



MINUTES OF THE AUDIT AND GOVERNANCE COMMITTEE OF THE PLANS MANAGEMENT BOARD

November 4, 2025

A virtual meeting of the Investment Committee (the “Committee”) of the Plans Management Board (the “Board”) was held on August 12, 2025, commencing 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
The Honorable Colleen C. Davis, State Treasurer
Mr. John Macedo
Mr. Timothy J. Snyder

Others in Attendance:

Mr. Brennan Fountain, Deputy State Treasurer, Office of the State Treasurer, (“OST”)
Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice
Ms. Khairat Makanjuola, Chief Operating Officer, OST
Mr. John Meyer, Director of Contributions and Plans Management, OST
Ms. Layne Taylor, Director of Policy and Communications, OST
Mr. Dan Kimmel, Promotion and Outreach Manager, OST
Ms. Deborah Bradl, Executive Assistant, OST
Mr. Andrew Fiorentino, Director of Communications, OST
Mr. Ted Griffith, Program Director, DE EARNS
Mr. Bradley Lofton, Senior Policy Advisor, OST
Mr. Earle Allen, Principal Financial Advisor, CAPTRUST
Mr. Scott Sipple, Administrative Auditor, Office of the Auditor of Accounts (“AOA”)
Ms. Maria Hurd, Director, Belfint, Lyons, Shuman (“BLS”)
Mr. Tyler Starr, Supervisor, Accounting and Auditing, Retirement Plan Services, BLS

CALL 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 August 5, 2025, as corrected.

MOTION ADOPTED UNANIMOUSLY

PRESENTATIONS

403(b) Audit Presentation

Mr. Starr provided the Committee with the audit report for plan year 2024 and the financial highlights for the 403(b) Plan. He stated that in plan year 2024 there was a \$65.4 million increase in assets from approximately \$548.2 million as of December 31, 2023, to approximately \$613.6 million as of December 31, 2024. Mr. Starr attributed the growth in assets to contributions and investment earnings being more than distributions during 2024. He reported that 1,375 participants took distributions from the Plan during 2024. Distributions from the plan were approximately \$42.1 million in 2024, an increase from approximately \$34.3 million in 2023. The average distribution amount per participant increased from approximately \$24,000 in 2023 to approximately \$31,000 in 2024. Mr. Starr stated the average account balance increased from approximately \$38,000 as of December 31, 2023, to approximately \$43,000 as of December 31, 2024. Mr. Starr stated that the total number of contributing plan participants increased from 6,800 in 2023 to 6,900 in 2024. Contribution amounts increased from approximately \$32.5 million in 2023 to approximately \$36.3 million in 2024. Changes in contributions are primarily due to fluctuations in the average contribution per participant and number of active plan participants. Mr. Starr stated that average deferrals per participant increased from approximately \$4,400 in 2023 to approximately \$4,600 in 2024. He stated that rollovers into the plan increased from approximately \$2.8 million in 2023 to approximately \$4.4 million in 2024. Net transfers into the plan were approximately \$856,228 in 2024 representing the incorporation of approximately \$1.3 million from the legacy vendors that were not included in the 2022 financial statements.

Mr. Starr stated that administrative expenses increased from approximately \$921,127 in 2023 to approximately \$957,860 in 2024. Mr. Starr attributed the increase to different arrangements with the service providers, and the number of transactions charged directly to participant accounts.

There were no deficiencies found that were considered to be material weaknesses or significant deficiencies.

A MOTION was made by Treasurer Davis and seconded by Mr. Snyder to approve the 403(b)-audit report for plan year 2024 and to recommend the 2024 plan year audits of the 457(b), 401(a), 403(b) , and the 529 Education Savings Plan Trust to the Board for approval. MOTION ADOPTED UNANIMOUSLY

Update Regarding ABLE Plan and DE EARNS Audits

Mr. Meyer provided an update regarding the audits for the ABLE plan and DE EARNS program. He summarized that the ABLE plan audit is performed through the National ABLE Alliance and that it has been completed. He stated that there were no significant deficiencies or material weaknesses found. Mr. Meyer stated that the audit will be forwarded to Committee members.

Mr. Griffith provided an update regarding the audit for the DE EARNS program. He stated that Landmark CPA completed the plan year 2024 audit on the DE EARNS program with no significant deficiencies or material weaknesses noted. Mr. Meyer stated that the audit will be forwarded to Committee members. The Committee discussed some potential concerns regarding the adequacy of the controls in place that are intended to ensure that all plan participants' contributions are

remitted to the plan administrator in full and in a timely manner. Mr. Griffith will provide an update on this at the next Committee meeting.

Update Regarding SECURE Act 2.0 Provisions

Mr. Meyer provided an update on the mandatory SECURE Act 2.0 provisions to the Committee. OST continues to be on track with the implementation date of January 1, 2026, for the provision that requires participants over age 50, whose FICA income is over \$150,000, and who elect to make a catch-up contribution, to do so as a Roth contribution.

Update on Escheatment Research

Mr. Meyer provided an update regarding the escheatment research completed by and on the direction of OST. He stated that OST continues to work with Ice Miller and Voya regarding the escheatment policy. He stated that Voya will be suspending their annual escheatment process for the deferred compensation plans to align with the plan documents. Mr. Meyer also stated that recent federal legislation may have an impact on the development of an escheatment policy. Further, Mr. Meyer stated that the National Association of State Treasurers (“NAST”) conducted a survey of the states regarding best practices for ABLE and 529 plans and escheatment, and the results are to soon be released. Mr. Staib explained the updated guidance OST received from Ice Miller related to escheatment in the context of deferred compensation and summarized the outstanding issues. Mr. Meyer stated OST will update the Committee at an upcoming meeting.

2026 Meeting Calendar

Mr. Meyer presented the 2026 Plans Management Board meeting calendar to the Committee. He stated that meeting invitations will be issued soon.

Legislative Updates

Mr. Meyer provided legislative updates to the Committee. He stated that OST will focus on policy initiatives regarding auto-enrollment for the retirement plans.

PUBLIC COMMENT

No member of the public was present for comment.

NEXT MEETING

The next meeting of the Committee is scheduled for February 3, 2026.

The next meeting of the Board is scheduled for December 2, 2025.

ADJOURNMENT

The meeting was adjourned at 11:05 a.m.

Respectfully submitted,

E-Signature _____

Peter Kennedy
Chair, Audit & Governance Committee