

Executive Summary / Fact Sheet

Implementing **Opt-Out Auto-Enrollment** for the Nevada Deferred Compensation Program's 457b voluntary retirement savings plan will:

- Encourage more state employees to increase their voluntary retirement savings.
- Provide more secure retirements for state employees.
- Increase participation rates toward national averages.
- Decrease the per-participant cost of the program through administrative efficiencies.

- The Nevada Deferred Compensation Program (NDC) is a voluntary 457(b) tax-deferred retirement savings program for State, Nevada System of Higher Education (NSHE), and approved and participating local public employers in Nevada.
- NDC 457(b) savings are supplemental to Nevada PERS pensions, providing a source of retirement replacement that assists with narrowing or eliminating the income gap an employee is likely to have, and to allow for flexible withdrawals to meet unexpected expenses or life changes.
- As of 3/31/2022, the 457(b) plan held \$1.048 billion in assets on behalf of 16,633 active and retired participants.
- The program is entirely self-funded through participant fees.
- Through education and outreach, the state employee active contributor participation rate in the NDC 457(b) plan has increased dramatically from 18% in 2014 to 38% in 2021, but is far below the 68% national average for governmental 457(b) plans.
- Auto-enrollment is a best practice that has increasingly been adopted by 401(k), 403(b), and 457(b) plans nationally to improve participation rates and financial wellness for government employees and their beneficiaries. The passage of the SECURE Act in December 2019 encouraged the use of Automatic Enrollment in employer sponsored defined contribution plans, and with the passage of SECURE 2.0 (passed the House with overwhelmingly bipartisan approval in March 2022 and is expected to pass through the Senate by the end of 2022 or beginning of 2023), would require employers that establish defined contribution plans to automatically enroll newly hired employees, when eligible, in the plan at a minimum pretax contribution level of 3 percent of the employee's pay..
- The Nevada Deferred Compensation Program proposes to implement an Opt-Out auto-enrollment and optional auto-escalation. Authorizing legislation is presented as a Bill Draft Request.
- A typical auto-enrollment plan starts with a 3% contribution rate for new and/or existing employees, with an opt-out for employees who do not wish to participate.
- Auto-escalation typically increases the contribution rate annually in 1% increments, also on an opt-out basis, up to of maximum of typically 8%-14%.
- Automatic escalation can be cancelled in years when there is no cost-of-living adjustment or mandatory retirement contributions increase, or if furloughs or reductions are imposed.
- The auto-enrollment and auto-escalation and opt-outs would be automated through the state's Smart21 payroll software system and employee interface, eliminating current paper enrollments.
- The auto-enrollment and annual auto-escalation contribution percentages for state employees would be recommended by the Nevada Deferred Compensation Committee with advice from the program's independent investment and plan design consultant, and approval by [Director of the Department of Administration].
- Revenue projections indicate increasing enrollment under the opt-out auto-enrollment and auto-escalation indicate that administrative expenses would be more than covered by the increased participation, allowing the per-participant cost to be decreased by 30% to 50% over five years.
- Opt-Out Auto-Enrollment would initially be implemented for employees paid through the state central payroll system. Other governmental entities could choose to join at a later date, with approval by their governing bodies.

**DEPARTMENT OF ADMINISTRATION
FY 24-25 BUDGET ENHANCEMENT JUSTIFICATION**

Division:

DUE TO DIRECTOR'S OFFICE ON OR BEFORE 5:00 P.M. FRIDAY, MAY 6, 2022

Title: Opt-Out Auto Enrollment Policy

Division Ranking:

Budget Account(s) Affected: 1017

Estimated Cost FY 2022: \$

Estimated Cost FY 2023: \$

Summary: The Nevada Public Employees' Deferred Compensation Program (NDC), the State's sponsored \$1.2 billion Defined Contribution Plan, is seeking to implement an Opt-Out Automatic Enrollment Policy. NDC Administration has conducted years of research and compiled data that establishes and concludes that a multitude of government entities across the country have executed and implemented an automatic enrollment process within their respective supplemental retirement plans. Automatic enrollment is proven to significantly improve overall financial wellness for individuals, families, and beneficiaries. It serves to support and supplement costly Defined Benefit Plans throughout the country and also supports the Governor's strategic priorities of developing and fostering *Government Efficiency and Innovation* as well as developing *Economic Diversification and Workforce Development* to government employees across the State now and in the future.

