

**MINUTES**  
**Louisiana Deferred Compensation Commission Meeting**  
**January 14, 2020**

The monthly meeting of the Louisiana Deferred Compensation Commission was held on Tuesday, January 14, 2020 in the offices of the Plan Administrator, 9100 Bluebonnet Centre Blvd., Suite 203, Baton Rouge, Louisiana, 70809.

**Members Present**

Whit Kling, Chairman, Participant Member  
Virginia Burton, Vice Chairman, Participant Member  
Stewart Guerin, Designee of the Commissioner of Insurance  
Andrea Hubbard, Co-Designee of the Commissioner of Administration  
James Mack, Designee of the LA State Treasurer  
Doug Buras, Co-Designee of Commissioner of Financial Institution

**Members Not Present**

Laney Sanders, Secretary, Participant Member  
Kevin Pearson, Designee of the Speaker of the LA House of Representatives  
Margaret Corley, Designee of Senator Barrow Peacock, Designee of John Alario Jr., Louisiana Senate

**Others Present**

Craig Cassagne, State of Louisiana Attorney General's Office  
Shannon Dyse, Relationship Manger, Empower Retirement, Baton Rouge  
Rich Massingill, Manager of Participant Engagement, Empower Retirement, Baton Rouge  
Jo Ann Carrigan, Sr. Field Administrative Support, Empower Retirement, Baton Rouge

**Call to Order**

Vice Chairman Burton called the meeting to order at 10:04 a.m. Ms. Carrigan called roll of members in attendance.

**Public Comments:** No public comments.

**Approval of Commission Meeting Minutes of December 17, 2019**

The minutes of the December 17, 2019 Commission Meeting were reviewed. Mr. Guerin motioned for the acceptance of the December 17, 2019 minutes. Ms. Hubbard seconded the motion. The Commission unanimously approved the minutes of December 17, 2019.

**Acceptance of the UEW Hardship Report – December, 2019**

The UEW Hardship report of December, 2019 was reviewed. Mr. Dyse presented a request from a participant wishing to appeal a UEW decision made in 2019. The Commission asked that 2019 minutes be reviewed to determine procedures in place for processing appeals as this is the first appeal since Empower Retirement's Enhanced Services Group assumed UEW responsibilities. Ms. Burton asked that further detail be provided as to the reason for the UEW denial including any IRS rules that were applied Mr. Buras suggested that future UEW reports include case numbers for a point of reference.

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**Administrator's Report**

**Plan Update as of December 31, 2019:** Mr. Dyse presented the Plan Update as of December 31, 2019. Assets as of December 31, 2019: \$1,876.34 Billion; Asset Change YTD: \$260.59 Million; Contributions YTD: \$105.04 Million; Distributions YTD: \$126.53 Million. Net Investment Difference YTD: \$282.08 Million. Mr. Dyse asked the Commission if they had previously been made aware of Empower's Retirement Solutions Group (RSG) whose purpose it is to help with money being rolled into the Plan and to keep money from leaving the Plan. It is estimated that in a recent study, approximately \$66 Million left the Plan that potentially could have stayed in the Plan with \$47 Million being rolled to an outside entity. The RSG service does not cost the Plan anything and is immediately available. The RSG service would be considered an interim step letting participants know that they have other options besides rolling their money out of the Plan. Mr. Dyse stated that RSG is already in place for money-in transactions but not for money-out transactions. Mr. Kling asked that additional information be provided regarding the services offered by this specialized group. Mr. Dyse offered to invite Rachel Abbott of the RSG group to a future Commission Meeting to provide an overview of the services offered. Ms. Burton suggested that a future newsletter include an article devoted to informing participants of the options available to them upon retirement including leaving their money in the Plan.

**UPA-December, 2019:** Mr. Dyse reviewed the UPA for the month of December, 2019 reflecting an ending balance \$1,434,431.59. Additions included interest for the month of December and deductions included a contribution correction.

**Securities Sold-November, 2019:** Mr. Dyse reviewed the list of securities sold in November, 2019 with the Commission.

**Election Procedures**

**Duplantier, Hrapmann, Hogan & Maher LLP:** Mr. Dyse reported that the accounting firm of Duplantier, Hrapmann, Hogan and Maher LLP, have been asked to handle the counting of votes associated with any Commission election that may be held in 2020.

