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## MEMORANDUM

To: Plans Management Board Members  
From: John Meyer, Director of Contributions and Plan Management  
Sent: March 5, 2024  
Subject: **March Meeting- Committee Reports and Action Items**

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The Plans Management Board (“Board”) will meet on March 5, 2024. The Board will receive reports from the Audit and Governance Committee (“AGC”), the Investment Committee (“IC”) and updates from the Office of State Treasurer (“OST”). The AGC assembled virtually on February 6, 2024. The AGC discussed committee goals, SECURE Act 2.0 plan provisions and the recent RFP for external audit firm by the Office of the Auditor of Accounts. The IC convened virtually on February 13, 2023. In addition to the quarterly investment reports presented by CAPTRUST, the IC discussed committee goals, the extension of the CAPTRUST agreement and the upcoming schedule for a request for proposal for investment advisory services. The committees and OST present the following items to Board:

### Committee Goals

During the February meetings, the AGC and IC discussed 2024 goals for committee work. The AGC is recommending focusing on SECURE Act 2.0 changes, the 2024 Board education schedule, the development of vendor management a policy, and the Memorandum of Understanding with the Auditor’s office. Audit presentations will be scheduled for the August 2024 and November 2024 meetings. The IC outlined goals to include the annual reviews of the investment policy statements for the deferred compensation and college plans, the target date fund provider, the managed account provider, and the self-directed brokerage vendor. Additional IC goals include items the investment strategy for the college administrative fund and the contract extension and request for proposal for investment advisory services.

Action Item: Motion to approve the 2024 committee goals.

### 2024 Board Education Schedule

The AGC discussed the Board training policy. The policy states that fiduciary training needs to be completed no less than every two years. The last fiduciary training was held in September 2022 and facilitated by Ice Miller. Other Board training will need to be scheduled by June/September 2025.

Action Item: Motion to approve the 2024 Board education schedule and direct OST to coordinate with Ice Miller to conduct fiduciary training.

### **Contribution Suspension for 457 Participant with Unforeseeable Emergency Requests**

The AGC discussed the status of participant contributions when requesting a hardship or unforeseeable emergency withdrawals. Prior to the 2019 passage of the SECURE Act 1.0 legislation, participant contributions in a 403(b) were suspended for six-months. The legislation lifted the suspension for the 403(b) plan, however, the 457(b) still maintained a six-month suspension for contributions if a participant requested a withdrawal for an unforeseeable emergency. OST researched the matter with Voya and based on the 2022 Master Trust Agreement provided direction to lift the suspension and align the 457(b) plan with the 403(b) plan regarding the contribution suspension provision.

Action Item: No action needed at this time.

### **SECURE Act 2.0 Provisions**

The AGC discussed several plan provisions from SECURE Act 2.0 that became available as of January 2024. The first provision is for withdrawals for a qualified natural disaster. Under this provision, plan participants are permitted to withdraw up to \$22,000 across all plans for a federal disaster declaration with the ability to recontribute withdrawn amounts. Additional provisions presented include withdrawals of up to \$10,000 for domestic abuse situations and hardship withdrawals for emergency personal expenses up to \$1,000. Both provisions follow a self-certification process. The provisions were tabled for further discussion at a future AGC meeting. The AGC agreed to recommend action on the SECURE Act 2.0's provisions permitting self-certification for hardship/emergency withdrawals provisions. These withdrawals for hardships (403(b) plan) or unforeseeable emergency (457(b) plan) are currently authorized in the plans.

Action Item: Motion to approve recommendation to permit self-certification of hardship withdrawals and unforeseen financial emergency withdrawals from the 403(b) and 457(b) plans.

### **CAPTRUST Contract Extension**

In March 2020, the Board approved a three-year contract with two one-year extensions to CAPTRUST for the purpose of providing investment advisory and consulting services to the Board for the 457(b), 403(b), 401(a) and 529 plans. The IC discussed the final one-year extension and recommends the extension to the Board. The IC also recommends that OST undertake a request for proposal for investment advisory and consulting services in the second half of calendar year 2024.

Action Item: Motion to approve the final one-year extensions to the investment advisory and consulting services agreement with CAPTRUST and direct OST to undertake a request for proposal open for those services in the second half of calendar year 2024.

### **Contract Extension with Tax Counsel (Ice Miller)**

In May 2019, the Board and OST entered into an agreement with Ice Miller for tax counsel. The initial term was for five years with three one-year extensions. The initial term ends on May 1, 2024. OST is recommending to the Board to approve the first of three one-year extensions.

Action Item: Motion to approve the first of three, one-year extensions with Ice Miller.

### **2024 Plans Administrative Budget**

Per the budget policy, OST is responsible for developing an annual budget for the administration of the deferred compensation and college investment plans. OST will present a draft budget for approval by the Board.

Action Item: Motion to approve the 2024 administrative budget for the plans.