Detailed Proposal (please answer each question)

1. What is the problem to be solved by this enhancement? How long has it been a problem?

This change in authority and policy will ensure that the State maintains its compliance with governing regulations and adopted Plan governance policies, afford better value to Program participants, and increase the overall financial wellness of current and future participating government employees, their families, and beneficiaries. Plan compliance audits conducted over the past nine years have documented significant deficiencies in our employee engagement as a State-sponsored retirement plan. Adopting and executing this Opt-Out Automatic Enrollment Policy will resolve this deficiency and support the Governor's strategic priorities in fostering more robust innovation, government efficiency, economic diversification and support the Division of Human Resource Management's vision for more healthy workforce development and retention.

2. Which internal/external stakeholders benefit from this enhancement? How does it affect other divisions of Administration or other departments? Please describe your discussions with all stakeholders affected.

All State of Nevada employees would benefit from this proposed enhancement, but this model would also be available for optional adoption to Nevada System of Higher Education (NSHE) employees and over 90 local political subdivisions that currently participate in the State of Nevada Public Employees' Deferred Compensation Program (NDC) as well. This provision supports the State's vision of enhancing Human Resource management across the State while positively impacting the financial wellness and financial literacy of families and individuals in Nevada. NDC Staff has engaged in detailed discussions with the Department of Administration's Director's office, Division of Human Resource Management, and conducted multiple focus groups with Active employee and retiree groups over the past 9 years. These focus groups have supported the idea of the State playing a more active role at guiding employees not only during their new hire onboarding, but annually throughout their career to offer consistent engagement opportunities, education and communication on employee benefits while fostering a more robust financial sustainability and helping employees achieve a provident lifestyle now and in the future. Nearly all retirees or employees within 10 years of reaching their anticipated retirement horizon unanimously state: *"I wish someone would have told me about this opportunity sooner in my career"* or *"I wish I would have started sooner and/or contributed more of my income into the NDC Program."* What we never hear during employee and retiree focus groups is *"I wish I would have never contributed to that NDC Program!"*

3. Explain the business case for this enhancement. Provide alternatives to this enhancement and explain why this is the preferred option. What are the consequences of not requesting this enhancement in the budget?

While the NDC Administration and Committee has redesigned the Plan and adopted a Communication and Education Policy since 2013 that has increased Program participation of eligible employees from approximately 18% to 38%, the NDC Program still falls below the national participation benchmark of 68% as established and maintained by the National Association of Government Defined Contribution Administrators (NAGDCA). Given this benchmarking of similar government-sponsored retirement plans across the country, implementing the Opt-Out Automatic Enrollment Policy will resolve the Program's employee engagement deficiency, increase overall financial wellness throughout the State, and potentially lower participant administrative fees because of anticipated increased revenue to the NDC Program.

If the NDC Program continues its current Plan design model without the Opt-Out Automatic Enrollment Policy, our anticipated participation growth would be very slow and it is estimated

that the Program's participation will never be more than 50% of eligible employees, continuing to fall short of the national benchmark.

The NDC Program anticipates additional consequences with not requesting this enhancement during future contract negotiations with Recordkeepers, Investment Consultants, and Fund Managers. There is a noticeable consolidation in these industries that potentially narrows the competitiveness of industry leaders that have the capabilities, suitable cybersecurity platforms, and resources to properly assist in the administration of a Plan the size of Nevada's. Limited competition for future contracts could place the fiduciary responsibility and duty of the State of Nevada at risk.

4. What existing resources or processes would be made redundant by this enhancement?
Are there offsets to the cost of the enhancement due to efficiencies realized or revenue generated?

The NDC Program is currently administrated in whole by two full-time employees (FTEs) and one contract employee. To continue offering the most cost effective and efficient Program Administration possible, the Administration has developed a strategic plan that includes automating existing manual processes through the development and implementation of SMART 21 and in cooperation with our contracted Recordkeeper. A manual component of Program processing will always have to be maintained, though, because the Program supports over 90 local political subdivisions and entities across the State (up from only 39 in 2013). With this enhancement, it is projected that automatic enrollment will double the participation rate in the first five years after implementation. Over time, that improved participation rate is expected to maintain at that level or even increase further to include more eligible employees. Given this projected increase in participation and the NDC's current adopted fee model, revenues will grow by more than \$500K in the first three years after implementation of the Opt-Out Automatic Enrollment Policy. Per federal code and State statute, this revenue would then be utilized for the benefit of participants in administrating and managing the Plan, which could result in the need for more staff. Additional revenue would also allow the NDC Committee to consider decreasing the cost of participating in the Program, exponentially allowing for more participant contributions to remain invested in their NDC account and working for them to help improve overall financial wellness.

