

MINUTES
Louisiana Deferred Compensation Commission Meeting
August 15, 2023

The monthly meeting of the Louisiana Deferred Compensation Commission was held on Tuesday, August 15, 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, Chairman, Participant Member
Doug Buras, Co-Designee of Commissioner of Financial Institutions
Andrea Hubbard, Vice Chairman, Co-Designee of the Commissioner of Administration
Beverly Hodges, Participant Member
Julius Roberson, Designee of the LA State Treasurer
Laney Sanders, Secretary, Participant Member

Members Not Present

Stewart Guerin, Designee of the Commissioner of Insurance
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

Sean Larkin, Account Executive, OnBoard Portal
William Thornton, Senior Manager, Client Portfolio Svcs, AAG, Denver-*via video conference*
Craig Cassagne, State of Louisiana Attorney General's Office, Baton Rouge-*via video conference*
Brett Robinson, 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.

Swearing in of Laney Sanders, Participant Member

Ms. Sanders was sworn in as Participant Member by Mr. Robinson for the three-year term of 2023-2026.

Approval of Commission Meeting July 18, 2023

The minutes of the July 18, 2023, Commission Meeting were reviewed. Ms. Hodges motioned to accept the minutes as presented. Mr. Roberson seconded the motion. The Commission unanimously approved the motion.

CSV Review

Mr. Thornton presented the 2Q2023 Economic Review and Outlook report, the 2Q2023 Custom Stable Value report, the Credit Letter as of June 30, 2023, and the Securities Sold report for the months of January-May, 2023. Mr. Thornton will research the January 2023 Securities Sold report for more detail.

Service Provider's Report

Plan Update as of July 31, 2023: Mr. Dyse reviewed the Plan Update as of July 31, 2023. Assets as of July 31, 2023: \$2,167.83 Billion; Asset Change YTD: \$185.26 Million representing a 9.3% increase over last year. Contributions YTD: \$65.71 Million; Distributions YTD: \$88.82 Million. Net Investment Difference YTD: \$208.37 Million.

UPA – July 2023: Mr. Dyse presented the July 2023 UPA report. The UPA balance at the end of July was \$1,900,400.84. Additions included interest/dividends, contribution corrections and participant recoveries. Deductions included Tarca and Associates, Wilshire Associates Inc and Broussard and Company CPAS LLC.

UEW Report – July 2023: Mr. Dyse presented the UEW Report for the month of July 2023. There were nineteen requests submitted and approved.

Case Reconciliation

Mr. Dyse reviewed the 2Q2023 Fee Reconciliation Report with the Commission

Secure 2.0

Mr. Robinson presented a review of a list of proposed amendments to the Plan Document that included providing a definition for RMD “Required Beginning Date”, changes to Death Benefit RMD verbiage, mandatory Roth catch up contribution language, delegation of Commission and Empower duties and codifying employee approval to transfer funds in the event of agency deconversion.

Ms. Hubbard motioned for the Commission to accept the optional Secure 2.0 that eliminates the “Same Month Rule” regarding when deferral changes may begin. Ms. Sanders seconded the motion. The motion carried with no further discussion. Ms. Burton will electronically sign a document confirming approval of this optional Secure 2.0 provision. This change in procedure will be operationally available in November of 2023.

Ms. Hodges motioned to amend the Catch-Up provision to follow the mandatory Secure 2.0 changes. Ms. Hubbard seconded the motion. The motion passed with no further discussion.

Mr. Dyse reported that a participant has expressed interest in converting pre-tax funds within his account to Roth. Ms. Burton asked that Tarca and Associates review this option. Mr. Dyse reported that this function is available in other Empower Plans. The ability to convert pre-tax funds to Roth will require a Plan Document revision.

OnBoard Portal

Mr. Larkin presented an overview of the OnBoard Portal functionality noting unlimited storage capacity, security and accessibility. Ms. Hodges motioned to form a sub-committee to review availability and functionality of board portals. Mr. Roberson seconded the motion. The motion carried. Ms. Sanders, Mr. Buras and Ms. Burton will serve on the sub-committee.

Engagement Activity Report – 2Q2023

Mr. Massingill presented the 2Q2023 Engagement Activity report noting Retirement Plan Advisor meeting totals and online booking site activity.

Hardship: Review of Receipts

Ms. Carrigan presented a participant request to accept receipts that were over a year old as part of the qualifying information for Hardship approval. The Commission asked that additional information be provided before approving the request: Origin of the one-year rule (Empower, Plan document or Federal), status of invoice and date of hardship request.

Follow-up to July 2023 Commission Topics

Documents posted to the website: Mr. Dyse reported that the Investment Policy Statement (IPS) and LA Legislative Auditor report have been posted to the website.

2022 Legislative Audit Report Edit: Based on Mr. Roberson’s observations from the July 2023 Commission meeting, the audit report will be edited by Mr. Michael DeFalco, CPA, to expand the definition of pass through insurance at the participant level for deposits. Mr. Dyse will present the edited version of the report to the Commission before submitting for finalization.

Mr. Dyse addressed multiple questions asked by Treasurer John Schroeder during the July 2023 Commission meeting. Mr. Dyse will address restrictions on Self Directed Brokerage accounts later. Mr. DiGirolamo will attend the September Commission meeting to review the impact of a money market addition to the core lineup.

Other Business

Mr. Robinson would like to attend the NAGCDA Conference in October and requested that the Commission cover his registration fees. Mr. Buras motioned that the Commission pay Mr. Robinson’s NAGCDA Conference registration fees. Ms. Sanders seconded the motion. The motion passed unanimously.

Mr. Buras suggested that Commission meeting minutes be streamlined to include only action items. The Commission agreed.

Adjournment

With there being no further items of business to come before the Commission, Chairman Burton declared the meeting adjourned at 12:16 p.m.

Laney Sanders, Secretary