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STATE OF NEVADA DEPARTMENT OF ADMINISTRATION

**PUBLIC EMPLOYEES' DEFERRED COMPENSATION PROGRAM**

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**DEFERRED COMPENSATION COMMITTEE  
PLANNING MEETING MINUTES**

January 11, 2021

The annual planning meeting of the Deferred Compensation Committee was held on Monday, January 11, 2021, at 8:30 a.m. by videoconference or 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:

<https://defcomp.nv.gov/Meetings/2021/2021/>.

**COMMITTEE MEMBERS**

Susie Chang  
Kent Ervin  
Jeff Ferguson  
Matt Kruse, Vice Chair

**OTHERS PRESENT**

Bishop Bastien, Voya  
Beth Blandford, Fundmap  
Rob Boehmer, NDC Executive Officer  
Rasch Cousineau, Hyas Group  
Scott Crowell, Edelman Financial Engines  
Scott Darcy, Voya  
Merrill Desrosiers, Voya  
Joseph Dinan, Edelman Financial Engines

Charles Griffon, Voya  
Roseanne Orozco, RTC  
Henna Rasul, Sr. Deputy Attorney General  
Micah Salerno, NDC Admin. Assistant  
Migle Valunte, NSHE  
Jason White, Voya  
Jelena Williams, RTC

1. **Call to Order/Roll Call**

Vice Chairman Kruse called the annual planning meeting to order for the Nevada Deferred Compensation (NDC) Committee at 8:31 a.m. on Monday, January 11, 2021.

Mr. Boehmer took roll and determined a quorum was present and confirmed the meeting was properly noticed and posted. He noted that Chairwoman Debbie Bowman was excused due to her new position with Department of Corrections.

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 December 1, 2020.

**Motion by Dr. Ervin to approve the minutes from December 1, 2020, second by Mr. Ferguson. Motion passed unanimously, 4-0.**

4. For Possible Action – Receive and discuss Annual Training overview of the following:
- a. Annual Boards and Commission and Open Meeting Law Training  
DAG Henna Rasul presented an overview of Boards and Commissions and Open Meeting Law Training.
  - b. Fiduciary Duties Training Overview  
Mr. Rasch Cousineau with Hyas Group provided a fiduciary training update regarding recent DOL ESG regulation, CARES Act legislation, retirement plan lawsuits, and DOL Cyber Security Fiduciary best practices.
5. For Possible Action – Conduct annual review and discussion of current NDC governing documents and plan design.
- a. Investment Policy Statement (IPS)  
Mr. Cousineau briefly reviewed the proposed IPS which would improve the document's specific, process, and simplicity. The Committee expected to approve the updated Hyas Group IPS at the upcoming March or June meeting. Hyas Group would provide two redlined versions at the March meeting: 1- the already reviewed redlined Hyas Group IPS, and 2- the redlined Hyas Group IPS that reflected the fund lineup changes that were requested at the December 2020 meeting, including:
    - i. Actively Managed Fixed Income Option – (NEW) – provide a search for the Committee to consider adding an actively managed fixed income option to the lineup.
    - ii. Large Cap – Map Vanguard Institutional Index (VINIX) to Vanguard Institutional Index PLUS (VIIX).
    - iii. 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 that 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.
    - iv. 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.
  - b. 457(b) Plan Document
    - Addition of SECURE Act option provision of qualified birth or adoption distributions was confirmed.
    - State Internal Audits Division Report and recommendations regarding the statutory authority of the NDC Program allowing Employer contributions into the Plan was discussed. Additional information would be provided at the March meeting.
    - Government Accounting Standards Board (GASB) 97 ruling on financial reporting and employer contributions. There were three potential groups within the Plan(s) that could be impacted by GASB 97:
      - i. Political Subdivision employers that offered a 457b match – Staff would reach out to those agencies to notify them of the upcoming GASB requirements to report the contributions as pension obligations.
      - ii. State employee participants (3-4 Boards) who received a match in the 457b – Staff would reach out internally to the appropriate State official – likely the comptroller – to discuss reporting requirements for those groups. There was also a discussion regarding establishing a mandatory 401(a) Plan for those

contributions although establishing such a plan would be further down the road, if at all.

- iii. FICA Alternative Plan (part-time) participants, also State employees, may be subject to GASB reporting. Staff would also discuss this group with the appropriate State officials.
- iv. Further discussion would occur at the March meeting. Implementation of the ruling was currently slated for July 2021. Hvas Group and Voya would also provide any guidance related to this matter as it became available from sources like NAGDCA and other industry associations.

Mr. Boehmer would update the Plan Document with new definitions from the SECURE Act on page 12 and 28 and the addition of Coronavirus loan and distribution information and added language for withdrawals allowed for Qualified Birth and Adoption. He would also revise the document so it clarified that NSHE and Political Subdivision employees were not included in the loan options, so there was no confusion.