5. How does this enhancement support the Governor's Strategy to provide efficient services that support a Child- and Family-Centered Government?

This enhancement supports two or more of the Governor's 2023-2025 strategic priorities of developing and fostering greater *Government Efficiency and Innovation* as well as assisting with improving *Economic Diversification and Workforce Development*. This enhancement focuses on the goal of supporting a Child and Family Supported Government by improving employee

engagement and providing greater opportunity for supplemental replacement income throughout an employee's journey to and through retirement.

6. List statutory changes required to implement this enhancement, with references to each specific NRS and how it is to be revised:

The Program Administration, through counsel from the Attorney General's Office and Legislative Legal Counsel division, anticipate statutory changes to Nevada Revised Statute (NRS) 287.320 - 287.340 and Nevada Administrative Code (NAC) 608.160. See attached proposed revised language.

7. List new staff required, specifying classified/unclassified positions as well as any contract staff. Attach draft NPD-19s and/or class descriptions for new unclassified staff.

The NDC Administration proposes the addition one new FTE Management Analyst II position to accommodate the anticipated increase in workload, to decrease or eliminate the utilization of the current Temporary Employee Services contract with Manpower, and to develop a succession plan to the Program's Executive Officer (which is not present at this time).

8. What equipment is required? Is specialty equipment required? Have quotes been obtained? (please attach):

The only equipment need as a result of this enhancement should be the workspace equipment, hardware, and software needed for the addition of a third full-time employee. Quotes have been requested by the Enterprise IT Services Division (EITS) purchasing team and will be provided as part of both enhancements.

9. List Information Technology resources required, if not Listed Under #7. Have quotes been obtained? (please attach):

A new workstation terminal, hardware, and software will need to be purchased. A quote has been requested by EITS and will be attached as soon as we receive it. Additionally, it is uncertain if IT programming will need to be enhanced in the projected SMART 21 Platform if and when it is implemented. Regardless, NDC Administration has developed the current recommendations being proposed and implemented to the Office of Project Management to accommodate moving from the current opt-in platform to an opt-out platform with automatic enrollment and optional automatic escalation.

10. If this is an Information Technology enhancement, has a Technology Investment

Notification (TIN) been completed? If not, please explain why not (please attach TIN):

It is uncertain as whether a TIN will be required, as the new SMART 21 Timekeeping and Payroll platform may be able to accommodate future enhancements and changes. The NDC Administration is not anticipating a TIN at this time.

11. Has this enhancement been requested in previous biennia? Why was it not approved in the past? What about this enhancement has been improved/changed that makes it ready to be requested now?

This enhancement was requested in previous biennia. Given the COVID-19 Emergency Declaration and the implementation of mandatory furloughs at that time, it was recommended that the timing for this enhancement may not be best for employees. This proposed enhancement, although similar to the proposal in the last biennia, has been updated with new data to further support the fiduciary responsibility of the State to consider this enhancement.

12. What funding source(s) will support this enhancement?

Program revenue is generated by fees collected and paid by Program participation. No general fund revenue is utilized for Program administration and operation. The increase in Program participation has and will continue to fund this enhancement without an expected increase or adjustment to participant costs in the Program based on current and projected fee revenue in the current plan design and service model.

13. If this enhancement is requested to be cost allocated or rolled into an existing internal service rate, describe the basis for the cost allocation/rate and describe your consultation with Admin Services about the allocation.

N/A

14. If approved, how long would implementation of this enhancement take?

The agency expects the enhancement to be implemented in the 2023-24 timeframe after the implementation of SMART 21. A robust communication and marketing plan will be developed and executed to ensure compliance to applicable Code, Statute, and Regulation. The NDC Committee, in conjunction with recommendations from the DOA leadership, will play an active part in the rollout and implementation of the Opt-Out Automatic Enrollment Policy enhancement.



