MINUTES
Louisiana Deferred Compensation Commission Meeting
October 15, 2024

The monthly meeting of the Louisiana Deferred Compensation Commission was held on Tuesday, October 15, 2024, in the office of the Service Provider, 9100 Bluebonnet Centre Blvd, #203, Baton Rouge, LA, 70809 at 9:00 a.m.

Members Present
Doug Buras, Designee of Commissioner of Financial Institutions
Melissa Gibson, 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
Cindy Rougeou, Participant Member
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
Carla Roberts, Participant, LA State Senate
Justin Lester, State of Louisiana Attorney General's Office, Baton Rouge
Justin Cradoff, State of Louisiana Attorney General's Office, Baton Rouge
Marybeth Daubenspeck, Vice President, Government Markets, Empower, Denver-*via video conference*
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
Will Parrie, Retirement Plan Advisor, Empower, Baton Rouge-*via video conference*
Jo Ann Carrigan, Sr. Field Administrative Support, Empower, Baton Rouge

Call to Order
Ms. Hodges called the meeting to order at 9:02 a.m.

Roll Call of Commission Members
Ms. Carrigan called the roll of Commission members in attendance noting that there was a quorum.

Public Comments
Ms. Hodges reported that there were no public comments.

Mr. Dyse announced that the Wilshire 3Q2024 Report would be presented at the November 2024 meeting instead of the October 2024 meeting.

Approval of Commission Meeting Minutes – August 20, 2024
The minutes of the August 20, 2024, Commission Meeting were reviewed. Ms. Rougeou motioned to accept the minutes as presented. Ms. Hubbard seconded the motion. The Commission unanimously approved the motion.

Final Audit Financial Statement – Year Ended 2023: Mr. Dyse reported that edits were made to the final audit financial statement as discussed. Mr. DeFalco filed the restated report with the Legislative Auditors' office. Mr. Buras provided a recap on why the edits were needed noting that the original report incorrectly included defaulted loans in the total loan balance when it should have been net of defaulted loans. Ms. Sanders motioned to accept the restated financial statement presented. Ms. Rougeou seconded the motion. There was no objection, and the motion carried.

<u>Service Provider's Report</u>

Plan Update August and September 2024: Mr. Dyse reviewed the Plan Update as of August 31, 2024. Assets as of August 31, 2024: $2,358.12 Million; Asset Change YTD: $156.90 Million. Contributions YTD: $79.81 Million; Distributions YTD: $145.91 Million. Net Investment Difference YTD: $223.00 Million. Mr. Dyse reviewed the Plan Update as of September 30, 2024. Assets as of September 30, 2024: $2,386.82 Million; Asset Change YTD: $185.60 Million. Contributions YTD: $88.92 Million; Distributions YTD: $158.91 Million. Net Investment Difference YTD: $255.59 Million.

UPA – August and September 2024: Mr. Dyse presented the August 2024 and September 2024 UPA reports. The UPA balance at the end of August 2024 was $2,056,058.32. The UPA balance at the end of September 2024 was $2,046,388.08. Mr. Buras asked for confirmation that the UPA balance be a topic on the December 2024 Retreat agenda.

UEW Report – August and September 2024: Mr. Dyse presented the UEW Report for the months of August and September 2024. There were twenty-two approved applications and five pending applications in August 2024. There were thirteen approved applications and twenty rejected applications in September 2024.

Charles Schwab Fee Disclosure Report – August 2024: Charles Schwab provided a fee structure disclosure report as a result of changes made in the fee structure on a couple of the funds being used by participants. Mr. Dyse stated that Charles Schwab has communicated the changes to the participants within the funds involved. No action is needed by the Commission.

