

**STATE OF HAWAII  
DEFERRED COMPENSATION PLAN  
BOARD OF TRUSTEES**

**OPEN SESSION MINUTES  
MEETING # 449**

Date: June 28, 2023

Place: Department of Human Resources Development (DHRD)  
14<sup>th</sup> Floor Merit Appeals Board Conference Room  
235 S. Beretania Street, State Office Tower  
Honolulu, HI 96813

Present: Kalei Rapoza, Chairperson  
Brenna Hashimoto, Ex-Officio Member  
Roderick Becker, Ex-Officio Member  
Kalbert Young, Employee Member  
Lance Larsen Jr., Employee Member  
Ken Kitamura, Employee Member  
LiAnn Tokuda, DHRD Staff  
Doreen Kuroda, DHRD Staff  
Randall Nishiyama, Deputy Attorney General  
Jeffrey Nipp, Segal Marco Advisors  
Lisa Hoxha, Empower  
Julie Klassen, Empower

Others via  
Teams Link: David Greengard, Segal Marco Advisors  
Carol Blumenthal, Empower  
Matthew McOsker, Empower  
Maria McPhee, Empower

Absent: Reiko Matsuyama, Employee Member

Call to Order: There being a quorum present, Chairperson Kalei Rapoza called the meeting to order at 9:00 a.m.

Agenda: The agenda for this meeting was filed with the Office of the Lieutenant Governor, as required by Hawaii Revised Statutes section 92-7.

Agenda  
Item # 1: Welcome and Introduction of Board Members

Chairperson Rapoza welcomed everyone and proceeded with the introductions of the Board members, Board staff, and other guest attendees. He reviewed some housekeeping items.

Agenda

Item # 2: Public Testimony

There was no one from the public in attendance to offer testimony. Chairperson Rapoza moved on to the next Agenda Item.

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Item # 3: Approval of Minutes No. 448 for the May 1, 2023, meeting

Chairperson Rapoza proposed two corrections to the minutes.

- For Agenda Item #1, removing the word “Incoming” to have the Agenda Item read “Welcome and Introduction of Board Members” was suggested.
- On page 4 of the minutes the third bullet point under US Equities, Chairperson Rapoza suggested the beginning of the sentence be changed from “Both Mr. Nipp and Mr. Greengard has met with...” to “Mr. Nipp and Mr. Greengard have met with...”.

There were no other comments or changes offered by the Board members.

**A motion was made by Trustee Larsen and seconded by Trustee Hashimoto to approve Minutes No. 448, with the corrections as noted.**

**The motion passed unanimously.**

Agenda

Item # 4: Plan Administrator’s Report, including:

Ms. Klassen presented the Commentary, Key Plan Data, Plan Demographics Summary, Participation by Department, Asset Allocation by Funds, Participant Count by Fund by Age Group, and Distributions sections of the Plan Administrator’s Report.

a. Commentary

- Fund Change Implementations.
  - Empower is in the process of implementing the fund changes the board approved at the May 1, 2023, Board Meeting.
  - Fund changes are contingent upon agreement executions but is targeted for late July.
  - Participant communications have been drafted and she is working with Board staff on edits.

- Empower Communications Engine (ECE).
  - The ECE is similar to the heritage Prudential version of targeted marketing, however the ECE will have more capabilities.
  - A main difference is the ECE delivers dynamic content based upon an individual's situation rather than content being provided on a calendar basis. Participants would receive information when they want to receive it.
  - The ECE has automated functions to assist Empower in supporting the Plan's fiduciary responsibilities.
  - Communications would be synchronized across multiple channels for participants including support between local and mainland Empower employees.
  - Some content in the ECE program includes Financial Wellness content, similar to the heritage Prudential engine. The Board decided at a previous meeting to have an interstitial notice for participants when they received heritage Prudential content that is not endorsed by the Plan. Similarly, with the ECE program, participants would be able to turn off consent to not receive Financial Wellness information.
  - Ms. Klassen commented that participant engagement in a Plan site increases positive actions by the participant.

Trustee Larsen asked if the Financial Wellness content provided in the ECE would result in extra fees for participants. Ms. Klassen explained that the participant would need to provide consent for the information to display. Ms. Hoxha commented that her other clients have ECE turned on for their participants and she can measure engagement and provide quarterly updates to the Plan Sponsors.