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

Matthew Tuma
Deputy Director

Rob Boehmer
Executive Officer

MEMORANDUM

To: Karen Hall, Management Analyst III
From: Robert R. Boehmer, Executive Officer
Subject: **BDR Number: 23A9202975- Questions and Clarification**
Date: July 22, 2022

Greetings Karen,

I hope this beautiful day finds you well. 😊

Below are the answers to the questions you posed on our BDR:

1. **Can you define more definitively the change in authority and policy that is supposed to ensure that the State maintains compliance with governing regulations and adopted Plan governance policies? What exactly are the compliance and governing regulation concerns?** *By establishing authority making the Nevada Public Employees Deferred Compensation Program (NDC) Program an Opt-Out Program and authority for the NDC Committee to establish a responsible Automatic Enrollment Program, Departments would be required to maintain a suitable employee engagement standard within their agencies, and the necessary data would be collected for the NDC Program Administration to further direct consistent employee engagement to employees who do not elect to be enrolled into the NDC Program earlier in their careers. Additionally, in the regular Compliance Audits that NDC has performed over the past 13 years, we have consistently received significant deficiencies in employee engagement. Making the NDC Program an Opt-Out Program would resolve these deficiencies and improve employee financial wellness throughout their careers and into retirement. Currently, the NDC is strictly a voluntary Employee Benefits Program or Opt-In type Program or Plan Design. Because of this Plan Design, Departments are not required, but encouraged to provide information on the NDC Program to their new employees during on-boarding. Over seven years of research and data collection by NDC Administrative Staff has concluded that some Agencies do not even provide information on the NDC Program during on-boarding, a majority of agencies illustrate the NDC Program as an ancillary voluntary benefit to their employees, and/or do not provide a proper understanding of how the Program works or that it is vital to most employee's overall financial wellness. This coupled with the fact that NV PERS on average replaces only 50% of an employee's income Statewide (per NV PERS Annual Report), and most employees will either not qualify for Social Security or it will be drastically reduced due to the Windfall Elimination Provision (which affects all State, NSHE, and a majority of local government employees), Employer Sponsored Defined Contribution Plans, like NDC, become an essential part of a participants financial wellness. Section 457(b) of the internal Revenue Code along with Employee Engagement recommendations issued by the Department of Labor for Defined Contribution Plans, establish that Plan Sponsors (i.e: the State of Nevada) have an "obligation" to ensure that information is provided and properly explained to employees not just during on-boarding, but*

regularly throughout an employee's career (ERISA establishes a best practice of engaging in at least annual employee engagement efforts to non-participating employees).

2. **Can you elaborate on how making employees contribute to deferred comp fosters innovation, government efficiency, economic diversification, and supporting DHRM?** *First, it should be clarified that the State would not be “making employees contribute to deferred comp”, rather, establishing this authority would take a more innovative and automatic Plan Design approach requiring each employee to either enroll (Opt-In to the Program) or choose to Opt-Out. If an employee Opt's Out, the employee would be required to affirm that they have indeed received information on the NDC Program and its benefits, and that they are making a cognitive decision to not enroll at that time (partially resolving the Employee engagement deficiency the State continues to have). If an employee does not take any action or desires to willfully Opt-In at the default level, they would be automatically enrolled in the program at the minimum default percentage of 3%, and notified of the enrollment multiple times over a 90-day period of which they have the ability to cancel the enrollment at any time and have all of their contributions returned to them through their payroll. After the 90-day grace period expires, the employee would still have the ability to stop, restart, increase, or decrease their contribution at any time and is not bound by any obligation to continue contributions. Any contributions in the account after the 90-day Grace Period would be managed within the Plan by the participant however they see appropriate (The Participant would have full control of the management of the assets). Establishing a streamlined uniform, efficient, and innovative method for agencies to provide employees with education materials and guidance properly establishes the value of the NDC Program and how it assists with fostering provident living for the employee and their family, and assists DHRM and the State with developing and maintaining a more fiscally stable work force. It should also be noted that the passage of the SECURE Act in December 2019 encouraged the use of Automatic Enrollment in employer sponsored defined contribution plans, and with the passage of SECURE 2.0 (passed the House with overwhelmingly bipartisan approval in March 2022 and is expected to pass through the Senate by the end of 2022 or beginning of 2023), would require employers that establish defined contribution plans to automatically enroll newly hired employees, when eligible, in the plan at a minimum pretax contribution level of 3 percent of the employee's pay. This change in Plan Design would allow NDC Administrative Staff to better identify employee demographics of employees that Opt-Out or contribute at minimal levels (i.e.: gender, age demographics, women, single parents, minorities, etc.) and assist the NDC Administration and DHRM to devote more directed communications and resources to assisting them with financial wellness throughout their careers rather waiting until the employee is nearing their retirement horizon and potentially not being enough time in their careers to make up any deficiencies in future retirement income replacement or financial assets.*
3. **Why does making a state employee contribute to deferred comp affect the competitiveness of your contract negotiations or put the State at risk?** *Simply put, the more assets and more participants the NDC Program has under management or within its Plans, the better pricing we qualify for (the more attractive it is to the Recordkeeping Companies and Investment Consultants, Financial auditors, Compliance auditors, etc.). Automatic Enrollment saves the State from having to devote significant resources in developing enrollment into the Program(s) which saves in negotiated costs to the Program and State (having staff and contracted representatives solicit enrollments at the agency level across the State). Rather, more resource can be devoted to establishing and assisting in developing and maintaining financial wellness plans tailored to each individual employee given their personal situation, thus creating a more financially stable workforce and communities. Additionally, we are seeing a decreased trend of companies in the industry suitable for maintaining Recordkeeping Services of a mega State Plan, like Nevada and most other State Plans across the Country, being consolidated to less than five companies that would or could meet the minimum qualifications to even be eligible to answer the solicitation and provide a competitive contract proposal. According to the National Association of Government Defined Contribution Administrators (NAGDCA), it is evident that of the State Plans that have established authority in their statute to change their Plan Design models from a voluntary Opt-In design to a more innovative Opt-Out Plan Design with responsible Auto Enrollment and/or Auto Escalation features, have been able to drive better cost models in their Recordkeeping Services contracts and Investment Consultant contracts due to the obvious fact that this type of Plan Design requires less resources and is more innovative and efficient to the Contractor, the Plan Sponsor, and to the employees. Employees benefit as well because the more participants the Plan has, the more we can decrease and off-set the cost of participating in the Plan to the Participant. If we lower our minimum qualifications in our Recordkeeping RFP (which is required per statute at least every five years), then that potentially puts more risk on*

