



**Joe Lombardo**  
*Governor*

**Joy Grimmer**  
*Director*

**Rob Boehmer**  
*Executive Officer*

STATE OF NEVADA DEPARTMENT OF ADMINISTRATION

**PUBLIC EMPLOYEES' DEFERRED COMPENSATION PROGRAM**

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**DEFERRED COMPENSATION COMMITTEE  
QUARTERLY MEETING MINUTES**

Thursday, March 13, 2025

The quarterly meeting of the Deferred Compensation Committee was held on Thursday, March 13, 2025, at 9:00 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/2025/2025\\_Meetings/](https://defcomp.nv.gov/Meetings/2025/2025_Meetings/).

**COMMITTEE MEMBERS**

Jeff Ferguson  
Robin Hager  
Kaela Neff  
Samantha Jayme, Vice Chair  
Debbie Bowman, Chair

**OTHERS PRESENT**

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

Marcus Myers, Participant  
Suzanne Olsen, Casey Neilon  
Henna Rasul, Sr. Deputy Attorney General  
Micah Salerno, NDC

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

Chairwoman Debbie Bowman called the meeting to order for the Nevada Deferred Compensation (NDC) Committee at 9:00 a.m. on Thursday, March 13, 2025.

Mr. 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 January 14, 2025.**

**Motion by Ms. Robin Hager to approve the minutes of the January 14, 2025, meeting. Second by Mr. Jeff Ferguson, the motion passed unanimously, 5-0.**

4. For Possible Action – Receive, discuss, and approve Executive Officer's Report of fourth quarter 2024.

Mr. Boehmer reviewed his quarterly report including:

- a. The FY2025 Budget Status Report (BSR) was provided.
  - i. Current projections of revenue based on up-to-date participant level and expected reserve balance for FY2025 were reported and reviewed. Because of the reduced recordkeeping fees, NDC could potentially refine the fee structure at a future meeting, based on the Annual Plan Fee Analysis provided by Hyas Group.
  - ii. The Administrative Account data and General Ledger were reported and reviewed.
- b. The Quarterly Plan Activity and Data Report was received and discussed. 2024 total enrollments were 1,540 which was up by 421 when compared to 2023.
- c. Contract Management report.
  - Casey Neilon's current contract would expire on July 1, 2025. The contract could qualify for an extension and Mr. Boehmer would discuss the option with them.
  - Hyas Group's contract would expire May 31, 2025. A 5-year contract extension was in progress and had been approved by State Purchasing.
  - The new Voya Financial contract would expire December 31, 2029. NDC Staff were researching possible contract extensions beyond 2029.
- d. The 2026/2027 Budget Build Report was received.
- e. A litigation update was provided by DAG Henna Rasul.

**Motion by Vice Chair Samantha Jayme to accept the Executive Officer report, seconded by Mr. Ferguson. The motion passed unanimously, 5-0.**

5. For Possible Action – Receive and approve FY2024 Financial Audit Report and Financial Statements prepared and issued by Casey Neilon.

The FY2024 Financial Audit Report and Financial Statements prepared and issued by Casey Neilon for the NDC voluntary Plan and FICA Alternative plans were reviewed.

- a. It was the position of Casey Neilon that the financial statements presented fairly, in all material respects, the financial position of the Plans, as of June 30, 2024, and the changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.
- b. It was noted that Vanguard Total International Stock Index *Fund* should be changed to Vanguard Total International Stock Index *Trust* to accurately reflect the CIT structure of the investment option. Casey Neilon would make the change and issue a new management letter to update the documents.

