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STATE OF NEVADA DEPARTMENT OF ADMINISTRATION

PUBLIC EMPLOYEES' DEFERRED COMPENSATION PROGRAM

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**DEFERRED COMPENSATION COMMITTEE
ANNUAL STRATEGIC PLANNING MEETING MINUTES**

Thursday, January 18, 2024

The annual Strategic Planning Meeting of the Deferred Compensation Committee was held on Thursday, January 18, 2024, at 8:30 a.m. by videoconference/teleconference and in person at the Nevada State Library and Archives Building, 100 N. Stewart Street, Boardroom, Carson City, Nevada.

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/2024/2024_Meetings/.

COMMITTEE MEMBERS

Samantha Jayme
Debbie Bowman, Vice Chair
Jeff Ferguson, Chair

OTHERS PRESENT

Bishop Bastien, Voya Financial	Emma Klein, Administration
Rob Boehmer, NDC Executive Officer	Jeff Lostaunau, Vanguard
Deb Boyden, Schroders	Stacey Morrison, Vanguard
Rasch Cousineau, Hyas Group	Henry Pierandri, Schroders
Scott Darcy, Voya Financial	Henna Rasul, Sr. Deputy Attorney General
Adam Farstrup, Schroders	Micah Salerno, NDC
Robin Hager, NSHE	Matt Tuma, Administration

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

Chairman Jeff Ferguson called the meeting to order for the Nevada Deferred Compensation (NDC) Committee at 8:40 a.m. on Thursday, January 18, 2024.

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

2. **Public Comment**

There were no public comments.

3. **For Possible Action- Approval of Nevada Public Employees' Deferred Compensation Program (NDC) Committee (Committee) meeting minutes for Committee Meeting held on December 1, 2023.**

Motion by Vice Chair Bowman to approve the minutes from the December 1, 2023, meeting. Second by Ms. Jayme. Motion passed unanimously, 3-0.

4. For Possible Action- Receive and discuss annual training overview:

- a. Senior Deputy Attorney General (DAG) Henna Rasul presented the Annual Open Meeting Law Training overview. Highlights included:
 - i. Review of Legislative Updates which were minor as related to NDC.
 - a) Definition of quorum changed to exclude vacant positions.
 - b) Posting requirements reduced to State Public Notice website and NDC website and office location, and at meeting location. It was no longer necessary to post in four physical locations.
 - ii. A reminder was provided regarding emails. Members should email Staff or the Executive Officer. There should be no member-to-member emails.
- b. Rasch Cousineau, Senior Consultant with Hyas Group, provided a fiduciary compliance review which included:
 - i. A history and review of federal retirement plan legislation.
 - ii. Updates regarding recent regulatory changes featuring SECURE 2.0 were provided:
 - a) There was several January 1, 2024, provisions. The Committee did not take any action on the provisions at the meeting but intended to act accordingly. 2024 optional provisions included:
 - Section 110 – Matching of Student Loans – NDC interested.
 - Section 115 - \$1,000 Penalty-Free Emergency Expenses – likely a “no” for NDC.
 - Section 127 – Emergency Savings Accounts – NDC interested.
 - Section 304 – De minimus Increase from \$5,000 to \$7,000 – not applicable for NDC, De minimus was \$1,000.
 - Section 314 – Penalty-Free Domestic Abuse Withdrawals – NDC interested.
 - b) NDC requested Hyas Group include a standing item on each meeting agenda titled “Where we are with 2024 SECURE 2.0 Implementation.”
 - c) Plan Documents would be updated as appropriate based on any new SECURE 2.0 provision adoptions.
 - iii. An overview of fiduciary duties was provided.
 - iv. A fiduciary quiz was shared and discussed.

5. For Possible Action- Investment Line-Up Discussion and Review:

A discussion and review of the investment lineup included:

- a. A review of the current NDC lineup was discussed.
 - i. January 17, 2024, NDC assets were \$1.1 billion.
 - ii. Counting the Target Date Fund suite as 1 option, NDC made 13 investment options available to participants plus the brokerage. This was in line with industry best practices.
 - iii. As of 9/30/2023, all NDC investment options were compliant per the Plan’s Investment Policy Statement (IPS).
- b. Jeff Lostaunau and Stacey Morrison with Vanguard provided an overview of the Target Retirement Collective Investment Trusts (CITs). \$219 million (22%) of NDC Plan assets were invested in the Trusts. Vanguard noted that Target Retirement CIT assets were

larger than mutual fund assets. The Committee reviewed the information and thanked Vanguard for their presentation.

- c. Henry Pierandri, Deb Boyden, and Adam Farstrup with the Schroders Group discussed Retirement Income Strategies, specifically focusing on their Multi-Asset Retirement Target Return (SMARTR) product. The fund was not currently an option within NDC. The product was new to the US. Target return for the fund was cash +5%. The targeted demographic was participants near retirement and in retirement. Fees were 0.39%. The Committee reviewed the information and thanked Schroders for their presentation.