Mr. Guerin reported that the Nominating Committee met on January 14, 2020 (prior to the Commission Meeting) and unanimously recommended that Laney Sanders be nominated for re-election for the term that commences on July 1, 2020. This information will be sent to individual payroll departments by January 17, 2020. A banner will be posted to the website on January 17, 2020. Ms. Burton asked that previous Commission Minutes be reviewed to determine if the hard copy newsletter that is going to be mailed to participants in the 2<sup>nd</sup> Quarter will include the statement along with election ballots, if an election is held.

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**Contract Renewal – Bob Tarca:** Mr. Kling and Mr. Cassagne had an opportunity to speak with Mr. Tarca and reported that he has agreed to sign a separate contract with the Commission to serve as tax counsel as long as the fees are the same as those that the retirement system is paying. Mr. Kling stated that Mr. DiGirolamo of Wilshire will be reviewing any line-up recommendations in February. Mr. Kling asked that Marilyn Collister be asked to review the Plan Document for any changes that may be necessary. Once Ms. Collister makes her recommendations, Mr. Tarca would then make specific recommendations he deems are necessary.

**Website: Documents to be added:** Mr. Kling stated that multiple Commission documents are available on the LaGov site but that it is difficult for the average person to find the documents. Mr. Kling suggested that additional documents be added to LA Deferred Comp website. Mr. Dyse reported that there is no issue in adding documents to the website but a PDF version of the documents will be needed to do so. Mr. Dyse reviewed the specific documents to be added which included:

- State Statute: Title 32
- Contract-Empower Retirement
- Contract-Investment Consultant
- Trust Custodial Agreement
- IRS Codes 3 and 407

The following documents are currently posted to the website:

- The Evaluation Committee Letter
- Legislative Auditor's Report
- SOC 1 Report and Bridge Letter
- Executive Summary of Investment Performance by Wilshire Consulting
- Participant Demographics
- Plan Document
- Service Provider Evaluation

Mr. Kling updates both the LaGov site and the US Senate on an annual basis. Mr. Kling noted that he will review the list of reports available and report back to the Commission regarding the reports that he recommends be added to the Plan website.

**Late Loan Report Procedures**

Mr. Dyse provided an update on "late loan" procedures. Mr. Dyse stated that Empower is able to mail "late loan" letters via registered mail but would prefer not to as manual processes are being discouraged. Mr. Dyse reported that the majority of loan defaults are the result of loans not starting on time or at all. Mr. Dyse suggested that a proactive preliminary additional step be added to call payroll departments advising them whenever a loan is taken out. Discussion included the

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possibility of emailing both the employer and employee confirming that a loan has been taken out and that payment will be required in the near future. Mr. Dyse stated that he will present a step-by-step review of action to be taken by Empower for Commission review/approval.

**Wells Fargo Custodian: Great-West Trust Company**

Mr. Dyse reminded the Commission that Wells Fargo has sold their custody business to Principal. Letters will be sent within the next couple of months to former Wells Fargo clients advising them that another custody provider must be chosen. The Great West Trust Company was not an entity at the time that Wells Fargo services were secured. Now, the same service that was provided by Wells Fargo can be provided by Great West Trust Company. The Commission asked that research be done to determine if the Commission has already approved the move to Great West Trust Company. Mr. Dyse stated that he will bring a document to the Commission meeting in February for signing if no document has already been signed.

**Target Date Fund 2065 Communication to Participants**

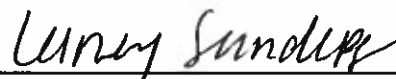
Mr. Dyse reported that there are 109 participants who would be impacted by the Target Date Fund 2065 move. Of the 109, 91 haven't received their first contribution into their accounts. That leaves 18 people who have a balance that is currently in the 2060 Target Date Fund that will move to the 2065 Target Date Fund. Mr. Dyse stated that the move is scheduled for March 16th. A fund change agreement will be submitted to Mr. Kling for his signature.

**Other Business**

Procedural changes are in place to move the clearance of rejected payroll contribution files to the home office of Empower from the Baton Rouge office in January.

**Adjournment**

With there being no further items of business to come before the Commission, Chairman Kling declared the meeting adjourned at 11:20 a.m.



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Laney Sanders, Secretary