**Motion by Ms. Hager to accept the 2024 financial audit reports and statements. Second by Ms. Kaela Neff, motion carried unanimously, 5-0.**

6. For Possible Action – Receive and approve Hyas Group Investment Consultant's review of fourth quarter 2024.

Hyas Group provided the Investment Consultant Review which included:

- a. The Fourth Quarter 2024 Performance Report – Features of the report were:
  - i. Market Commentary –

- a) The United States continued to post broadly strong economic growth into the fourth quarter with wages, employment, working hours, and spending all showing signs of expansion. Average three-month payroll growth as of November, for example, came in above both the third and second quarters of 2024. Similarly, income increased at a greater annual rate in the fourth quarter than in the third. Such strength might reduce the need for policy accommodation stemming from the Fed.
- b) The Federal Open Markets Committee (FOMC) lowered the target federal funds rate by 0.25% to 4.375% in its December meeting. The Summary of Economic Projections produced by the FOMC shifted to an expectation of only two cuts in 2025 instead of four, with inflation not reaching the 2% target until 2027.
- c) Overall, US Treasuries underperformed the Bloomberg Aggregate Index in 2024. The Treasury yield curve also steepened and disinverted as long-end yields surged while the short-end declined with the start of the easing cycle. The Fed cut rates three times for a total of 1.00%; 0.50% in September and 0.25% cuts in November and December. The estimated term premiums increased from -0.33% to 0.49% over 2024. The steepening yield curve reflected investors' expectations for strong growth, higher inflation, and fewer rate cuts – all pointing to higher-for-longer rates for the long end.
- ii. Plan Data Review – December 31, 2024, full-time Plans' assets were \$1,174,887,827 which represented a market gain of \$3,154,326 for the quarter. Net cash flow was negative for the quarter at (\$5,163,327) as well as negative year-end at (\$24,208,097). During the Fourth Quarter, \$3,890,180 transferred into fixed income.
- iii. Current Fund Lineup Overview and Performance Review –
  - a) MFS Value (MEIJX) – This was the fund's second consecutive quarter of non-compliance (trailing both its benchmark (0.46%) and five-year peer group ranking (72<sup>nd</sup> percentile), < 50<sup>th</sup> percentile is compliant). Reasons for non-compliance included an underweight to mega-caps, its value-tilted style which had generally lagged growth-centric markets, and an underweight in three of the top four large-cap sectors for 2024: Consumer Discretionary, Technology, and Communications. The Committee approved Hyas Group's recommendation to place the fund on watch. Hyas Group would provide an update at the next meeting.
  - b) American Funds EuroPacific Growth (RERGX) – This was the fund's second quarter of non-compliance due to its trailing benchmark (-0.15%) and five-year peer group ranking (64<sup>th</sup> percentile). Reasons for underperformance included growth overweight (value had outperformed growth overseas), overweight to cash (4%-5% allocation when international equities were up 20+% since 2023), and an overweight to China. The Committee approved Hyas Group's recommendation to place the fund on watch. Hyas Group would provide an update at the next meeting.
- iv. Plan Fee/Revenue Analysis – Fees were weighted at 24.4 basis points, the same as last quarter, which was down by 8.3 basis points since December 31, 2020, and at their lowest point ever to NDC. The difference in fees equated to \$975,156 per year in savings for NDC participants. Fees dropped further on January 1, 2025, with the new Voya contract in effect and would be reflected in the next report. Estimated fee savings under the new contract (versus 12/31/2020) were expected to be more than \$1.2 million annually for NDC.
- b. The Quarterly Voya Fixed Account and Corporate Ratings Analysis (as of September 30, 2024) was reviewed and discussed.

