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

May 5, 2026

A virtual meeting of the Audit and Governance Committee (the "Committee") of the Plans Management Board (the "Board") was held on May 5, 2026, 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

Members Absent:
Mr. Matthew Rosen

Others in Attendance:
Mr. Brennon Fountain, Deputy State Treasurer, Office of the State Treasurer, ("OST")
Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice
Mr. John Meyer, Director of Contributions and Plans Management, OST
Mr. Dan Kimmel, Promotion and Outreach Manager, OST
Ms. Deborah Bradl, Executive Assistant, 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, Deputy Auditor, Office of the Auditor of Accounts ("AOA")
Ms. Ming Marrin, Administrative Auditor, AOA
Mr. Jared Newman, 529 Managing Director, Fidelity
Mr. Stephen Knight, Director of Client and Regulatory Engagement for Enterprise Cybersecurity, Fidelity
Mr. William Duserick, Cyber Regulatory and Audit Lead, Fidelity

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 February 3, 2026.
MOTION ADOPTED UNANIMOUSLY

PRESENTATIONS

Cybersecurity-Fidelity
Mr. Knight and Mr. Duserick presented Fidelity's cyber security and fraud prevention processes to the Committee. The topics discussed included Fidelity's Enterprise Cybersecurity Organization and Strategy; Fidelity's Cybersecurity Risk Framework, including their approach to cyber risk and alignment to industry standards; Fidelity's Intelligence Ecosystem, including information sharing partnerships, peer industry group participation, public-private relationship building and communication; and Fidelity's Cyber Risk Reputation, which covered an overview of Fidelity's cyber risk reputation scores and trends.

Updates, Discussion, and Action Items

Discussion and Vote on Recommendation Regarding the Office of Auditor of Accounts' MOU Extension
Mr. Meyer discussed the MOU extension with the Committee, stating that the MOU was circulated previously to the Committee. Mr. Meyer stated that there is a one-year extension in effect for 2026 and that a new one-year extension will be needed for 2027 to cover the final extension period. The Committee discussed that OST, and the Board should ensure documentation is in place regarding the determination that the audit fee rate is reasonable. Mr. Meyer stated that OST, the Deputy Attorney General, and a Committee member will work to determine the appropriate audit fee rate and report back to the Committee. The Committee recommended delaying a vote on the extension to a future meeting upon receipt of information regarding the audit fee rate.

No Action Taken.

Discussion and Vote on Recommendation Regarding Resolution 2018-01 and Charters
Mr. Meyer reviewed resolution and charters with the Committee. He stated that DE EARNS was added to the whereas clause and that language regarding the membership list was modified.

A MOTION was made by Mr. Macedo and seconded by Mr. Snyder to recommend to the Board to accept the revisions to the Resolution 2018-01 and Charters.

MOTION ADOPTED UNANIMOUSLY.

Discussion and Vote Regarding the 403(b) Plan Provision Enabling the Roth Option
Mr. Meyer reviewed the amendment regarding the 403(b) plan option that allows an in-plan Roth conversion. He stated that this amendment aligns the 403(b) plan with the 457(b) plan.

A MOTION was made by Mr. Macedo and seconded by Treasurer Davis to recommend to the Board to approve the amendment to the 403(b) plan regarding the option for an in-plan Roth conversion.

MOTION ADOPTED UNANIMOUSLY

Update Regarding Escheatment Research

Mr. Meyer stated that Voya continues to pause escheatment on the deferred compensation plans while OST monitors and researches information regarding uncashed checks. He also stated that OST has been monitoring states' activity within the industry. Mr. Allen confirmed that Voya will forward Form 1099s to participants for tax purposes. Mr. Meyer further stated that 529 plan administrators are working with the National Association of State Treasurers ("NAST") in reviewing escheatment within 529 plans to possibly benchmark against the retirement plans. Finally, Mr. Meyer stated that OST continues to work with Fidelity to provide a report on what type of account 529 distributions are being escheated.

Update Regarding DE EARNS

Mr. Griffith provided an update on the DE EARNS program regarding employer payroll contributions. Mr. Griffith stated that, in conjunction with the program's consultant and marketing firm, communications were sent to employers who reported initial contributions and subsequently stopped doing so. He stated that the program sends this communication to employers at the 45-day mark and that those communications have been well received. Mr. Griffith stated some employers whose contributions terminated had implemented their own retirement plan with a match, exempting them from the EARNS program, but they failed to notify the program. He further stated that some employers have undergone recent ownership changes that caused a delay in re-engaging in the payroll contributions. Mr. Griffith stated that the program will continue to monitor the situation.

Update Regarding SECURE Act 2.0 Provisions

Mr. Meyer provided an update on the mandatory SECURE Act 2.0 provisions to the Committee. Mr. Meyer stated that the implementation for the high earner 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 began on January 1, 2026. OST identified the participants who met these criteria and provided the data to Voya. Mr. Meyer stated that Voya has updated their list of eligible individuals to ensure that contributions are made as Roth catch-up contributions. Mr. Meyer also stated that OST continues to monitor the SAVERS match, which is expected to be implemented on January 1, 2027. He stated that the act moves the savers credit to a savers match of approximately $1,000. Mr. Meyer stated that there is an income threshold of an adjusted gross income under $35,000 for a single filer and an adjusted gross income under $70,000 for joint filers. Finally, Mr. Meyer stated that an executive order was signed to set up the Trump IRA accounts as federal IRAs, allowing for the savers match into the federal IRA.

Legislative Updates

Mr. Meyer provided legislative updates to the Committee. He stated that OST has finalized language for policy initiatives regarding auto-enrollment for the retirement plans. Mr. Meyer stated that new employees would be automatically enrolled in the State's 457 (b) plan if they are not part of a bargaining unit unless the bargaining unit has opted for auto-enrollment. He also stated that auto-enrollment would only be for pension-eligible employees.

EXECUTIVE SESSION- None

PUBLIC COMMENT

No public comment.

NEXT MEETING

The next meeting of the Committee is scheduled for August 4, 2026.

The next meeting of the Board is scheduled for June 2, 2026.

ADJOURNMENT

The meeting was adjourned at 11:09 a.m.

Respectfully submitted,
E-Signature________________________________
Peter Kennedy
Chair, Audit & Governance Committee