<u>3Q2024 Participant Engagement</u>

Mr. Massingill presented the 3Q2024 Participant Engagement report noting the types of meetings that Retirement Plan Advisors are participating in daily with advice being at the center of all interactions. Year to date, there have been 2,956 total meetings (group/individual) involving 7,543 total participants. The Retirement Plan Advisor Net Promoter Score is eighty-one with 265 respondents. Ms. Hodges asked that future reports include a breakdown of survey responses between Retirement Readiness Reviews and individual meetings. Total 3Q2024 meeting activity was down compared to 2Q2024. Retirement Plan Advisors have noticed more meeting cancelations and difficulty in setting up meetings due in part to the current political climate. The Best Interest Profile (BIP) tool is used to provide recommendations that are in the best interest of the participant. Every Retirement Readiness Review should include the BIP tool. Mr. Massingill offered to share a mock-Retirement Readiness Review with the Commission at the December retreat. Mr. Massingill reported that there is still one Retirement Plan Advisor position open for the Baton Rouge area. Eighty percent of the State of LA employee population is located east of the Mississippi, so Baton Rouge RPAs are fanning out to support other parishes within the region. Mr. Massingill reported that RPA's have employer/HR contacts at the site level who prove to be helpful in arranging meetings. Mr. Massingill is developing a standard template when interacting with the HR community. There has been a big initiative by Ms. Palmer's team to develop employer-facing communications such as newsletters. Mr. Dyse shared that enrollment has been "flat" for the past couple of years. Ms. Hodges observed that State enrollment is not as active as it could be noting that LDH is the largest employer in the State. Ms. Rougeou suggested that rapport be developed with State agency Under-Secretaries to encourage enrollment. Ms. Hubbard volunteered to check on the possibility of Mr. Dyse and/or Mr. Massingill being invited to an Under-Secretary meeting or at least, providing insight into how to better engage employees. Ms. Hodges asked Ms. Hubbard if a letter could be sent from the current Commissioner during National Retirement Security Month (October) encouraging participation. Ms. Hodges asked Mr. Dyse to survey Commission members prior to the December meeting to determine what the top priorities are for each member. Ms. Hubbard has provided a list of State agency HR directors to Mr. Dyse and Mr. Massingill so that they may personally reach out to these individuals regarding support of the Plan. Per Ms. Hubbard, HR personnel currently refer new employees to Empower rather than provide enrollment paperwork/Plan literature. Ms. Hubbard suggested that Empower invite HR directors, benefits coordinators, and Under-Secretaries to attend a Microsoft Teams meeting(s) to review Plan features. Ms. Rougeou suggested that Empower participate in the LASERS' statewide "Open Forum" that is designed to interact with only HR and payroll representatives. Ms. Rougeou also suggested that Empower look into contacting the Civil Service to request an opportunity to present at their quarterly HR community meetings. Ms. Sanders suggested creating a three-minute video for use by HR departments when onboarding new employees. Mr. Roberson suggested that the video include information directed at recent college graduates who may be concerned about an additional deduction form their paychecks. The video link could be provided to new employees to address such things as what the Plan is as well as the benefits of enrolling. Mr. Dyse and/or Mr. Massingill will be attending the monthly SHRMA meetings going forward. Mr. Dyse and Mr. Massingill appreciated the input provided by Commission members.

New enrollments into the Plan were greater than 2Q2024. Total Retirement Plan Advisor meetings resulting in positive action taken (enrollment, increase in deferrals, roll-ins, diversifications, personalizations) totaled 1,540 in 3Q2024. Ms. Hodges suggested that an emphasis on increasing contributions be made in July of each year – the month that raises are given to State employees.

Updates from the Attorney General's Office

Mr. Lester provided input on topics discussed at previous Commission meetings.

- **Commission Sub-Committees**: There is no cap on how many people can be on a sub-committee. However, if any sub-committee is taking any type of policy change, advisory or administrative function into consideration, it is subject to open meeting requirements. Mr. Lester stated that Commission sub-committee meetings would fall into one or all of the three categories mentioned. If there is a quorum in attendance, the sub-committee meeting is subject to the open meeting requirements. A quorum is determined by the size of the sub-committee. Based on Attorney General opinions released in the past, if a sub-committee is discussing pertinent matters for recommendation for presentation at a public meeting or if the sub-committee meets to discuss matters over which it has any type of advisory power, even if the sub-committee is not taking any binding action but will be referring back to the Commission of any findings, the sub-committee is subject to open meeting requirements. Mr. Lester offered to post the Attorney General's opinions in the OnBase portal for reference. Mr. Lester stated that giving individual assignments to members of the Commission is not subject to open meeting requirements.
- **Open Meetings Presentation**: Ms. Olivia Boudreaux of the Attorney General's office will be presenting information regarding open meetings requirements at the December 17, 2024, Commission meeting. Mr. Lester will also attempt to have someone from his office make a presentation at the same meeting on the topic of public records. Mr. Les Theriot is now working at the Governor's office but may still be available for the December meeting.
- **New Commission Member Orientation**: Mr. Lester stated that there are 9-10 statutes regarding the LA Deferred Comp Plan in Title 42. These statutes can be added to the New Commission Orientation along with any other documents the Commission would like included.

