

DEFERRED COMPENSATION PLANS

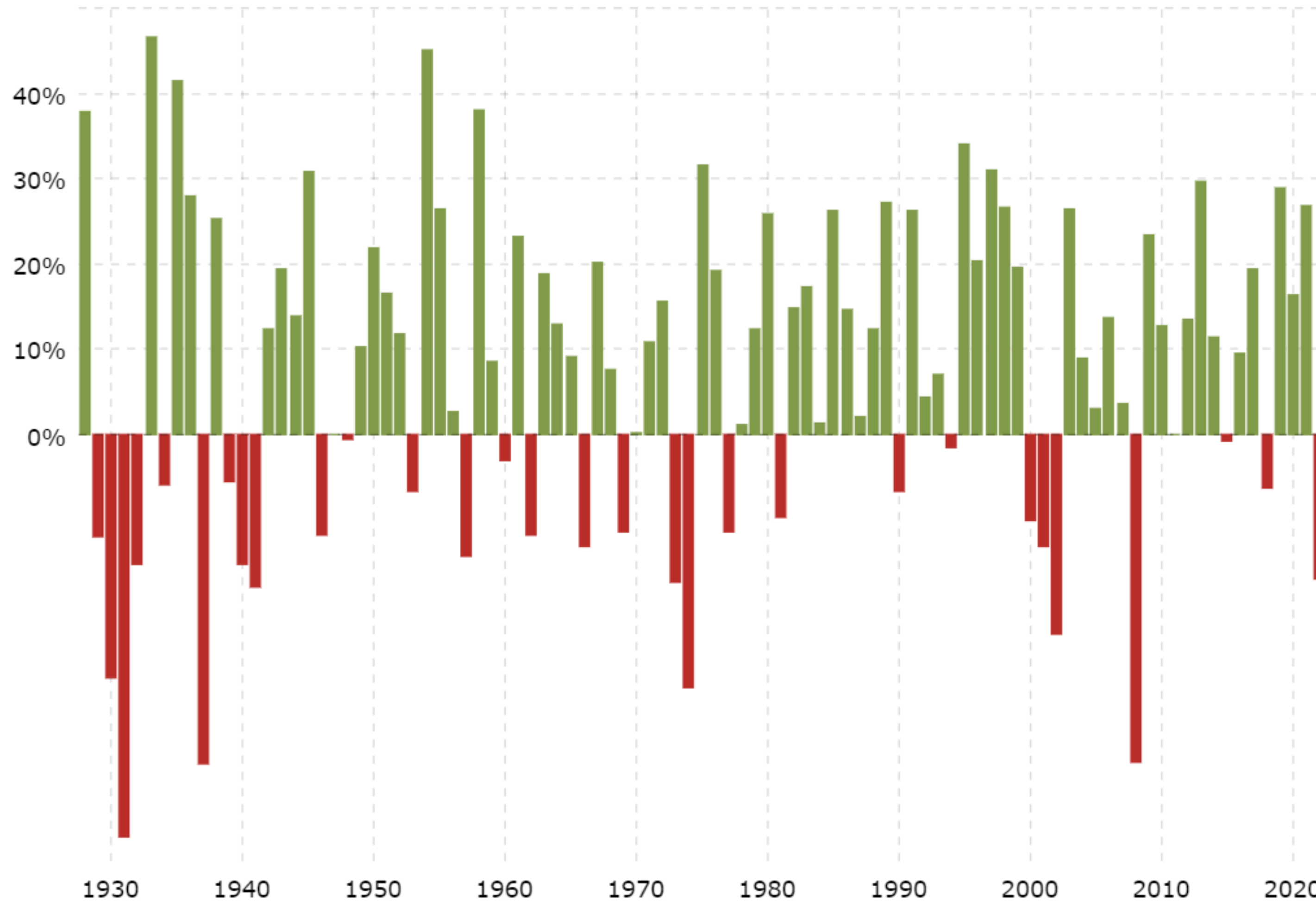
2022 Q3 BUSINESS UPDATE

PLANS MANAGEMENT BOARD

DECEMBER 2022 MEETING



S&P 500 Index - 90 Year Historical Chart



<https://www.macrotrends.net/2324/sp-500-historical-chart-data>

In a challenging year with market performance, the plans

- *Continue to attract new participants in the plan*
- *Will exceed the 2021 total contribution volume into the plan*
- *Reduced recordkeeping fees with the latest RFP*

