



**MINUTES OF THE AUDIT AND GOVERNANCE COMMITTEE
OF THE PLANS MANAGEMENT BOARD
February 6, 2024**

A virtual meeting of the Audit and Governance Committee (the “Committee”) of the Plans Management Board (the “Board”) was held on February 6, 2024, at 10:00 a.m. Committee members and members of the public were able to participate using the provided dial-in information.

Committee Members Represented or in Attendance:

Mr. Peter Kennedy, Committee Chair

Mr. John Macedo

Mr. Timothy J. Snyder

Mr. Jordan Seemans, Deputy State Treasurer, on behalf of, The Honorable Colleen C. Davis, State Treasurer

Others in Attendance:

Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice

Mr. John Meyer, Director of Contributions and Plan Management, Office of the State Treasurer (“OST”)

Mr. Matthew Rosen, Senior Policy Advisor, OST

Mr. Daniel Kimmel, Promotion and Outreach Program Manager, OST

Mrs. Deborah Bradl, Executive Assistant, Contributions and Plan Management, OST

Mr. Earle Allen, CAPTRUST

CALLED TO ORDER

The meeting was called to order at 10:00 a.m.

APPROVAL OF MINUTES

A MOTION was made by Mr. Macedo and seconded by Mr. Snyder to approve minutes from the Committee meeting on November 7, 2023.

MOTION ADOPTED UNANIMOUSLY

DISCUSSION AND ACTION ITEMS

Discussion and Vote on Recommendation Regarding 2024 Committee Goals

Mr. Meyer discussed the Committee goals for 2024. The goals include Board training, SECURE Act 2.0 updates, and the development of the vendor management policy.

A MOTION was made by Mr. Macedo and seconded by Mr. Snyder to recommend the 2024 Committee goals to the Board for approval.

MOTION ADOPTED UNANIMOUSLY

Discussion and Vote on Recommendation Regarding 2024 Education Schedule

Mr. Meyer reviewed the 2024 education schedule with the Committee. Fiduciary training is recommended for September 2024.

A MOTION was made by Mr. Macedo and seconded by Mr. Snyder to recommend the Education Schedule to the Board for approval. MOTION ADOPTED UNANIMOUSLY.

Update and Discussion Regarding Auditor Selection RFP

Mr. Meyer updated the Committee regarding the auditor RFP. Four proposals were submitted and scored. Belfint will be awarded the contract for the audits of the deferred compensation and education savings plans, starting with the 2023 and 2024 plan year audits.

Update and Discussion Regarding Legislation Concerning Auditor Selection

Mr. Seemans stated that OST continues to work with the auditor's office regarding the selection of external audit firms. Moving forward, OST will pursue the draft legislation with sponsors for filing this legislative session and will continue to update the auditor's office.

Update and Vote on Recommendation Regarding Removing Contribution Suspension for 457 Participants with an Unforeseeable Emergency

Mr. Meyer stated that OST would like to align the 457(b) plan with the 403(b) plan regarding the contribution suspension provision. Currently the 403(b) plan allows for a participant to continue to contribute despite having withdrawn funds due to a hardship. The 457(b) plan does not allow this option. OST would like to direct Voya to lift the suspension for plan participants who request a withdrawal for an unforeseeable emergency. The Committee discussed the importance of assisting plan participants to save. If the suspension provision is lifted, the change would be made by plan sponsor direction to the recordkeeper.

A MOTION was made by Mr. Macedo and seconded by Mr. Snyder to recommend to the Board that OST work with Voya to lift the contribution suspension for the 457(b) plan for participants who make a hardship withdrawal due to an unforeseeable emergency. MOTION ADOPTED UNANIMOUSLY.

Update and Vote on Recommendation Regarding SECURE Act 2.0 Provisions

Mr. Meyer discussed several plan provisions from SECURE Act 2.0 which are being considered for implementation. The first provision is for withdrawals for a qualified 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 qualified disaster and domestic abuse provisions were tabled for further discussion at a later meeting. The Committee agreed to take action on the self-certification for withdrawals currently authorized in the plans.

A MOTION was made by Mr. Macedo and seconded by Mr. Snyder to recommend to the Board to permit self-certification of hardship withdrawals and unforeseen financial emergency withdrawals from the that already permit such withdrawals. MOTION ADOPTED UNANIMOUSLY

Mr. Meyer discussed the final provision with the Committee regarding the modification of the 403(b) plan for hardship withdrawals. This modification would allow hardship withdrawals from qualified both contributions and earnings. Approval of this provision would align the 457(b) and 403(b) plans.

A MOTION was made by Mr. Snyder and seconded by Mr. Macedo to recommend that the Board allow participants to withdraw contributions (but not earnings) from the 403(b) plan for hardship purposes.

MOITON ADOPTED UNANIMOUSLY

EXECUTIVE SESISON

No executive session was held.

PUBLIC COMMENT

No member of the public was available for comment.

NEXT MEETING

The next meeting of the Committee is scheduled for May 7, 2024.

The next meeting of the Board is scheduled for March 5, 2024.

ADJOURNMENT

Meeting was adjourned by the Chair at 10:52 a.m.

Respectfully submitted,

Pete Kennedy, Chair for the Audit and Governance Committee