

### **Minutes**

The Defined Contribution Plans Advisory Committee (DCPAC) of the VRS Board of Trustees convened on March 24, 2022, with the following members present:

Susan T. Gooden, Vice Chair  
Shannon Irvin  
Rick Larson  
Brenda Madden  
Arun Muralidhar  
Ned Smither  
David Winter

VRS Board of Trustees:

O'Kelly McWilliams III  
John Bennett\*

VRS Staff:

Kelvin Allen\*, Cathy Baird, Trish Bishop, Steve Cerreto\*, Jeanne Chenault, Michael Cooper\*, Valerie Disanto, Josh Fox\*, JT Grier, Kelly Hiers, KC Howell, Robert Irving, Ciara Lawson\*, Ryan LaRochelle, Joyce Monroe\*, Teresa Nguyen\*, Rebecca Nicholas, Laura Pugliese, Kristy Scott\*, Michael Scott, Jillian Sherman, Jennifer Schreck\*, Virginia Sowers\*, Ashley Spradley\*, Rachel Webb\* and Cindy Wilkinson.

Guests:

Alex Meyer\*, Goldman Sachs; Andrew Ness\*, SageView Advisors; Lindsay Saienni\*, Financial Investment News; and Cynthia Williamson, Virginia Department of Behavioral Health and Developmental Services.

*\*Attended remotely*

The meeting convened at 1:00 p.m.

### **Opening Remarks**

Susan Gooden welcomed Committee members, board members, VRS staff, representatives from other stakeholder groups and members of the public. She also provided introductory information for the newly appointed member of the Committee, Dr. Arun Muralidhar. Dr. Muralidhar is filling the investment seat on the Committee.

### **Approval of Minutes**

Upon a motion by Dr. Gooden, with a second by Ms. Irvin, the Committee approved the minutes of the December 2, 2021 meeting of the Defined Contribution Plans Advisory Committee.

### **DC Plans Investments Update**

KC Howell, Managing Director- Global Investments, provided a brief review of VRS DC plan positions in Russian markets.

Laura Pugliese, Portfolio Manager, Defined Contribution Plans, reviewed the February 28, 2022 performance reports, including the unbundled DC plans investment options and the bundled TIAA investment menu in the Retirement Choice (RC) contract for ORPHE.

#### Callan 2022 Defined Contribution Trends Survey Highlights

Ms. Pugliese provided an overview of highlights from the Callan 2022 DC Trends survey, which was included in the meeting materials Appendix for the Committee to review. The Callan 2022 DC Trends survey results represented 101 large DC plan sponsors that span a range of industries across corporate, tax-exempt, and government organizations.

#### CEM Survey Update

Ms. Pugliese advised that staff are still reviewing CEM's Dashboard benchmarking service and will provide an update at a future meeting.

Dr. Gooden thanked Ms. Pugliese for her presentation.

### **Administrative Reports and Communications Update**

Kelly Hiers, DC Plans Administrator, provided an update on the VRS Defined Contribution Plans for the fourth quarter, ending December 31, 2021. Ms. Hiers shared the total assets under management across all DC plans, as well as an overview of unique participant counts for the unbundled plans.

#### DC Plans and Hybrid Plan Update

Ms. Hiers provided an update on total assets and accounts in the VRS Defined Contribution Plans through December 31, 2021. She also presented an overview of the number of unique participants in the unbundled DC Plans.

Ms. Hiers provided an overview of various notifications provided to plan participants each year. These included the annual fee disclosure, automatic enrollment notice and default investment notification.

Ms. Hiers provided an update on total assets and accounts in the COV 457 and Virginia Cash Match plans through December 31, 2021, as well as an update for a recent communications campaign to increase awareness of and encourage participation in the COV 457 Plan.

Ms. Hiers also provided a review of total assets and accounts in the Hybrid Retirement Plan for the fourth quarter of 2021. She further updated the Committee on the Hybrid 457 voluntary participation

and contribution election rates for the fourth quarter of 2021. An update on the Hybrid 457 voluntary participation and contribution election rates was also provided.

Ms. Hiers provided a brief overview of the Optional Retirement Plan for Political Appointees. This included a review of eligibility for the plan, as well current eligibility and election rates.

Ms. Hiers next reviewed the DC Plans focus on improving asset allocation across the plans for the fourth quarter of 2021. She shared the current breakdown of asset allocation across the plans, as well as a comparison for how the allocation varies across plans. She provided an analysis by age and gender for the COV 457 Plan. Ms. Hiers also provided an overview of investment-related communications and educational materials available to plan participants. She also provided an update on usage of the self-directed brokerage account option.

#### ORPHE Update

Ms. Hiers shared an overview by provider of total ORPHE assets, participants and average balances for the fourth quarter of 2021. She also gave an update on ORPHE provider selections for the fourth quarter of 2021.

#### DC Plans Consultant RFP Update

Ms. Hiers provided a brief update on the DC Plans consultant RFP. Interviews with finalists have been conducted and an award is expected next month.

Dr. Gooden thanked Ms. Hiers for her presentation.

### **Other Business**

#### DCPAC Charter and Responsibilities Overview

Trish Bishop, VRS Director, reviewed the DCPAC Charter, focusing on the Duties and Responsibilities of the DCPAC, as described in the charter.

#### Legislative Update

Cindy Wilkinson, Director of Policy and Planning, reviewed DC plan-related legislation that passed during the 2022 regular session of the General Assembly, including the Board of Trustees-requested legislative proposal that will separate the Board-certified defined benefit employer contribution rates from the statutory estimated defined contribution employer contribution rates. She advised that the General Assembly adjourned but is expected to return for a special session to complete work on the budget and other bills that remained in conference committee at the end of the regular session.

DCPAC Appointments

Ms. Bishop informed the Committee of the request for reappointment of Ravindra Deo, Brenda Madden, and Edward N. (Ned) Smither, each to a two-year term ending June 20, 2024. Their current term expires June 20, 2022.

*RBA: Request for Board Action Regarding Reappointment of DCPAC Members*

The Committee recommends approval of the following action to the Administration and Personnel Committee and the full Board:

***Request for Board Action:*** *The Board reappoints Ravindra Deo, Brenda Madden, and Edward N. (Ned) Smither to the Defined Contribution Plans Advisory Committee (DCPAC), for a two-year term ending June 20, 2024.*

**Discussion of New Ideas**

No additional business was brought before the Committee.

**Upcoming Defined Contribution Plans Advisory Committee Meetings**

Dr. Gooden confirmed the remaining DCPAC meeting dates for 2022. The next meeting of the DCPAC will take place on June 2, 2022, with remaining meetings on September 8<sup>th</sup> and December 1<sup>st</sup>. All meetings will be held at 1:00 p.m.

Additionally, the ORPHE Annual Employer Update will be scheduled and appear on the agenda as an upcoming event. This is not a DCPAC meeting; however, members may attend if interested.

**Adjournment**

There being no further business, Dr. Gooden adjourned the meeting at 2:51 p.m. upon a motion by Ms. Madden, with a second by Mr. Smither, upon a unanimous vote.



06/03/2022

Vice Chair

Date