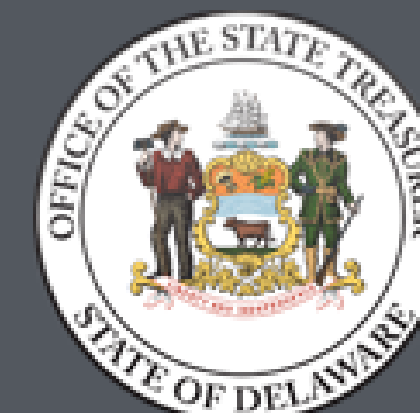


AUDIT & GOVERNANCE COMMITTEE MEETING

FEBRUARY 2024



2024 AGC COMMITTEE PROPOSED GOALS

First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<ul style="list-style-type: none"> <input type="checkbox"/> 2024 AGC Goals <input type="checkbox"/> 2024 Board Training <input type="checkbox"/> SECURE Act 2.0 	<ul style="list-style-type: none"> <input type="checkbox"/> Vendor Management Policy <input type="checkbox"/> MOU with AOA <input type="checkbox"/> Legislative Updates <input type="checkbox"/> SECURE Act 2.0 	<ul style="list-style-type: none"> <input type="checkbox"/> 457/401a/529 Audit Presentations <input type="checkbox"/> Vendor Management Policy <input type="checkbox"/> SECURE Act 2.0 	<ul style="list-style-type: none"> <input type="checkbox"/> 403(b) Audit Presentation <input type="checkbox"/> Vendor Management Policy <input type="checkbox"/> SECURE Act 2.0



2024 BOARD TRAINING UPDATE

Fiduciary Training	State Code of Conduct	FOIA	Public Records
<input type="checkbox"/> Last held September 2022 <input type="checkbox"/> No less than every two years <input checked="" type="checkbox"/> Propose for September 2024	<input type="checkbox"/> Last held June 2021 <input type="checkbox"/> No less than every four years <input type="checkbox"/> Propose for no later than June 2025	<input type="checkbox"/> Last held September 2021 <input type="checkbox"/> No less than every four years <input type="checkbox"/> Propose for no later than September 2025	<input type="checkbox"/> Last held September 2021 <input type="checkbox"/> No less than every four years <input type="checkbox"/> Propose for no later than September 2025

Board training recordings posted here: <https://treasurer.delaware.gov/plans-management-board/>

Board education outline in Training Policy: <https://treasurer.delaware.gov/wp-content/uploads/sites/55/2021/04/PMB-Training-Policy.pdf>



- Update and Discussion Regarding Auditor Selection RFP
- Update and Discussion Regarding Legislation Concerning Auditor Selection



- Update and Vote on Recommendation Regarding Removing Contribution Suspension for 457 Participant with Unforeseeable Emergency (UFE)
 - Secure Act 1 removed suspension for 403b hardships
 - Plan Sponsor can provide direction to Voya to remove 457 contribution suspension
 - 63 people currently having contribution suspended due to UFE
- Update and Vote on Recommendation Regarding SECURE Act 2.0 Provisions
 - Qualified Disaster Distributions/Loans
 - Domestic Abuse Case Distributions
 - Emergency Personal Expenses
 - Hardships and UFE Certifications
 - Matching for Student Loan Contributions (Hold until Q2)



Description	Key Dates	How Voya Will Help	Plan Sponsor Considerations
<p>Section 331 Qualified Disaster Distributions and Loans</p> <p>Permits participants who meet certain criteria to take a distribution up to \$22,000 (aggregated across all of a participant's plan accounts, including IRAs) due to a federal disaster declaration. Distributions are not subject to the IRS 10% premature distribution penalty tax and can be amortized as income over a three-year period. Amounts distributed prior to the disaster to purchase a home can be recontributed. The employer is responsible for monitoring the \$22,000 limit for each of the plans within its controlled group.</p> <p>Increases the loan limit due to a federal disaster declaration from \$50,000 to \$100,000 and delays the repayment for up to a year.</p> <p>Applicable plans: 401(a), 401(k), 403(b), and governmental 457(b) plans (distributions and loans), and traditional IRAs (distributions only)</p>	<p>Effective date:</p> <p>Retroactive application to disasters occurring on or after January 26, 2021</p> <p>Available:</p> <p>January 1, 2023</p>	<p>Voya updated applicable forms, processes and communications.</p>	<p>Plan amendment</p> <p>Communication to participants</p>



<p>Section 314 Penalty-Free Withdrawal for Domestic Abuse Cases</p> <p>Permits participants who self-certify they experienced domestic abuse to obtain a withdrawal (the lesser of \$10,000, indexed for inflation, or 50 percent of the participant’s account).</p> <ul style="list-style-type: none"> • The distribution is not subject to the IRS 10% premature distribution penalty tax . • Additionally, a participant can repay the withdrawn money from the retirement plan over 3 years and will be refunded for income taxes on money that is repaid. <p>Applicable plans: 401(a), 401(k), 403(b), and governmental 457(b) plans and traditional IRAs, Roth IRAs, SIMPLE and SEP plans</p>	<p>Effective date: Distributions made after December 31, 2023</p> <p>Available: January 1, 2024</p>	<p>Voya will update its forms, processes and communications.</p>	<p>Plan amendment</p> <p>Communication to participants</p>
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<p>Section 115 Withdrawal for Emergency Personal Expenses</p> <p>Provides an exception to the IRS 10% premature distribution penalty tax for certain distributions for emergency expenses, which are unforeseeable or immediate financial needs relating to “personal or family emergency expenses.”</p> <ul style="list-style-type: none"> • Only one distribution is permissible per calendar year of up to \$1,000 • Taxpayers have the option to repay the distribution within 3 years. • No further emergency distributions are permissible during the 3-year repayment period unless direct repayment occurs, or aggregate elective deferrals are contributed to the plan in at least the amount that was distributed and not repaid. • Plan administrator may rely on a participant’s certification unless the plan administrator has actual knowledge to the contrary. <p>Applicable plans: 401(a), 401(k), 403(b), and governmental 457(b) plans and traditional IRAs, Roth IRAs, SIMPLE and SEP plans</p>	<p>Effective date: Distributions made after December 31, 2023</p> <p>Available: January 1, 2024</p>	<p>Voya will enhance applicable forms, processes and communications.</p>	<p>Plan amendment</p> <p>Communication to participants</p>
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