- **Protective Life Insurance Policies**: Mr. Dyse reviewed the issues related to the Protective Life Insurance policies which included the age of the policies and the lack of beneficiary information on the policies. Mr. Dyse, Mr. Lester, and Ms. Carrigan have been in contact with Thomas Fisher, Manager of Life Insurance Claims-Protective Division with Protective Life who is working with Empower to resolve the beneficiary issues and to prevent escheating of beneficiary payouts to the State of LA. Ms. Carrigan noted that the LA Deferred Comp Plan is the beneficiary on record for each of the aged Protective Life policies. Mr. Fisher has communicated that most of these issues could be addressed by placing a "Letter of Instruction" from the Commission in each aged file instructing Protective Life to pay out to the decedent's beneficiaries on file or to the estate of the decedent. Mr. Fisher will confirm this course of action with Mr. Lester who will then ask the Commission for the authority to compose and send a Letter of Instruction to be placed in each Protective Life file. To date, two checks have been escheated to the State and two are pending. Mr. Lester stated that a letter could be sent to the family of the beneficiary payouts that have been escheated if contact information is available. There are in excess of one hundred old Protective Life policies on record.
- **OnBoard Access**: Mr. Lester reported that his office now has access to the OnBoard Portal via an email created by his office. Mr. Lester indicated that he can now begin adding documents under the Resources tab within the portal for reference.

Ms. Hodges asked Mr. Lester to confirm where Commission Meeting announcements should be posted within the building. Mr. Lester will check the requirements related to posting meeting announcements and agenda within the building and will report his findings at the November meeting.

LA Municipal Advisory Technical Services Bureau-Online Buyers Guide

Mr. Dyse received a phone call from a representative of the LA Municipal Advisory Technical Services Bureau inquiring as to whether the Commission would like to include an ad in the Online Buyers Guide regarding the LA Deferred Comp Plan. The highest level of sponsorship is $10,000. Ms. Hodges stated that it might be beneficial to consider advertising/sponsoring events held by major employment types such as the Police Jury Association, Assessors, etc. rather than the buyer's guide presented.

Commission Travel and Expense Card

US Bank has confirmed that a travel and expense card option can be supported for those members opting to receive a card. Customizable controls are available, and Mr. Dyse stated that it will be necessary to set up, at the front end, the repayment procedures such as receiving statements by month-end. Mr. Buras suggested that there be limitations on the number of cards available and that the Commission solidify control mechanisms. Ms. Rougeou suggested that the Commission have one card instead of individual cards assigned per member. Mr. Dyse stated that he would speak with the US Bank representative to discuss the one card options available to the Commission. Mr. Dyse will report his findings at the November meeting.

OnBoard Annual Renewal

Mr. Dyse reported that the OnBoard contract is up for renewal in December of this year. The amount of a one-year renewal is $6,480 for fifteen subscription licenses. A two-year renewal would still cost $6,480.00. The annual price adjustment for year two would be reduced from 8% to 5% totaling $6,804.00. Agreeing to a two-year agreement would provide savings of $194.40 in year two. Ms. Sanders motioned renewing the OnBoard contract for a two-year period assuming that payment does not have to be made for both years up front. Ms. Rougeou seconded the motion. There was no objection, and the motion passed unanimously.

Loan Default Review

Ms. Carrigan presented a request by a participant wishing to take out another loan even though there is a defaulted loan on record. The previous loan defaulted in September of 2020 in the amount of $7.80. One payment in the amount of $7.80 was missed in May 2017. There is no explanation as to why the payment was missed and there was no break in service per the participant's payroll department. The loan was paid in full in June 2020. Ms. Sanders motioned to deem the participant credit worthy and allow a second loan to be processed. Mr. Rougeou seconded the motion. There was no objection, and the motion passed unanimously.

Secure 2.0-Optional Provisions

Mr. Dyse highlighted a Secure 2.0 provision that is now available through Empower.

- Super Catch Up: Available to participants who are 60 – 63 years of age.

Mr. Dyse offered to present all of the Secure 2.0 provisions that are now supported by Empower to the Commission in November. The list of provisions will also be presented at the December meeting at which time the Commission can vote on the optional provisions to be added thus allowing Empower to make the provisions "live" at the beginning of 2025.

Mr. Dyse suggested that the Commission approve adding a section within the Plan Document that may be specific to the Secure 2.0 provisions. Mr. Lester agreed that once a list of approved provisions is available, adding them to the Plan Document under a Secure 2.0 section would make this information more readily accessible to participants.

December Retreat Topics

The December Retreat date was confirmed as December 17, 2024 (not December 10, 2024). The meeting will be held from 8:00 a.m. until Noon (4 hours). Topics were presented to the Commission for review. Ms. Hodges requested that time be specified per topic on the agenda. Mr. Buras requested that Wilshire provide a Plan lineup along with any recommended changes. The Investment Policy Statement should also be reviewed. Ms. Hodges requested that the 2025 meeting calendar be available at the November meeting. Dinner can also be scheduled for December 16th at a local restaurant to include Commission members and their significant others.

Other Business

There was no other business brought before the Commission.

Adjournment

With there being no further items of business to come before the Commission, Chairperson Hodges declared the meeting adjourned at 10:44 a.m.

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Laney Sanders, Secretary