

**MINUTES**  
**Louisiana Deferred Compensation Commission Meeting**  
**September 19, 2023**

The monthly meeting of the Louisiana Deferred Compensation Commission was held on Tuesday, September 19, 2023, in the office of the Service Provider, 9100 Bluebonnet Centre Blvd, #203, Baton Rouge, LA, 70809 at 10:00 a.m.

**Members Present**

Virginia Burton, Chair, Participant Member  
Doug Buras, Co-Designee of Commissioner of Financial Institutions  
Stewart Guerin, Designee of the Commissioner of Insurance  
Andrea Hubbard, Vice Chair, Co-Designee of the Commissioner of Administration  
Julius Roberson, Designee of the LA State Treasurer

**Members Not Present**

Beverly Hodges, Participant Member  
Laney Sanders, Secretary, Participant Member  
Representative Lance Harris, Designee of the Speaker of the LA House of Representatives  
Senator Ed Price, Designee of the President of the Louisiana State Senate

**Others Present**

Shannon Walsh, PGIM Client Facing Team Member-*via video conference*  
Rich Piccirillo, PGIM Portfolio Manager, Multi Sector Portfolio Management Team-*via video conference*  
Stephen DiGirolamo, CFA – Managing Director, Wilshire Associates  
Craig Cassagne, State of Louisiana Attorney General’s Office, Baton Rouge  
Karen Monaghan, Sr Client Services Manager, Empower, Denver-*via video conference*  
Michela Palmer, Communications Strategist Participant Mktg Comm Gov, Empower, Denver-*via video conference*  
Shannon Dyse, Relationship Manager, Empower, Baton Rouge  
Rich Massingill, Manager, Participant Engagement, Empower, Baton Rouge  
Jo Ann Carrigan, Sr. Field Administrative Support, Empower, Baton Rouge

**Call to Order**

Ms. Burton called the meeting to order at 10:00 a.m. Ms. Carrigan called roll of Commission members.

**Public Comments**

Ms. Burton stated that the meeting is accessible to the public and invited anyone who had joined the meeting to participate in the call. There were no public comments.

**PGIM – Core Fixed Income Fund**

Ms. Walsh and Mr. Piccirillo of PGIM presented an overview of the PGIM Core Fixed Income Fund.

**Approval of Commission Meeting August 15, 2023**

The minutes of the August 15, 2023, Commission Meeting were reviewed. Ms. Hubbard pointed out one edit required to the minutes related to a misspelled word. Ms. Hubbard motioned to accept the minutes as amended. Mr. Roberson seconded the motion. The Commission unanimously approved the motion. Ms. Burton asked that the delegation of Commission committee members be included at the back of the monthly Commission binder for reference.

### **Wilshire 2Q23 Investment Performance**

Mr. DiGirolamo presented the 2Q23 LA Deferred Comp Plan investment performance summary and market review.

### **Service Provider's Report**

**Plan Update as of August 31, 2023:** Mr. Dyse reviewed the Plan Update as of August 31, 2023. Assets as of August 31, 2023: \$2,129.25 Million; Asset Change YTD: \$146.68 Million representing a 7.4% increase over last year. Contributions YTD: \$74.24 Million; Distributions YTD: \$105.68 Million. Net Investment Difference YTD: \$178.12 Million.

**UPA – August 2023:** Mr. Dyse presented the August 2023 UPA report. The UPA balance at the end of August was \$1,598,973.06. Additions included interest/dividends and gains on contribution corrections. Deductions included Tarcza and Associates and Empower.

**UEW Report – August 2023:** Mr. Dyse presented the UEW Report for the month of August 2023. There were sixteen requests submitted and approved.

### **Secure 2.0**

Mr. Dyse reported that the Internal Revenue Service issued Notice 2023-62 providing guidance on Section 603 of Secure 2.0. The Notice provides an administrative transition period until January 1, 2026, to the requirement that catch-up contributions for participants with FICA compensation more than \$145,000 be made in the form of Roth contributions. Empower will adjust the implementation of this provision to the delayed effective date. The implementation of the elimination of the “Same Month Rule” has been moved to December 18, 2023, from the November date previously announced. Ms. Burton asked that a review be done by the Attorney General’s office to assure that the Commission complies related to any amendments to the Secure 2.0 Election Checklist form that was previously approved and signed.

### **Tarcza and Associates Update**

Mr. Cassagne reported that Tarcza and Associates will have a draft available of the Plan Document amendments available for the Commission’s review by the December 12, 2023, meeting. Once the review has been completed and the draft is approved, the actual rulemaking process will begin.

### **Follow-up to August 2023 Commission Topics**

#### **Hardship: Review of Receipts**

Ms. Carrigan re-introduced a participant request to accept receipts that were over a year old as part of the qualifying information for Hardship approval. The one-year rule regarding receipts is an Empower rule but the Commission asked that the origin of the rule be researched to assure that IRS guidelines are followed before giving final Commission approval. Mr. Roberson motioned to approve the request to accept the aged receipt pending the advice of Empower Legal Team. The motion unanimously passed.

**2022 Legislative Audit Report Edit:** Based on Mr. Roberson’s observations from the July 2023 Commission meeting, language in the custodial credit risk section of the audit report required review/edits. Michael DeFalco, CPA and Empower’s internal financial operations team discussed the changes and presented an edited version of the credit risk section of the report for review. Members of the Commission’s Audit Committee reviewed the language and requested a change be made to the final statement of the section. Mr. Buras motioned to accept the revised wording of the audit report. Mr. Guerin seconded the motion. The motion passed unanimously. Mr. Dyse will present the final edited version of the report to Mr. DeFalco who will submit the edited audit report to the Legislative Auditor’s office.

### **NAGDCA Conference October 8-11, 2023**

Mr. Dyse reminded the members of the October 8-11, 2023, NAGDCA Conference registration and reimbursement procedures. The Commission will not meet in October due to the NAGDCA Conference being held in the same month.

### **Other Business**

Ms. Burton asked Commission members to suggest educational topics/agenda items to be discussed at the December Commission Retreat. Suggestions included:

- Review of policies and Investment Policy Statement
- On Board Portal: Amount of workload involved in setting up the portal, hardware requirements and Wi Fi access
- Fiduciary Duties: Empower and Commission responsibilities
- Cyber Security
- Tarcza's Plan Document Amendments
- Secure 2.0
- Plan Investment lineup review, fee study and Self-Directed Brokerage (Equity Wash Rule)
- Retirement Plan Advisor Presentation

Mr. DiGirolamo offered to schedule the 3Q23 Investment Performance Review and the virtual manager presentation for the November Commission meeting to allow enough time for the December meeting agenda items.

### **Adjournment**

With there being no further items of business to come before the Commission, Chair Burton declared the meeting adjourned at 11:33 a.m.

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Laney Sanders, Secretary