the State if we have a contractor that doesn't possess the infrastructure and security to properly manage a plan the size of the NDC Program (Currently approx.. \$1.3 Billion in assets).

In closing, please let me know if you feel these responses are sufficient and if you have any further questions or concerns. Thank you in advance and I hope you have a great weekend. 😊



Robert R. Boehmer

Executive Officer

07/22/2022

Date

INTERLOCAL CONTRACT BETWEEN PUBLIC AGENCIES

A Contract Between the State of Nevada
Acting By and Through Its

State of Nevada Public Employees' Deferred Compensation Committee
(Committee)
100 North Stewart Street, Suite 100
Carson City, NV 89701

and

Indian Hills General Improvement District FICA
(Political Subdivision)
3394 James Lee Park Road #A
Carson City, NV 89705

WHEREAS, NRS 277.180 authorizes any one or more public agencies to contract with any one or more other public agencies to perform any governmental service, activity or undertaking which any of the public agencies entering into the contract is authorized by law to perform;

WHEREAS, NRS 287.250 to 287.370, inclusive, authorize the Committee to create a program for FICA Alternative deferred compensation, and whereas NRS 287.381 to 287.480, inclusive, authorize the Political Subdivision to create a program for FICA Alternative deferred compensation;

WHEREAS, The Committee has created a FICA Alternative deferred compensation program and pursuant to that program has entered into contracts with contracted Recordkeeper(s) with whom participants in the program may invest their deferred compensation;

WHEREAS, The investment options and fee and rate structure of the contracted Recordkeeper(s) in their contract with the Committee are considered by the Political Subdivision to be generally more favorable than that which would be available to the Political Subdivision if the Political Subdivision were to independently contract with the Recordkeeper(s);

WHEREAS, the Political Subdivision desires to join the program created by the Committee in order to obtain the more favorable investment options, fees and rates;

WHEREAS, the Committee desires to have the Political Subdivision participate in the Committee's program subject to the same terms and conditions as apply to state employee participants, except for limitations expressly provided below;

WHEREAS, the Committee has secured the consent of the contracted Recordkeeper to enroll the Political Subdivision's employees as participants in the Committee's program subject to the same terms and conditions as apply to state employee participants, except for limitations expressly provided below;

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 appropriate official action of the governing body of each party.