DEFERRED COMPENSATION PLANS– 2022 Q3 BUSINESS UPDATE



	Q3 2022	Q3 2021	YTD 2022	YTD 2021	Commentary
Enrollments	256	322	1,071	1,119	<ul style="list-style-type: none"> On pace to exceed 2019 and 2020 enrollment levels Participation Rate in October is 42% (highest mark for plan)
Contributions	\$20.8 MM	\$20.2 MM	\$57.3 mm	\$56.1 MM	<ul style="list-style-type: none"> Pacing to exceed 2021 contributions levels (\$70.5 million)
Assets	\$972.5 MM	\$1.1 B			<ul style="list-style-type: none"> Market trends
403(b) Legacy Vendor Assets	\$234.9 MM	\$312.1 MM			<ul style="list-style-type: none"> Legacy consolidations and market trends
Consolidations			175	198	
Consolidation Assets			\$5.2 MM	\$7.9 MM	
Employee Engagement			6,232	6,653	<ul style="list-style-type: none"> Regional team is experiencing less calls and emails
Advisor Appointments Requests			1,152	677	<ul style="list-style-type: none"> Shift to in-person meetings
Hardship Requests (457/403B)	59	52	161	128	<ul style="list-style-type: none"> 25% increase in 2022 in count/20% increase in \$

2022 Tactical 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.

2022 Tactical Highlights Cont.

- ✓ August direct mail campaign promoting beneficiary designations (500 new designations)
- ✓ August enrollment direct mail campaign
- ✓ 14 school district new hire/back to school sessions in Q3
- ✓ Participant Q3 statement insert focus on beneficiary designation
- ✓ Fiduciary Training
- ✓ New Voya agreements executed in October 2022
- ✓ Promotion of National Retirement Security Month in October 2022
- ✓ October OST email blast promoting deferred compensation plans
- ✓ Review of Investment Policy Statement
- ✓ Fee reduction mailer in November
- ✓ Enrollment mailer in November



DEFERRED COMPENSATION PLANS– 2022 Q3 BUSINESS UPDATE

Take an important step toward your future.

VOYA Financial
One Orange Way
Westborough, CT 01581

Not Saving vs. Saving 3%, 6% or 10%

Not sure you can afford to save more?

Are you ready to get started?

Need assistance?

Local Representatives

Enrollment mailing

Let's get started!

The Delaware Retirement Savings Plan's 457(b) plan is a great way to save for retirement. The sooner you start saving, the longer that money may have to work for you. Here are some reasons why you should consider getting started today:

- You will likely need personal savings to supplement your other sources of income such as your State Employees' Pension Plan.
- Deferral taxes on pre-tax contributions and any investment earnings until funds are withdrawn.
- Convenient automatic savings through payroll deductions.
- Lower cost investment options help keep more of your money working for you.
- Flexibility with pre-tax and/or Roth after-tax contributions.

Not sure you can afford to save more?

When you save on a pre-tax basis, it doesn't make as much of a dent in your take home pay as you may think. Pre-tax contributions reduce your current taxable income which may lower the taxes you pay today. This can help to offset the impact of making contributions to the Plan.

Are you ready to get started?

1 Go to DelawareDEFER.com and click Enroll Now

2 Enter the plan number
457(b) Deferred Compensation Plan: 664093

3 Enter your verification number 122437

Need assistance?

Please call 800-584-6001. Representatives are available Monday through Friday from 8 a.m. to 8 p.m. ET (excluding New York Stock Exchange holidays).