**Motion by Mr. Ferguson to approve the Plan Document, with corrections, second by Ms. Chang. Motion carried unanimously, 4-0.**

Vice Chair Kruse called a 10-minute break.

c. Federal Insurance Contributions Act (FICA) Alternative Plan Document

- Plan Document recommended changes regarding the SECURE Act option provision of qualified birth and/or adoption was reviewed and approved.
- Revenue reserve for the FICA Administrative Account was reviewed. This item would be reviewed regularly with the goal of keeping the administrative account balance as low as possible.

**Motion by Dr. Ervin to approve the FICA Alternative Plan Document with technical changes. Second by Mr. Ferguson, motion passed unanimously, 4-0.**

d. Administrative Manual

- Amendments including recommended fee policy reference and IPS reference were reviewed and discussed. The Fee Policy Statement was added as Addendum B.
- The Administrative Fee threshold in place for accounts under \$1,000 was discussed. Additional options of \$750 and \$500 were provided. Further information such as terminated versus active employees was requested and would be provided by Voya.

**Motion by Dr. Ervin to accept and approve the changes to the Administrative Manual. Second by Mr. Ferguson, motion carried unanimously, 4-0.**

e. Discuss and review any proposed future Plan initiatives and/or Plan design changes

Committee and staff discussed the possible implementation of auto enrollment and opt-out features. Mr. Boehmer also commented on the new SMART 21 on-boarding and training initiative.

Vice Chair Kruse noted some items would be taken out of order.

7. For Possible Action- Discuss and review adopted policy governing conducting Compliance and Financial Audits within the Program.

- a. Compliance Audit: Mr. Boehmer stated the last Compliance audit was conducted in 2017 by Melanie Walker with Segal Marco. Hyas Group would be providing a similar Compliance audit in summer 2021. The Hyas Group Compliance audit may include:
  - NV Plan Documents review
  - Governance documents (IPS, Administrative Manual) review
  - Sample audit of transactions (unforeseeable emergencies, withdrawals, contributions, loans)
  - Discussion of leading-edge practices not currently offered – auto enrollment, 401(a) Plans, HRA Plans, cyber security policy
  - Review of current administrative processes and procedures – internal and external (participant) communication structure
- b. FY2020 Financial Audit: Mr. Boehmer noted the Financial Audit was being finalized and scheduled to be completed by Casey Neilon prior to the March meeting. The last item they were waiting on was data from NSHE.

Vice Chair Kruse called for a one-hour lunch break.

6. For Possible Action- Receive and discuss Marketing/Communication/Education Administrative Plan for 2021:

- a. Mr. Scott Darcy with Voya reviewed the overall Plan Participation, Marketing, and Communication which included:
  - Voya's Report on 2020 vs. 2019 trends in participation engagement and assessing financial wellness.
  - Proposed marketing plan to increase Program participation and engagement in 2021.
  - 2020 Participant Satisfaction Survey results vs. 2019 and 2019
- b. Mr. Bishop Bastien presented a review of improvements to the Voya Financial participant website.
- c. Mr. Jason White with Voya Financial Advisors and Mr. Joe Dinan, and Mr. Scott Crowell with Financial Engines (FE) joined the meeting to present the Financial Wellness Analysis of the NDC Plan. FE discussed the potential fund lineup changes being considered by the Committee. FE's investment modeling would be adjusted according to the lineup changes, if applicable.
- d. No new items were suggested for the monthly and quarterly marketing and communication plan for 2021.
- e. Mr. Charles Griffon with Voya presented their Cyber Security Report.
- f. National Financial Security Week and Nevada Saves Month (October 2021) was discussed. Changes in 2020 due to COVID were successful and virtual meetings for participants on different topics were suggested for 2021.

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

8. For Possible Action- NDC Contract(s), RFP Development, current contract review, and discuss Program contract evaluations:

- a. Existing Contract expirations were reviewed. The Committee directed staff to try and negotiate a 1-year extension for the Financial Audit, if the price was the same or lower than the current contract.
- b. Mandatory vendor ratings were discussed. Mr. Boehmer would provide blank evaluation sheets for the Committee members to complete.

9. For Possible Action- Discuss participation in training opportunities.

The NAGDCA conference was still planned to be in-person in Phoenix, Arizona on September 12-15, 2021. The Program would normally budget for 3 people (including Mr. Boehmer) to attend. At the time of the meeting there were no other training conferences scheduled.

10. For Possible Action- Receive, discuss, and approve Interlocal FICA Contract for Political Subdivision, Truckee Meadows Fire Protection District.

The Interlocal FICA Contract for Truckee Meadows Fire Protection District was tabled until the March meeting.

11. For Possible Action- Confirm upcoming NDC Quarterly Committee meetings for March 2 and June 9, 2021.

The upcoming NDC Quarterly Committee meeting dates were confirmed.

12. Committee Members comments

The Committee thanked staff and the presenters.

13. Update from Investment Consultant

Hyas Group had no additional comments.

14. Update from Recordkeeper

Voya had no further comments.

15. Administrative Staff/Department of Administration Updates

Mr. Boehmer thanked all attendees.

16. Public Comment

No comments from the public.

17. Adjournment

The meeting was adjourned at 4:08 p.m.

Respectfully submitted,

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Micah Salerno  
NDC Administrative Assistant