Trustee Larsen questioned if Empower is data mining the participant's accounts to determine the communications that would get pushed out to them. Ms. Hoxha confirmed that communications is based on the data received from the participants. She explained that there are different topics the Plan can elect to turn on for participants to view, however, the ECE will be more robust if it is fed more data. She stated that communications that are sent out to participants would be personalized to the individual.

Trustee Larsen asked what other services would be offered through the ECE. Ms. Klassen explained the content that a participant who affirmed consent to Financial Wellness content could include Individual Retirement Account (IRA) and other savings accounts outside of the Plan, however the primary focus of the content is asset retention in the Plan.

Trustee Young asked if Empower could provide a pricing list for the additional services. Ms. Klassen agreed to provide more information to the Board. Trustee Young asked if the services the participants would be informed about are products like annuities, life insurance, and IRAs, and would the participant get them

through Empower. Ms. Klassen stated the products could be offered through partnerships with Empower, similar to a Self-Directed Brokerage Account. Empower is growing their personal wealth capabilities so specific products that could be offered is not confirmed, however annuity shopping, IRAs, and Financial Planning products would apply the most to the Plan. Ms. Hoxha commented that they could provide examples of the communications participants might receive from the ECE.

Trustee Larsen asked if Plan participants would receive preferred pricing for these additional products. Ms. Klassen said she will discuss with her internal partners on the pricing.

Chairperson Rapoza commented that he thinks these options could be beneficial to the participants, however the Board would like to review all the options first before pushing content to participants.

b. Key Plan Data

- Plan participation rate excluding the Department of Education (DOE) and the University of Hawai'i (UH) is 43.49%.
- Plan participation rate of all eligible employees of the Plan is 26.15%.
- Contributions into the Plan have increased from Quarter Four 2022 to Quarter One 2023, however, distributions from the Plan have remained steady throughout the quarters.
- GoalMaker holds 12.30% of Plan assets, Target Date Funds holds 6.81% of Plan assets, and Managed Accounts holds about 5% of Plan assets. About 24% of the Plan uses Asset Allocation Assistance.

c. Plan Demographics Summary

- \$3,386,025 was rolled into the Plan in Quarter One 2023.
- Employee contributions increased to \$26,809,362 in Quarter One 2023.
- As of March 31, 2023, there is about \$2.8 billion of assets held in the Plan.

d. Participation by Department

- County of Kaua'i has the highest participation rate among the subplans in the Plan at 54.69% participation.

e. Asset Allocation by Funds

- Wellington Trust Research Value Fund holds 4.9% of Plan assets which will be moved into a different Wellington vehicle.
- The American Funds AMCAP Fund which will be removed from the Plan holds 2.8% of Plan assets.
- The EuroPacific Growth Fund which will be mapped to another Fund in

the Plan holds 4.4% of Plan assets.

- The MFS Fund that will be mapped to the new Dodge & Cox Fund holds 1.8% of Plan assets.
- Schroders Emerging Markets Fund which will be removed from the Plan holds 0.2% of Plan assets.

f. Participant Count by Fund by Age Group

- The Wellington Trust Fund has a total of 11,394 participants invested in the Fund.
- EuroPacific Growth Fund has a total of 12,657 participants invested in the Fund.
- The AMCAP Fund has a total of 3,961 participants invested in the Fund.
- The MFS Fund has a total of 8,595 participants invested in the Fund.
- Schroders Emerging Markets Fund has a total of 539 participants invested in the Fund.

g. Distributions

- Primary types of distribution from the Plan are: Required Minimum Distributions (RMD) and Installment Payments.
- There were 2,163 RMDs in Quarter Four 2022 which decreased to 355 RMDs in Quarter One 2023.
- The amount of Installment Payments has remained consistent at about 1,900 from Quarter Four 2022 to Quarter One 2023.
- Unforeseen Emergency Withdrawals (UEW) could be affected by the Setting Every Community Up for Retirement Enhancement (SECURE) 2.0 Act. There is a provision in the SECURE 2.0 Act that would give participants the ability to self-certify when applying for a UEW. Self-certification would simplify the UEW application process for participants.

Chairperson Rapoza questioned if the amount of termination distributions is recorded within the quarter to which Ms. Klassen confirmed. She also mentioned that there can be an overlap in the types of distributions reported. Chairperson Rapoza asked what initiatives there are to keep participants in the Plan especially in the quarters leading up to typically high employee turnover. Ms. Klassen said the local team conducts a calling campaign focused on employees who are close to retiring or have retired to explain the different distribution options. Chairperson Rapoza asked if the Empower team escalates the calling campaign in the quarters approaching June and December where there is typically an influx of employee terminations. Ms. Klassen stated the calling campaign is active and ongoing throughout the quarters, however, Mr. Malmud can provide the Board more information on the calling campaign at a future meeting.