2. **DEFINITIONS.** "State" means the State of Nevada and any state agency identified herein (the Committee), its officers, employees and immune contractors as defined in NRS 41.0307. Unless the context otherwise requires, "program" is synonymous with "plan" and "state of Nevada deferred compensation committee plan".

3. CONTRACT TERM. This Contract shall be effective upon approval of the NDC Committee and when the Contract is signed by the appropriate individuals with no termination date, unless sooner terminated by either party as set forth in this Contract.

4. TERMINATION. This Contract may be terminated without cause by either party prior to the terms set forth in paragraph (3), provided that a termination shall not be effective until 60 days after a party has served written notice upon the other party. This Contract may be terminated by mutual consent of both parties or unilaterally by either party without consent of the other. The parties expressly agree that this Contract shall be terminated immediately if for any reason federal and/or State Legislature funding ability to satisfy this Contract is withdrawn, limited, or impaired. Benefits accrued by participating employees of the Political Subdivision upon termination of participation in the plan shall remain in the plan until such are otherwise eligible for distribution under the terms of the plan.

5. NOTICE. All notices or other communications required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by telephonic facsimile with simultaneous regular mail, or mailed certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address set forth above.

6. INCORPORATED DOCUMENTS. The parties agree that the services to be performed shall be specifically described; this Contract incorporates the following attachments in descending order of constructive precedence:

ATTACHMENT A: The State of Nevada FICA Alternative Deferred Compensation Committee Plan Document.

7. ASSENT.

- a. 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 expressly provided.
- b. Except as agreed otherwise in paragraphs 3 and 4, the Political Subdivision agrees:
 - 1) To participate in the Committee's FICA Alternative deferred compensation program subject to all contract terms and conditions as set forth by the State of Nevada Employees' Deferred Compensation Committee;
 - 2) To be bound by all current and any future State of Nevada Public Employees' FICA Alternative Deferred Compensation Committee "Plan Documents" and "Investment Policies and Procedures";
 - 3) To cooperate with the contracted Recordkeeper(s) and to provide all necessary and appropriate administrative services to enable Political Subdivision employees to participate in the Committee's FICA Alternative deferred compensation program; and
- c. The Political subdivision agrees that it has made its decision to participate in the program based on its own independent analysis and that neither the State of Nevada nor the Committee are fiduciaries with regard to its decision to participate in the program.
- d. The Committee agrees to authorize the contracted Recordkeeper(s) to enroll employees of the Political Subdivision on terms and conditions consistent with this agreement. Execution of this agreement by the Committee constitutes such authorization.

8. INSPECTION & AUDIT.

- a. Books and Records. Each party agrees to keep and maintain under general accepted accounting principles full, true and complete records, agreements, 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. Each party agrees that the relevant books, records (written, electronic, computer related or otherwise), including but not limited to relevant accounting procedures and practices of the party, 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 where such records may be found, with or without notice by the State Auditor, Employment Security, 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.
- c. Period of Retention. All books, records, reports, and statements relevant to this Contract must be retained a minimum three years and for five years if any federal funds are used in this Contract. The retention period runs from the date of termination of this Contract. 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.

9. BREACH; REMEDIES. Failure of either party to perform any obligation of this Contract shall be deemed a breach. 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 but not limited to actual damages, and to a prevailing party reasonable attorneys' fees and costs. It is specifically agreed that reasonable attorneys' fees shall include without limitation \$125 per hour for State-employed attorneys.

10. LIMITED LIABILITY. The parties will not waive and intend to assert available NRS chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Actual damages for any State breach shall never exceed the amount of funds which have been appropriated for payment under this Contract, but not yet paid, for the fiscal year budget in existence at the time of the breach.

11. 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.

12. INDEMNIFICATION.

- a. To the fullest extent of limited liability as set forth in paragraph (10) of this Contract, each party shall indemnify, hold harmless and defend, not excluding the other's right to participate, the other from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorneys' fees and costs, arising out of any alleged negligent or willful acts or omissions of the party, its officers,

employees and agents. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this paragraph.

- b. The indemnification obligation under this paragraph is conditioned upon receipt of written notice by the indemnifying party within 30 days of the indemnified party's actual notice of any actual or pending claim or cause of action. The indemnifying party shall not be liable to hold harmless any attorneys' fees and costs for the indemnified party's chosen right to participate with legal counsel.