6. For Possible Action – Conduct annual review and discussion of current NDC governing documents and plan design.

The annual review of current NDC governing documents and plan design were discussed and included:

- a. Investment Policy Statement (IPS) updates included:
 - i. Updated date to 2024.
 - ii. References to FICA Alternative and 401(a) Plan were added.The Committee agreed with the changes. Hyas Group would provide a clean copy of the IPS for NEC signature and records.
- b. 457(b) Plan Document – No changes were recommended although SECURE 2.0 provisions might be added as appropriate.
- c. 401(a) Plan Document – The initial executed document was reviewed. No changes were recommended although SECURE 2.0 provisions might be added as appropriate.
- d. Federal Insurance Contributions Act (FICA) Alternative Plan Document – No changes were recommended although SECURE 2.0 provisions might be added as appropriate.
- e. Nevada Deferred Compensation Nevada Revised Statutes (NRS), Nevada Administrative Code (NAC), and State Administrative Manual (SAM) – The recent State Admin Manual (SAM) changes were reviewed, particularly those relating to business travel, Purchasing, and Contract Development and Management.
- f. Administrative Manual – Hyas Group would update the Admin Manual to include references to the 401(a) Plan and include the Cybersecurity Policy Statement. NDC staff would also update departmental name changes including EITS to OCIO, as appropriate. The Committee would review the updated document at the next meeting.
- g. Future initiatives and Plan design changes –
 - i. There was a discussion for the Opt-Out Bill draft with implementation of Program Auto Features. The Committee supported NDC staff pursuing the measure further with appropriate parties. Voya noted that a Special Edition Legislature-focused Deferred Word could potentially be produced to help educate officials on the importance of an Opt-Out feature for NDC.

Lunch Break

7. For Possible Action – Review 2023 NDC Strategic Plan and discuss Plan for 2024.

A review of the 2023 Strategic Plan as well as the marketing/communication/education/administration plan for 2024 included:

- a. The 2023 Annual Administrative and Strategic Plan was reviewed. Highlights included:
 - i. The Committee supported the document and priorities as noted.
 - ii. Item 1 would be changed to “Improving Employee Engagement: enrollment rates, savings rates, retention rates.”

- iii. Other items included Employee/Participant Marketing, Communication, Education, Onboarding – Plan Design. Administration and Governance – Investment Management – Maintain or improve administrative, contractual, and budget management.
 - b. Voya presented the Annual Strategic Communication Plan which included:
 - i. The 2023 NDC survey results were shared. The survey was sent out in November of 2023 versus August in previous years. There were 867 respondents. 73% of respondents with either very satisfied or somewhat satisfied with NDC. Survey results were compared to previous years. This was the first year that the survey removed the field “neither satisfied nor dissatisfied” which helped to clarify some of the responses. Voya would continue to update the survey as appropriate to further refine and improve results.
 - ii. A report on the 2024 NDC Participant Communications Calendar was shared. Items included were “evergreen” or standing annual items. The calendar would be further expanded and customized for 2024 in time for the February 29 regular NDC Committee meeting.
8. For Possible Action- NDC contract(s) review and program contact evaluations.
- a. The existing NDC contract expirations were reviewed:
 - i. Investment Consulting/Compliance Review contract – Hyas Group, would expire May 31, 2025. There was potential for an extension.
 - ii. Recordkeeping contract – Voya Financial, would expire December 31, 2024. The RFP draft was 90% finished and scheduled to be issued on February 12, 2024. The recordkeeping RFP must be issued every five years by Statute. The Committee supported NDC staff’s recommendation to talk with Purchasing about potentially revising the five-year requirement for going to bid for the recordkeeping contract. Updates would be provided by NDC staff as necessary.
 - iii. Financial Audit contract – Casey Neilon, would expire July 1, 2025.
 - b. The Mandatory Vendor Rating Evaluations were discussed for:
 - i. Investment Consultant/Compliance Audit Contractor, Hyas Group: rating improved.
 - ii. Financial Audit Contractor, Casey Neilon: rating improved.
 - iii. Recordkeeper, Voya Financial: rating improved.
9. For Possible Action – Discuss participation in training opportunities.
- a. National Association of Government Defined Contribution Administrators (NAGDCA) Washington, D.C. Fly-in and Conference – date TBD.
 - b. NAGDCA Annual Conference – September 15-18, 2024, Phoenix, Arizona. NDC may request to allow more attendees this year to accommodate the whole Committee. The Committee supported staff proceeding to request approval.
 - c. Institutional Investors Conferences, DC Institute: April 16-17, 2024, Chicago, Illinois and September 10-11, 2024, Half Moon Bay, California.
10. For Possible Action – Election of Committee Chair.

The annual election of the Committee Chair position was held.

Motion by Vice Chair Bowman to nominate Jeff Ferguson to serve as Chair. Second by Ms. Jayme, motion passed unanimously, 3-0.

Motion by Chair Ferguson to nominate Debbie Bowman to serve as Vice Chair. Second by Ms. Jayme, motion passed unanimously, 3-0.

11. For Possible Action – Confirm upcoming NDC meeting dates.

The upcoming NDC Quarterly Committee meeting was confirmed for February 29, 2024. Future meeting dates would be set at the February 29 meeting.

12. Committee Members comments

The Committee welcomed Robin Hager and thanked staff and the presenters.

13. Update from Investment Consultant

Hyas Group thanked NDC staff and the Committee.

14. Update from Recordkeeper

Voya thanked NDC staff and the Committee.

15. Administrative Staff/Department of Administration Updates

NDC staff welcomed Robin Hager and thanked all the attendees.

16. Public Comment

There were no closing public comments.

17. Adjournment

The meeting was adjourned at 3:46 p.m.

Respectfully submitted,

Micah Salerno
NDC Administrative Assistant