Trustee Larsen asked what the required age is for an RMD and Ms. Klassen answered the age increased to seventy-three effective 2023 from seventy-two in

2022 and seventy and a half in 2021. Trustee Larsen asked if there were changes in the amount of RMDs taken since the age has increased to seventy-three. Ms. Klassen stated that generally participants are withdrawing their money before they reach RMD age and the RMD age might continue to increase with new legislation.

#### h. Communications and Education Update

Ms. Hoxha presented the Communication and Education Update and Local Office Update of the report.

- The Quarter One Newsletter was sent out to participants in April 2023. The email open rate was 65% which is two times the financial services industry average, and the email click rate was 11% which is three and a half times the financial services industry average.
- The Newsletter articles included:
  - Make a Smooth Transition into Retirement.
  - Dollar-Cost Averaging: Why Consistent Retirement Contributions May Work in Your Favor.
  - Why Inflation Should Factor into Your Retirement Investment Strategy.
  - Upcoming Island Savings Plan Webinars.

#### i. Local Office Updates

- Empower conducted a special in-person event on June 5, 2023, for Kauai participants. Four Plan Overview group presentations were held and individual counseling with an Empower Retirement Education Counselor was available after the presentations.
- A similar special in-person event was held on June 14, 2023, for UH Hilo and Hawaii Community College. Empower Retirement Education Counselors presented two Plan Overview group presentations with blocks of scheduled individual counseling sessions held after the presentations.
- Ongoing strategic planning with UH Manoa continues on a recurring basis. On June 15, 2023, an Understanding Market Volatility Webinar was held for UH Manoa employees. A Pre-Retirement Webinar is scheduled for early August 2023 for UH Manoa employees.
- The Quarter Three 2023 webinar topics will be sent out to employees shortly and the topics include: Vanguard Target Date Investments, Exploring the Big Picture of Retirement Income, and The Power of Ahupua'a.
  - Empower is partnering with Vanguard and they will present on their Target Date Investments in July.
- Planning for the Benefits Fair on August 4 is progressing. The Fair will be a Hybrid event this year that will provide virtual attendees the ability to livestream the retirement educational workshops on the day of the Fair.

First communications about the Fair will be included in the Quarter Two Newsletter scheduled to be sent out on July 10, 2023.

Trustee Hashimoto asked if communications are sent out to all employees or only Plan participants. Ms. Hoxha answered that Board Staff has sent out initial communications about the Fair to all State, County, and agency contacts to provide initial information about the Fair. Follow up communications for the Fair will be made available to all employees with assistance from Board Staff.

Trustee Becker asked which of the other State Benefits Providers will be participating at the Fair. Ms. Tokuda answered that the Employees Retirement System (ERS), the Hawai'i Employer-Union Health Benefits Trust Fund (EUTF), Hawai'i 529 Savings Plan (HI529), and the Island Flex Flexible Spending Accounts Plan (FSA) will be participating in the Fair. The Health Insurance Carriers with EUTF will also be participating in the Fair.

- Efforts to expand outreach to DOE continue with communication being drafted to expand efforts to increase participation within the department.
- Efforts continue to improve processing with DAGS via recurring calls. Communications have been drafted to be distributed to the departments regarding the continuation of contributions when participants transfer departments.
- As of March 31, 2023, there were:
  - 226 New Enrollments into the Plan.
  - 926 Contribution Increases.
  - 208 GoalMaker Enrollments.
  - 58 Rollovers into the Plan totaling \$3.4 million.
  - 1,755 Individual Counseling Sessions held.
  - 238 Group Meetings held totaling 1,498 employees in attendance.

Chairperson Rapoza asked if Empower can track if the new enrollments are new employees of the State/County or if the ongoing campaigns are driving new enrollments. He questioned that if there is a small number of new enrollments from new employees, if updated materials could be provided to new employees during their onboarding process. Ms. Hoxha said that she can discuss with Mr. Malmud on the breakdown of the new enrollments. She also commented that the DOE had recently updated their onboarding materials on the NEOGOV website, and the Plan assisted by providing updated materials for posting. Chairperson Rapoza stated he would like to see the number of new enrollments the Plan receives from educational materials that are provided to new employees.