13. INDEPENDENT PUBLIC AGENCIES. The parties are associated with each other only for the purposes and to the extent set forth in this Contract, and in respect to performance of services pursuant to this Contract, each party is and shall be a public agency separate and distinct from the other party and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for one agency whatsoever with respect to the indebtedness, liabilities, and obligations of the other agency or any other party.

14. 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.

15. 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.

16. ASSIGNMENT. Neither party shall assign, transfer or delegate any rights, obligations or duties under this Contract without the prior written consent of the other party.

17. OWNERSHIP OF PROPRIETARY INFORMATION. Unless otherwise provided by law any reports, histories, studies, tests, manuals, instructions, photographs, negatives, blueprints, plans, maps, data, system designs, computer code (which is intended to be consideration under this Contract), or any other documents or drawings, prepared or in the course of preparation by either party in performance of its obligations under this Contract shall be the joint property of both parties.

18. PUBLIC RECORDS. Pursuant to NRS 239.010, information or documents may be open to public inspection and copying. The parties will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests.

19. CONFIDENTIALITY. Each party shall keep confidential all information, in whatever form, produced, prepared, observed or received by that party to the extent that such information is confidential by law or otherwise required by this Contract.

20. 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 and that the parties are authorized by law to perform the services set forth in paragraph 6.

21. 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. The parties consent to the jurisdiction of the Nevada district courts for enforcement of this Contract.

22. ENTIRE AGREEMENT AND MODIFICATION. This Contract and its integrated attachment(s) constitute the entire agreement of the parties and such are intended as a 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, approved by the Office of the Attorney General.

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

Indian Hills General Improvement District
(Political Subdivision)

By: 

7/27/22
Date

District Accountant
Title

Attorney for (Political Subdivision) (optional)

Date

State of Nevada Employees' Deferred Compensation
Executive Officer

Date

Chairperson
Nevada Deferred Compensation Program

Date

Approved as to form by:

Deputy Attorney General for Attorney General, State of Nevada

Date

Amended 12/2016



Steve Sisolak
Governor

Laura E. Freed
Director

Rob Boehmer
Executive Officer

STATE OF NEVADA DEPARTMENT OF ADMINISTRATION

PUBLIC EMPLOYEES' DEFERRED COMPENSATION PROGRAM

100 N. Stewart Street, Suite 100, Carson City, Nevada 89701
Telephone 775-684-3397 | Fax 775-684-3399 | defcomp.nv.gov

Program Certification

Eligible Employer: Indian Hills General Improvement District FICA (Political Subdivision)

Date Entered Plan: _____
To be completed by NDC Staff

I hereby certify I have read the required documents for the Nevada Public Employees' Deferred Compensation Program and will administer the Program to the best of my abilities within the rules and regulations set forth in the following documents:

- Interlocal Contract Agreement
- FICA Plan Document
- Investment Policy
- Administrative Manual
- FICA Plan Summary

I hereby agree to abide by the requirements listed below in order to be a participating entity. Please initial next to each item to acknowledge the requirements.

- ☒ Submit payroll funds electronically by wire or ACH (no checks accepted)
- ☒ Notify recordkeeper of any changes in payroll personnel within 30 days
- ☒ Provide employee termination data to recordkeeper within 30 days
- ☒ Collect beneficiary data from employees and submit to recordkeeper
- ☒ Process payroll forms according to IRS Code

Responsible Official: Stacie Joerg Cobb
(Signature)

Stacie Joerg Cobb, District Accountant
(Print name and title)

Date: 7/27/22

For NDC Staff Only

Accepted for the Program by: _____

Meeting Approval Date: _____



Nevada
Deferred
Compensation

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Steve Sisolak
Governor

Laura E. Freed
Director

Matthew Tuma
Deputy Director

Rob Boehmer
Executive Officer

**DESIGNATED REPRESENTATIVE(S)
FOR INTERLOCAL AGREEMENTS WITH THE NEVADA DEFERRED
COMPENSATION PROGRAM**

Responsible Official (authorized signer)

Name: Stacie Joerg Cobb
Title: District Accountant
Governing Body/Entity: Indian Hills General Improvement District
Official Mailing Address: 3394 James Lee Park Rd
Carson City, NV 89705
Email: scobb@indianhillsnevada.com
Phone: 775-267-2805

Designated Representative(s)

Name: Chris Johnson
Title: General Manager
Email: cjohnson@indianhillsnevada.com
Phone: 775-267-2805

Name: Brooke Thompson
Title: Office Administrator
Email: bthompson@indianhillsnevada.com
Phone: 775-267-2805

2022 NAGDCA Annual Conference Sessions
September 18-21, 2022
Titles and Descriptions

GENERAL SESSIONS

A Plan Sponsor's Guide to Using Data and Research in the Public Sector

Follow the journey of Henry Levy, Treasurer and Tax Collector of Alameda County, as he set out to use data and research to improve outcomes for employees participating in his County's DC plan. Along the way, experts and researchers from different corners of the industry explain how plans of any size can best leverage the resources and information available, why research specific to the public sector is unique, and why sharing data is so critical for all.

