



**MINUTES FROM MEETING OF
DEFERRED COMPENSATION COMMITTEE
OCTOBER 3, 2017**

The Deferred Compensation Committee (the "Committee") of the Plans Management Board (the "Board") held a meeting on October 3, 2017 at 9:00 a.m. in the main conference room of the Office of the State Treasurer ("OST") located at 820 Silver Lake Blvd., Suite 100, Dover, DE 19904.

Committee Members Represented or in Attendance:

Charles Campbell-King, Committee Chair

The Honorable Ken Simpler, State Treasurer

Deloris Hayes-Arrington, Director of Human Resources, Department of Finance (on behalf of Secretary Geisenberger)

Robert Scoglietti, Director of Policy and External Affairs, Office of Management & Budget (on behalf of Director Jackson)

The Honorable Trinidad Navarro, Insurance Commissioner

Alan Colberg, Member at Large

Committee Members Not Represented or in Attendance

Mr. Edward Seibert, State Employee Member At-Large

Ralph Cetrulo, Member at Large

Others in Attendance:

Mr. Jason Staib, Deputy Attorney General, Department of Justice

Ms. Nora Gonzalez, Deputy Treasurer, OST

Mr. John Meyer, Director of Contributions and Plan Management, OST

Mr. Daniel Kimmel, Promotion and Outreach Manager, OST

Mr. Omar Masood, Policy Advisor, OST

Marie Villeneuve, Cammack

Jeff Snyder, Cammack

Denise Burns, Cammack

Natalie Daniels, Voya

Sarala Katta, Voya

CALLED TO ORDER

The meeting was called to order at 9:00 a.m.

VOYA PRESENTATION

Ms. Daniels updated the Committee on plan performance metrics. Voya reported the participation rate remains stable at 37%. Voya stated that over 80% of participant assets are invested in Tier 1 funds (i.e., target-date funds), that less than 20% are in Tier 2 (core funds), and that Tier 3 (self-directed brokerage) remained minimally utilized.

Ms. Hayes-Arrington asked if Voya had data on millennials and if they are less likely to participate in a plan. Ms. Daniels replied that the millennial population is being scrutinized and is part of Voya's plan for growth.

Ms. Katta said Voya had interacted with 6,300 employees through various means (appointments, emails, phone calls) as of August 31, 2017. Voya continued to engage with leadership at agencies and schools. Ms. Gonzalez queried whether Voya was tracking outcomes generated by outreach. Ms. Katta said enrollments by advisors are manually tracked. Ms. Gonzalez suggested leveraging data to better target and make outreach efforts more efficacious.

The Committee discussed incorporating agency HR officers in disseminating information relevant to the plans. Mr. Scoglietti noted that a new Department of Human Resources was created this summer and that it is important to coordinate employee outreach efforts with the new agency.

CAMMACK PRESENTATION

Cammack presented an overview of investment results up to June 30, 2017. Cammack's analysis found four Vanguard funds eligible for a lower share class. The Tier II funds are now eligible for institutional share classes, which Cammack recommended. Ms. Gonzalez asked if Delaware was previously eligible for this class. Ms. Burns said Delaware recently gained eligibility via reaching the requisite scale. Mr. Campbell-King requested a memo from Cammack explaining why the change should occur and its impact.

Cammack's analysis showed no fund warranted being put on the watch list. Ms. Burns identified two funds that are being further analyzed.

DIRECTOR'S REPORT

Mr. Meyer reported on the recent deferred compensation e-mail campaign that generated 60 appointments and tripled website visits.

Mr. Meyer discussed a proposed amendment to the 457(b) plan. The issue is participants with a 401(a) account who retire—a qualifying event—and are over 70 ½ are required to have minimum distributions. The plan document for the 457(b) plan currently is silent on consolidating those 401(a) assets with the 457(b) plan. The proposed amendment would allow the rollover of 401(a) assets to the 457(b) plan so there would only be one distribution. Mr. Campbell-King asked if there would be any unintended consequences for other 401(a) participants. Mr. Meyer replied that there would not be since the amount of participants and assets affected would be small.

Mr. Meyer gave an overview of the proposed new committee structure for the Board. The new structure would consist of two committees, an investment committee and an audit & governance committee. Mr. Meyer discussed each committee's responsibilities. Mr. Campbell-King asked if enough focus on each plan would be possible at the Board level. Mr. Meyer replied this could be addressed by extending the Board meeting to allow for those discussions. Mr. Scoglietti expressed his support for the new structure and noted if issues arose they could be addressed by the Board later.

A MOTION was made by Mr. Scoglietti and seconded by Mr. Colberg to accept the July 6, 2017 meeting minutes.

MOTION ADOPTED UNANIMOUSLY

**A MOTION was made by Mr. Campbell-King and seconded by Treasurer Simpler to recommend the 457(b) plan amendment to the full Board.
MOTION ADOPTED UNANIMOUSLY**

Mr. Meyer discussed the agenda for the upcoming Board meeting.

PUBLIC COMMENTS

No members of the public attended the meeting.

ADJOURNMENT

**A MOTION was made by Mr. Scoglietti and seconded by Mr. Colberg to adjourn the meeting at 10:38am.
MOTION ADOPTED UNANIMOUSLY**

Respectfully submitted,

Charles Campbell-King,
Chair, Deferred Compensation Committee