Trustee Becker commented in his experience with the State new employee orientations, a representative from ERS is present to discuss the ERS with employees. He also stated it would be beneficial for employees to have a Plan representative at these orientations to discuss the Plan. Chairperson Rapoza agreed. He also asked if Plan materials can be updated for new employees and if a

Plan representative could attend new hire orientations once they are more coordinated.

Trustee Becker questioned what Mr. Malmud does when he visits a County. Ms. Hoxha explained that Mr. Malmud and a Retirement Education Counselor would go to the County and would conduct Plan Overview presentations and counseling sessions with the employees. Chairperson Rapoza stated when they visit UH Hilo, they would have group presentations in one room and in another room, they would have one-on-one counseling sessions.

Trustee Hashimoto commented that UH would gather all new employees and conduct a new hire orientation while the State departments are responsible for their own employees' orientations. She suggested a follow up could be done with new hires after their orientation to remind the employee of the benefits of the Plan. Trustee Hashimoto also suggested a Plan representative could do a presentation for the Hawai'i State Human Resources Council about the Plan. The Council is comprised of Human Resources Officers from all the State departments, and they could be the gateway to the employees.

There were no further questions from the Board.

#### Agenda

#### Item # 5: Discussion and Consideration on Fee Reduction Offer by Empower and Potential Action Thereon

Ms. Klassen presented on the administrative fee reduction offered by Empower for the Plan. The proposition is to reduce the all-in fee from 8.5 basis points (bps) to 7.5 bps. This results in a reduction of Empower's fee from 7 bps to 6 bps with the remaining 1.5 bps for Board funding. The all-in fee of 7.5 bps will be deducted quarterly and would be effective July 1, 2023, to be deducted in the beginning of the next quarter in October 2023. The all-in fee includes:

- Seven dedicated, local staff on O'ahu responsible for participant engagement.
- An Empower office located in Honolulu.
- Required Board funding of \$435,000 annually for Plan related expenses.
- Custom communications and website with educational content and analytics.
- Product and record keeping services for GoalMaker, Target Date Funds, Self-Directed Brokerage Account options, and Managed Accounts by Morningstar.

Ms. Klassen explained the initial fee for the Plan when heritage Prudential became the Third-Party Administrator (TPA) was 12.5 bps. In 2018, the fee was reduced to 11 bps and then reduced again in 2021 to the current 8.5 bps.



Chairperson Rapoza asked Mr. Nipp and Mr. Greengard if they have any comments or remarks on Empower's reduction fee offer. Mr. Nipp commented it is difficult to compare the Plan's fees with other plans without conducting a Request For Proposal (RFP). Conducting an RFP would be the only way to see if a different TPA could provide the same services Empower offers the Plan for a lower fee. However, Mr. Nipp believes the proposed fee is in line with other plans and fee reductions are occurring in the industry now. Mr. Greengard agreed with Mr. Nipp.

Trustee Becker asked if the proposed fees are the median of fees in the industry and what the range is. Mr. Nipp replied that it is difficult to determine based on the fees alone because the services the fees cover for the Plan are not identical to other plans. The only way to determine if the proposed fees is the best pricing for the Plan would be to conduct an RFP and compare what other TPAs would charge for the same services. Trustee Becker asked what the dollar amount is for 6 bps of Plan assets. Ms. Klassen replied that the dollar amount varies as the fee is asset based. The more assets in the Plan, the higher the dollar amount in fees will be collected. Trustee Becker asked if the dollar amount Empower is receiving from the fees is within the range they have been receiving before reducing fees. Ms. Klassen provided an example on the Empower portion of the fees. She explained that 7 bps equates to about \$68 a participant while 6 bps equates to about \$59 a participant.

Trustee Young acknowledged and extended his appreciation to Empower for offering to reduce the fees. Chairperson Rapoza also extended his appreciation for a fee reduction.

There were no further questions from the Board.

**A motion was made by Trustee Young and seconded by Trustee Kitamura to accept Empower's offer to lower the TPA Administrative fees to 7.5 basis points.**

**The motion passed unanimously.**

#### Agenda

#### Item # 6: Empower Participant Website Demonstration

Ms. McPhee and Mr. McOsker presented Empower's web demonstration on the participant experience with the Empower platform after migration. Ms. McPhee focused on the website experience and Mr. McOsker focused on the managed accounts experience for participants.