Attracting and Retaining Public Sector Talent

Since the pandemic, organizations find themselves with another unexpected phenomenon many call the "Great Resignation" – the massive wave of U.S. workers quitting their jobs for new opportunities or exiting the job market completely. Learn how the pandemic impacted public sector employment and gain suggestions for navigating remote work so employees engage and feel valued. See how one plan is making legislative changes to their employer match with recruiting and retention in mind.

Participant Engagement Trends in a Hybrid Environment

Communication strategies are rapidly evolving as many individuals adapt to new hybrid or fully remote work environments. Explore recent data findings and discover tips for engaging participants in different work environments. Learn one Plan's communication successes (and lessons learned), the important role plan sponsors play in participant engagement, and how to apply these ideas into your own plan.

Washington Update

Join attorneys from Groom Law Group, NAGDCA's legislative affairs firm, for a discussion of current and future legislative and regulatory priorities in Washington.

BREAKOUTS

Protecting Participant Data - Safeguarding Against Fraud and Breaches

Fraud and breach response are top-of-mind for all organizations entrusted with sensitive data. Discover data privacy best practices, how sponsors can help protect participant information, and the timeline for responding to participants and the public when a breach occurs. Learn about new

authentication technology and the features and applications NYC Health + Hospitals' system uses to protect their employees.

Exploring Decumulation Solutions – Considerations for Plan Sponsors

As the wide array of decumulation solutions continue to expand, more plan sponsors are considering adding options to their defined contribution plans. This panel will provide an overview of decumulation solutions and discuss key analytics for plan sponsors to consider when thinking about retirement income. Learn about fiduciary responsibilities and the importance of working closely with your recordkeeper and plan consultant/advisor when considering and selecting solutions.

Designing and Implementing Financial Wellness Programs

The topic of financial wellness seems to be everywhere, spanning multiple industries, but what exactly does it mean for defined contribution retirement plans? Join this discussion on the meaning of financial wellness and hear examples of successful programs implemented by public sector plans. Learn about financial well-being solutions and how the pandemic has impacted program offerings and engagement. The session will also explore how financial priorities vary across the five generations currently in the workforce.

How To Successfully Communicate Plan Fees

Plan fees are complicated, which makes explaining those fees to participants even more so. Hear a panel discuss the different types of plan-related fees and share the challenges one Plan is facing during the development of a new fee policy. You will learn best practices for developing clear, concise fee information and how to help ensure participants are making educated decisions.

Exploring Decumulation Solutions – What Do Participants Need?

Retiring U.S. workers are finding it increasingly difficult to transition from saving to spending, and none more so than employees in the public sector. With the availability of defined benefit pensions and varying social security eligibility, public sector workers are in a unique situation when they retire. This panel will address this decumulation challenge, focusing on what participants really want and need. Learn when and how to engage participants about income generation in retirement and hear how one organization is educating participants about the benefits of keeping their money in the plan.

Practical Resources for Plan Improvement

With technological advances, it has become easier to create tools that can help plan sponsors identify, evaluate, and act on goals and objectives; measure results; and carry out their vision for improving their Plan and the lives of the people it serves. Explore resources that help plan sponsors gain insight into the focus areas of fund managers and vendors, learn how to establish a feedback loop to hear the voice of the participant, and how to create a practical and actionable roadmap for moving from the abstract to the concrete.



| 2022 |
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| Committee Meetings |
| January 21, 2022 Annual Planning Session Virtual due to Covid |
| March 10, 2022 Quarterly Meeting Nevada State Library & Archives 100 N. Stewart Street, Boardroom Carson City |
| May 11, 2022 Quarterly Meeting Virtual Meeting |
| August 12, 2022 Quarterly Meeting Virtual Meeting |
| November 18, 2022 Quarterly Meeting Virtual Meeting |