Local Representatives

You may schedule an appointment with a local representative* online at DelawareDEFER.com

Good News!

About your Delaware DEFER 457(b) and 403(b) Plans

Effective September 30, 2022, the fees associated with investing in the Delaware DEFER 457(b) and 403(b) Plans have been reduced. The Plan's administrative fee is reducing from an annual fee of 0.08% to 0.05% of your account balance, assessed quarterly. This means more of your savings will remain invested for your future.

What does this mean for you?

A lower fee means more of your money stays invested in your account and working for you. On a quarterly basis, the fee will continue to be deducted from your account and reported on your statements.

Accessing Your Account

- Online at DelawareDEFER.com
- By phone at 800-584-6001 (weekdays between 8 a.m. - 8 p.m. ET, excluding New York Stock Exchange holidays)

You may also schedule a one-on-one appointment with your local VOYA representative* at DelawareDEFER.com.

Are all of your beneficiaries up to date?

Remember to periodically check your beneficiary designations to make sure they are up to date.

Reduction in Fees mailing

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Are all of your beneficiaries up to date?

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Do something good for those you care about

DELAWARE RETIREMENT SAVINGS PLAN
DEFER
For a brighter tomorrow™

Beneficiary mailing

Review or name your beneficiaries for your Delaware DEFER account today!

Designating beneficiaries for your Delaware DEFER account helps make sure that, in the event of your death, your wishes are being followed. That's because it can ensure the savings you've worked so hard to accumulate are passed along to the right people.

Plan records indicate you do NOT have a beneficiary on file.

- Log in to your account at DelawareDEFER.com
- Click **Add/Edit Beneficiary Information** from the Personal Information menu.
- If beneficiaries are already listed, no action is needed unless you want to make changes.

Remember, if you have money in more than one plan, you must name beneficiaries for each of your Delaware DEFER Plan accounts. For example, if you have a balance in the 457(b) Plan, 403(b) Plan and/or 401(k) Plan, you must name beneficiaries for each separately.

Designating a beneficiary is easy. Don't wait! Do it today!
Log in to: DelawareDEFER.com

Need some help? Schedule an appointment with a local representative*.

To schedule an appointment, go to DelawareDEFER.com or call 800-584-6001.

State Treasurer Colleen C. Davis <treasurybroadcast@delaware.gov>
Tue 10/18/2022 11:55 AM
To: State Employees <StateEmployees@delaware.gov>; K12 Employees <K12_Employees@delaware.gov>

DELAWARE RETIREMENT SAVINGS PLAN
DEFER
For a brighter tomorrow™

Message from the State Treasurer

Dear Fellow State Employees,

October is National Retirement Security Month, a time to not only make sure you're saving, but that you're saving the right way. To help, Delaware offers employees a supplemental retirement plan called, DEFER, the Delaware Retirement Savings Plan.

DEFER works like a private sector 401(k) plan and allows State employees to save for retirement separately from their pension.

Learn more by scheduling a free **one-on-one appointment** today with a plan representative today.

Kindest regards,
Colleen

October Email Blast

DELAWARE RETIREMENT SAVINGS PLAN
DEFER
For a brighter tomorrow™

Message from the State Treasurer

Dear Fellow State Employees,

It's hard to believe the year is already winding to a close. If you're like me, you're busy planning for the upcoming holidays and the new year. But this is also the perfect time to plan even further and think about your retirement.

Along those lines, we have important updates about our DEFER retirement program for state employees. The changes can help you invest more, and save you money while you're doing it. Why not **sign up today?**

I wish each and every one of you a safe, happy, and prosperous holiday season and new year.

Kindest regards,
Colleen

November Email Blast

Q4 Initiatives:

- Review of Investment Policy Statement
- Enrollment mailing in November
- Fee Reduction mailing in November
- Email blasts in October and December

Future Initiatives:

- Operations Automation Working Group (Jan)
- Retirement Webinar Series in 2023

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**

