



MEMORANDUM

To: Plans Management Board Members
From: John Meyer, Director of Contributions and Plan Management
Sent: September 13, 2022
Subject: **September Meeting- Committee Reports and Action Items**

The Plans Management Board (“Board”) will meet on September 13, 2022. The Board will receive reports from the Audit and Governance Committee (“AGC”) and updates from the Office of State Treasurer (“OST”). The AGC assembled on [August 9, 2022](#). The AGC received the 2021 audit reports for the 457(b), 401(a) and 529 plans from the external audit firm. Recommendations regarding the plan audit reports will be delivered to the Board at the December meeting once the 403(b) plan audit is completed. The AGC also agreed to delay a vote to February 2023 regarding the SECURE Act optional provision permitting withdrawals for birth or adoptions for the 457(b) and 403(b) plans. The Investment Committee (“IC”) was scheduled to meet [August 16, 2022](#). The meeting did not convene as a quorum of the IC was not in attendance. For IC members that were in attendance, CAPTRUST presented the quarterly investment performance on the deferred compensation and education saving plans and Capital Group provided an update on the target date fund series. The recording of the presentations was circulated to the full IC membership. The AGC and OST will present the following items to Board:

Plan Amendments

457(b), 403(b) and 401(a) Plan Amendments Relating to the Involuntary Distribution for Terminated Participants with balances between \$1,000-\$5,000

In December 2019, the Board approved the involuntary distributions for participants with balances less than \$1,000 for the 457(b) and 401(a) Plans (the provision already existed in the 403(b) Plan). In June 2022, the Board discussed Voya’s pricing proposal to lower the recordkeeping fee from the new rate of .065% to .06% if the Plans enacted the involuntary distributions for balance between \$1,000 and \$5,000. OST worked with Ice Miller and the Deputy Attorney general to prepare the plan amendments for the [457\(b\)](#), [401\(a\)](#), and [403\(b\)](#) plans. CAPTRUST stated the amendments were consistent with “best practices” from other plan sponsor clients. The AGC reviewed the plan amendments and recommends approval by the Board.

Action Item: Motion to approve 457(b), 403(b) and 401(a) Plan Amendments Relating to the Involuntary Distribution for Terminated Participants with balances between \$1,000-\$5,000.

Updates to the Policy Governing the Use of Administrative Fees

The AGC discussed the topic of the Board's [policy governing the use of administrative fees](#). The original policy was approved by the Board in September 2018. In 2019, the Board enabling statute was updated to allow for use of administrative fees from the college and ABLÉ plans to fund scholarship, match program, and promotional programs. OST worked with AGC member Mr. Macedo, Ice Miller and the Deputy Attorney General to draft the revisions to the policy. Revisions include that following a recommendation from a committee, the Board would review and authorize any new scholarship, match, or promotional programs. The Board would vote to approve funding for any new programs through the existing budget process during the first quarter of each year.

Action Item: Motion to approve the updates to the policy governing the use of administrative fees.

Brief Extension of Voya Contract

In June 2022, the Board approved OST's request to extend the existing Voya contract from June 30 to August 31, 2022, to complete the review, negotiation and execution of a new contract with Voya. The existing contract was then extended until September 30, 2022, as work continued on the negotiations and review of the new agreements. Execution is expected to be finalized by the end of September.

Action Item: No action needed.