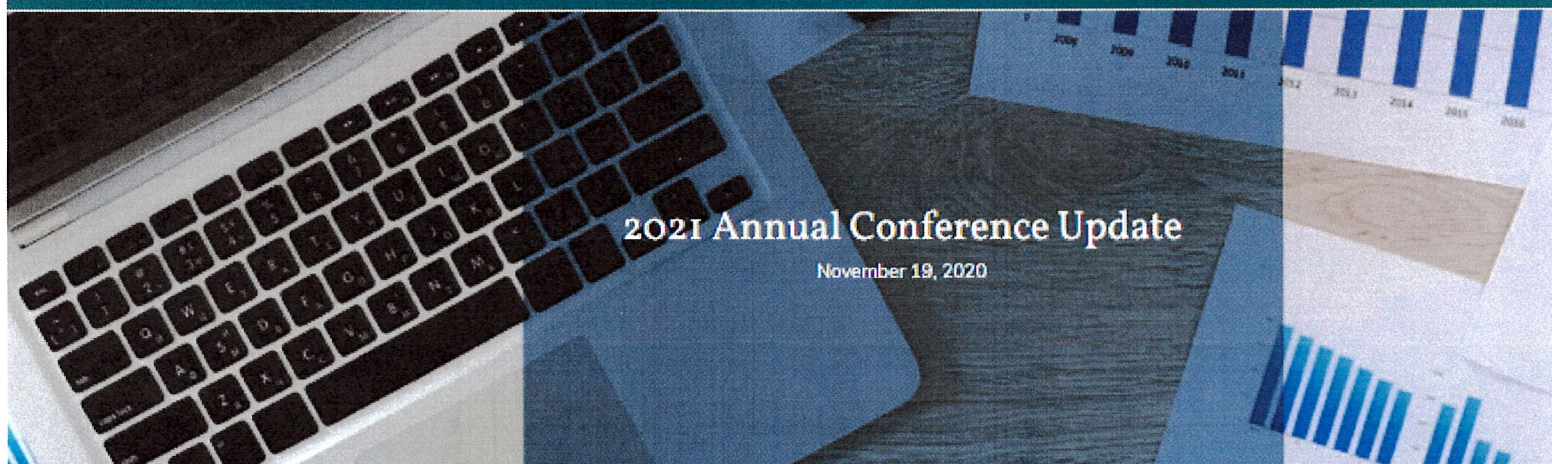
PRICING: the level to which the contractor/supplier adheres to the pricing structure outlined or specified in the contract/scope of work

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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**).


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2021 Annual Conference Update



We know many of you are in the midst of 2021 budget planning, so we wanted to provide you with an update on the status of our 2021 annual conference scheduled for **September 12-15 in Phoenix, AZ**.

Currently, we are planning for our typical in-person experience at the Sheraton Phoenix Downtown while also developing a virtual option for those who are unable or unwilling to travel. We will provide updates as the conference committee finalizes the new logistics for the hybrid approach.

In addition to planning the hybrid experience, we are also considering the possibility of again having to shift to an all-virtual event. As we have always said, our number one priority is the health and safety of our attendees. That continues to be the case as we look ahead to 2021.

We are monitoring the situation closely and will continue to focus on doing what is in the best interest of the organization and our members. We will continue to provide you with updates as details are finalized, and we encourage you to reach out if you have any questions.

Keep an eye out in early December for a call for session topics!

Regardless of the format, our goal is to provide you with content that covers the topics that you're most interested in. We encourage you to take advantage of the call for topics to share what you'd like NAGDCA to focus on in 2021.



2021
Committee Meetings
January 11, 2021 Annual Planning Session Teleconference due to COVID-19
March 2, 2021 Quarterly Meeting Teleconference due to COVID-19
June 9, 2021 Quarterly Meeting
September 2021 Quarterly Meeting
November/December Quarterly Meeting