MINUTES
Louisiana Deferred Compensation Commission Meeting
June 18, 2024

The monthly meeting of the Louisiana Deferred Compensation Commission was held on Tuesday, June 18, 2024, 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, Designee of Commissioner of Financial Institutions
Stewart Guerin, Designee of the Commissioner of Insurance
Beverly Hodges, Participant Member
Andrea Hubbard, Vice Chair, Co-Designee of the Commissioner of Administration
Julius Roberson, Co-Designee of the LA State Treasurer
Laney Sanders, Secretary, Participant Member

Members Not Present
Representative Tony Bacala, Designee of the Speaker of the LA House of Representatives
Senator Valarie Hodges, Designee of the President of the Louisiana State Senate

Others Present
Cindy Rougeou, Retired LASERS Executive Director, Participant Member
Brett Robinson, State of Louisiana Attorney General's Office, Baton Rouge
Justin Lester, State of Louisiana Attorney General's Office, Baton Rouge
Marybeth Daubenspeck, Vice President, Government Markets, Empower, Denver
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
Chad Anderson, Retirement Plan Advisor, Empower, Baton Rouge-*via video conference*
Jo Ann Carrigan, Sr. Field Administrative Support, Empower, Baton Rouge

Call to Order
Ms. Burton called the meeting to order at 10:02 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.

Approval of Commission Meeting Minutes – May 21, 2024
The minutes of the May 21, 2024, Commission Meeting were reviewed. Mr. Roberson asked for a correction of a typographical error on page 2 of 3. Ms. Hodges motioned to accept the minutes as amended. Ms. Sanders seconded the motion. The Commission unanimously approved the motion.

Service Provider's Report
Plan Update as of May 31, 2024: Mr. Dyse reviewed the Plan Update as of May 31, 2024. Assets as of May 31, 2024: $2,284.58 Million; Asset Change YTD: $83.36 Million. Contributions YTD: $51.08 Million; Distributions YTD: $86.73 Million. Net Investment Difference YTD: $119.01 Million. Ms.

Hodges requested clarification on the number of new participants joining the Plan and the number of participants leaving the Plan. Mr. Dyse explained that the report reflects the dollar amount leaving the Plan and is not a reflection of full withdrawals. Ms. Daubenspeck suggested that the Plan Performance Insights Report be presented at a later meeting that will provide additional information related to distribution detail. Ms. Rougeou asked if retirement plans could be asked to do more toward the promotion of the LA Deferred Comp Plan. Mr. Dyse stated that it is helpful when the retirement system provides email addresses of employees. Ms. Hodges suggested that an article be added to LASERS' quarterly newsletter regarding the October LA Deferred Comp emphasis. Ms. Rougeou offered her assistance in reaching out to LASERS for suggestions on how to further benefit the Plan.

UPA – May 2024: Mr. Dyse presented the May 2024 UPA report. The UPA balance at the end of May 2024 was $1,973,434.79.

UEW Report – May 2024: Mr. Dyse presented the UEW Report for the month of May 2024. Eighteen requests were submitted and approved.

<u>Plan Document Rules/Legislative Updates</u>

Mr. Robinson stated that there were no legislative updates to report. The Plan Document rule changes were submitted to be published in July, not June as previously stated. Mr. Robinson stated that he will keep an ongoing list of Secure 2.0 changes that the Commission approves so that these changes can be added to the next rule change submission.

<u>Plan Financial Audit Update</u>

Mike DeFalco has confirmed that he has received all documents needed to complete the Plan audit. The audit is progressing as scheduled and Empower has not been notified of any issues. The Audit Sub-Committee will review the completed audit upon submission. The Audit Committee currently consists of Doug Buras, Chair, Stewart Guerin, Beverly Hodges, and Virginia Burton.