- i. The General Account benchmark was provided. The Voya General Account was underweighted to US Government securities by 44.8% and overweight to MBS, Corporate Bonds, ABS, and CMBS by 4.4%, 9.2%, 6.4%, and 8.2%, respectively.
  - ii. Portfolio duration was provided (6.0 – 6.5 years).
  - iii. The full-time Plans' crediting rate was 3.00%. The FICA Alternative Plan rate was 2.25%. The rates increased to 3.60% and 3.0%, respectively, at the start of the new Voya contract in January of 2025.
  - iv. As an ongoing reminder, the analysis would typically be a quarter behind as it depended on Voya Wall Street data which was not usually available until after the NDC meeting took place.
  - c. The Annual Plan Fee Analysis was provided:
    - i. Current full-time participant fees were \$41 per participant per year.
    - ii. The \$41 was made up of two primary components: Voya's \$5.50 recordkeeping fee (previously \$14.50) and the remaining portion was the NDC plan administration fee.
    - iii. Since the Voya fee dropped from \$14.50 to \$5.50, the remaining NDC portion increased from \$26.50 to \$35.50 per participant; still \$41 total.
    - iv. The analysis demonstrated that the additional \$9 per participant NDC portion would generate an estimated additional \$155,610 in plan revenue to NDC.
    - v. Staff and the Committee began a discussion as to the appropriate amount to charge participants based on the reduced Voya fees and NDC expenses. The discussion would continue at future meetings with the goal of having an updated per participant fee decided at the January 2026 planning meeting.
  - d. Hyas Group would provide a Compliance Audit by year-end 2025 once the Hyas Group contract was extended.
  - e. Legal and Regulatory Communication updates included:
    - i. Fiduciary Advisory Newsletter topics:
      - a) An overview was presented of the recent \$106 million SEC fine levied against Vanguard for lack of tax consequence disclosure related to their 2020 Target Date Fund fee restructuring. The impact was minimal to retirement plans.
      - b) An overview of the recent IRS SECURE 2.0 updates to sections 603 (mandatory Roth catch-up) and 109 (ages 60-63 "super catch-up") was provided. Clarification included exempting employers who did not pay into Social Security from section 603 and confirmation that section 109 was optional.
      - c) An overview was provided of the Social Security Fairness Act which was signed into law on January 5, 2025. The legislation eliminated the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO) which positively impacted millions of public sector employees who had previously received a reduced Social Security benefit due to their employer's Pension payments.
- Hyas Group would continue to provide updates as they became available.

**Motion by Ms. Hager to approve the Hyas Group Investment Consultant fourth quarter report and the recommendation to place MFS Value R4 and American Funds EuroPacific Growth funds on watch. Seconded by Mr. Ferguson, the motion passed unanimously, 5-0.**

7. For Possible Action – Receive and approve plan activity and service report from recordkeeper Voya Financial for fourth quarter 2024.

Voya Financial provided their Fourth Quarter 2024 Report for the period ending December 31, 2024. Highlights included:

- a. Voya's Plan activity:
  - i. As of March 12, 2025, total assets were over \$1.2 billion, which was an all-time high.
  - ii. Overall net cash flow was negative \$5.1 million for the quarter.
  - iii. Top rollover recipients were Charles Schwab, Fidelity, Edward Jones, and TIAA.
- b. Voya's Communications update included:
  - i. 2024 NDC Participant Engagement Trends
  - ii. Results of the Financial Wellness Survey
  - iii. myOrangeMoney® Engagement Results
  - iv. Overview of the 2025 NDC Communication Calendar
- c. Voya's field activity update:
  - i. 376 new enrollments were received

**Motion by Vice Chair Jayme to accept the fourth quarter Voya Financial report, seconded by Ms. Hager. The motion passed unanimously, 5-0.**

8. For Possible Action – Discuss participation in the following training opportunities:

Institutional Investors Conferences 35<sup>th</sup> Annual DC Institute Forum March 25-26 in Chicago, IL.  
Mr. Boehmer was asked to attend to be a moderator.

9. For Possible Action – Schedule upcoming NDC meeting dates.

- a. The 1Q 2025 Quarterly Meeting scheduled for May 28, 2025.
- b. The 2Q 2025 Quarterly Meeting scheduled for September 3, 2025.

10. Committee Member comments

There were no additional Committee Member comments.

11. Update from Investment Consultant

There were no additional updates from Hyas Group.

12. Update from Recordkeeper

There were no additional updates from Voya.

13. Administrative Staff/Department of Administration Updates

NDC staff thanked the Committee members, DAG Rasul, Hyas Group, Voya, and Casey Neilon.

14. Public Comment

There were no closing public comments.

15. Adjournment

The meeting was adjourned at 11:26 a.m.

Respectfully submitted,

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Micah Salerno  
NDC Management Analyst

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