

DEFERRED COMPENSATION PLANS

2022 Q2 BUSINESS UPDATE

PLANS MANAGEMENT BOARD

SEPTEMBER 2022 MEETING



DEFERRED COMPENSATION PLANS– 2022 Q2 BUSINESS UPDATE



	Q2 2022	Q2 2021	YTD 2022	YTD 2021	Commentary	
Enrollments	437	429	815	797	• Flat to Q2 of '21	●
Contributions	\$17.7 MM	\$17.2 MM	\$36.5 mm	\$35.9 MM	• Increase	●
Assets	\$1B	\$1.13 B			• Market	●
403(b) Legacy Vendor Assets	\$250.4 MM	\$315 MM			• Legacy vendor consolidations	●
Consolidations	61	63	118	137		●
Consolidation Assets	\$1.6 MM	\$2.4 MM	\$2.9 MM	\$5.3 MM		●
Employee Engagement (Includes meetings, calls, emails)	2,174	1,954	3,577	4,204		●
Advisor Appointments	416	233	860	419	• More in person meetings	●
Hardship Requests (457/403B)	39	41	61	74		●

2022 Highlights:

- ✓ *America Saves Week* email sent in February
- ✓ Participant statement insert in Q1 focused on increasing contributions and tax returns
- ✓ Replacement of the Lazard International Equity fund and with T.Rowe Overseas fund
- ✓ Reminder letter mailing to those participants that took a coronavirus-related distribution (CRD)
- ✓ Revised request form for participants looking to defer sick and vacation time payout
- ✓ Review of the managed account and self-directed brokerage providers by the Investment Committee
- ✓ Group Education sessions with Department of Corrections, DSEA Conference (Feb), Red Clay Secretaries In Service Day
- ✓ Open enrollment email campaign in May
- ✓ Revisions to Voya's market volatility resource website and updates to DelawareDefer.com in Q2
- ✓ OST table in Legislative Hall on May 18th
- ✓ Participant statement insert in Q2 focused on market volatility concerns.

Upcoming Initiatives:

- Fiduciary training at September Board Meeting
- Enrollment mailing in Q2/Q3
- Beneficiary mailing campaign
- Retirement Security Month (October) promotion with deferred compensation, social security, and pension education
- Review and broaden Tier Two Investments
- Explore ESG investment offerings



APPENDIX





Program Summary:

The Delaware Retirement Savings Plans, also known as DEFER, exist to provide retirement security for State of Delaware employees. DEFER consists of the State’s 457(b) plan which is available to full time benefit eligible employees, the 403(b)-plan available to State education employees employed by public school districts, the DOE, and DTCC as well as DSU, and the 401(a)-match plan which is currently suspended. Employees voluntarily elect to have contributions deducted from their paycheck and deposited into a DEFER account. The current vendor for the plans is Voya Financial.

① INCREASE PARTICIPATION

Goal One – **Build Upon the Enrollment Growth Momentum**

Goal Two – Analyze the Opportunity to Allow Casual/Seasonal Employees to Contribute

Goal Three – Explore Auto-Enrollment Opportunities for Deferred Compensation Plans

Goal Four – **Support Efforts to “Unfreeze” the 401(a) Match Plan**

② REVIEW INVESTMENTS AND GROW ASSETS

Goal One – Review and Broaden Tier Two Core Investment Options

Goal Two – Explore Environmental, Social, and Governance (ESG) Investment Offering

Goal Three – **Promote Account Consolidations**

Goal Four – Investigate the Benefits of Offering Flat vs Percentage Based Deferrals

③ ENHANCE PLAN OPERATIONS

Goal One – **Improve Existing Internal Controls and Operating Efficiencies**

Goal Two – Increase Beneficiary Designation Rate

Goal Three – **Continue to Strengthen Oversight with Board and Committees**

Goal Four – Enhance Retiree Experience

- **Green font represent “always on” efforts**

Focus Timeline

2021

- ✓ **Build on enrollment growth**
- ✓ **Promote account consolidations**
- ✓ **Increase beneficiary designation rate**
- ✓ **RFP for Plan**

2022

- **Improve existing controls**
- **Enhance retiree experience (SVD)**
- **Review and broaden Tier Two Investments**
- **Explore ESG investment offerings**
- **Flat vs fixed contribution research**
- **Oversight Fiduciary Training**

2023

- **Casual Seasonal Opportunity**
- **Auto-enrollment –Phase 1**

2024

- **Auto-enrollment**
- **Oversight Fiduciary Training**