<u>Secure 2.0</u>

Mr. Dyse shared with the Commission that Empower continues to bring on certain Secure 2.0 capabilities. Mr. Dyse highlighted the following:

- Increased Catch Up limit – This will be made available to qualified participants without any Commission action needed.
- Qualified Disaster Recovery Distributions – This is a voluntary provision of Secure 2.0 and will require Commission approval. The anticipated availability date is October of 2024.
- Terminal Illness Penalty Tax Exemption – This is a voluntary provision of Secure 2.0 and may not require Commission approval as the tax penalty does not apply to the LA Deferred Comp 457B. Mr. Dyse will confirm if permission is required. The anticipated availability date is September 10, 2024.

Mr. Dyse stated that these are all positive provisions and sees no issue related to making them available to participants. The Domestic Abuse provision is now available, but Mr. Dyse explained that these four provisions will be aggregated and submitted for Commission approval at one time.

<u>Board Portal Update – OnBoard</u>

Mr. Dyse presented the invoice received from OnBoard for adding two additional user subscriptions totaling $800 annually. Ms. Hodges motioned to approve purchase of the two additional user subscriptions. Mr. Buras seconded the motion. There was no further discussion, and the motion was approved.

<u>Protective Life Procedures</u>

Mr. Dyse stated that there is a small number of participants who have life insurance policies that were purchased many years ago via LA Deferred Comp assets. These policies are beginning to be paid out and a couple of the payments were escheated to the Treasurer's office. Mr. Dyse will work with Mr. Robinson to determine the best way to retrieve the funds so that they may be forwarded to the participants' beneficiaries. Currently, the LA Deferred Comp Plan is listed as the beneficiary of the insurance policies. Mr. Dyse will work with Mr. Robinson in determining procedures to follow in getting the money to the appropriate parties. Ms. Burton stated that years ago, insurance policies were offered as an investment vehicle. Additional information is being researched. Mr. Robinson stated that procedural changes will require a board resolution. Ms. Burton suggested that Mr. Whit Kling, former LA Deferred Comp Commission Chair, be contacted to discuss details related to insurance policies.

Commission Credit Card Update

Mr. Dyse provided an update on efforts made to secure a credit card for Commission expenses. Mr. Dyse has learned that US Bank is the institution that issues credit cards to State entities. Mr. Dyse has contacted the Financial Director of the Treasurer's office for additional information on how to proceed. Mr. Roberson offered to follow up with Ms. Schexnayder for assistance.

Other Business

Posting of Resource Documents to OnBoard: Ms. Hodges asked for an update on when historical documents will be added to OnBoard. Ms. Hodges asked if it would be appropriate to hire an intern to facilitate the process sooner than later. Ms. Rougeou stated that it would be helpful to have access in OnBoard to laws, rules, and statutes. Mr. Robinson stated that the AG office staff could retrieve and post all opinions and Tarcza tax-related documents to OnBoard. An OnBoard subscription will be provided for the AG's office use. Mr. Dyse stated that he will research the scope of the project so that a timeline can be provided. Ms. Hodges asked if Commission meeting-related reports could be arranged by topic so that it would not be necessary to retrieve reports from the individual meetings. This option is not currently available.

Request to change Commission meeting time: Ms. Hodges asked that Commission meetings start at 9:00 a.m. instead of 10:00 a.m. going forward. Ms. Hodges motioned to change the meeting time of Commission meetings to 9:00 a.m. Ms. Hubbard seconded the motion. There was no discussion and the motion passed unanimously. Mr. Dyse stated that he will send revised meeting notices to members of the Commission.

Virginia Burton's farewell address: Ms. Burton shared how much she has enjoyed serving on the Commission for 18 years and is confident that she is leaving the Commission in great hands. Mr. Roberson commended Ms. Burton for her professionalism and for the kindness that she extended to him. Mr. Dyse, speaking on behalf of Empower, expressed his appreciation for Ms. Burton's leadership and comradery.

Adjournment

With there being no further items of business to come before the Commission, Chair Burton declared the meeting adjourned at 10:50 a.m.

____

Laney Sanders, Secretary