Ms. McPhee did a virtual walkthrough of the Empower website.

- Participants will have to enroll in the site.

- The landing page will help participants focus on their retirement goals. Participants can change data fields on the landing page to suit their retirement plans and goals. Spouse information can be added as well.
- Other assets, like a pension, can also be added to the participant's account to help show a full financial picture.
- Outside accounts, like checking accounts, can be dynamically linked to the participant's account.
- Based on the information the participant provides, the website can show if the participant is on track for their retirement goals and suggest manageable changes.
- Changes to the participant's account can be reviewed and submitted on the website by the participant.
- Once a participant turns 35, health care costs will start to populate on the website. This would help participants plan for healthcare costs before they retire.
- A section of the website would be available to everyone for participants to compare how they are performing against their peers.

Trustee Kitamura asked if the projected healthcare expense considers the State's EUTF or if it is a general healthcare projection. Ms. McPhee confirmed it is a general projection and the data is sourced from Health View Services. It is a projected healthcare expense based on gender and age. Trustee Larsen asked if the website will be accessed through Multi-Factor Authentication (MFA).

Ms. McPhee confirmed web access will be through MFA and a part of the enrollment process requires a personal email address and phone number. Trustee Larsen asked if a participant were to add any of their external accounts, would they be able to conduct transfers from the platform to their external accounts.

Ms. McPhee stated they would not be able to transfer to external accounts. The system only screen scrapes the external accounts for balances, transaction history, and investment history. Ms. Klassen pointed out that the Zillow option allows participants to add the Zillow estimate of their home to their account.

Ms. McPhee provided a demonstration on the website transaction capabilities by showing how a participant could move funds between the Plan's different investment options. She demonstrated how the transaction would look like on a desktop and through the mobile app.

Chairperson Rapoza asked how often a participant can change their investment allocation. Mr. McOsker responded the participant would be limited to making changes by the close of the market.

- Participants will have access to the same actions and capabilities when visiting the website on a desktop or mobile app.
- Users can set up widgets on their smartphone for the Empower app.

Mr. McOsker presented Empower's version of the Morningstar Managed Accounts on their platform.

- Strategic messaging would be used to connect participants to the right tools that are offered in the Plan.
- Empower's advice services has two components:
  - Free advice where a participant can get free point in time advice and the participant can decide for themselves to act with the advice given.
  - Enroll in Empower's My Total Retirement which is the Managed Accounts service and pay a fee. If a participant enrolled in My Total Retirement, their account would be managed on an ongoing basis and rebalanced as needed.
- Unlike the system now, the Morningstar advice engine is installed within Empower's firewall. This means that all website capabilities will be connected to the advice engine. This will provide customized advice tailored to the participant.
- A Retirement Planner Tool will be available to all participants. For a participant enrolled in My Total Retirement, the information that they input in the Retirement Planner Tool will become personalized data points that can impact the advice generated by the Morningstar engine.
- The Retirement Planner Tool projects if the user will achieve their retirement goal and allows the user to fine tune the different factors impacting their outcome.
- The Savings Rate Recommendations will differ on the Empower platform. The system will look at all the assets in the participant's account and analyze where they should save their money instead of only providing an amount the participant should save. Based on the assets available, the Empower system would recommend how to allocate the participants savings to meet their retirement goal.
- The Empower Smart Withdrawal Tool is specific to withdrawing money from an account. The tool will show all the different sources of retirement income and how the user should withdraw their money from these sources to minimize taxes throughout retirement.

Chairperson Rapoza asked when the Plan would have access to the Empower website and Ms. Klassen answered that it will be available at migration to the Empower platform. Trustee Young asked if participants would need to pay for the tools that Mr. McOsker demonstrated. Mr. McOsker stated that there is a fee for participants that enroll in Empower's My Total Retirement Managed Accounts service. The fee would cover the different tools he discussed, however those not enrolled in My Total Retirement will have access to some of the tools as well. Trustee Young asked how much the fee was and Ms. Klassen replied the fee remains at 35 bps. Trustee Larsen asked if the fee would be drawn from the participant's account. Mr. McOsker confirmed it is drawn from the account.

There were no further questions from the Board.

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Item #7:

Segal Marco Advisors Recommendations with Respect to the Investment Policy Statement and Potential Action Thereon

Mr. Nipp discussed Segal's recommended updates to the Investment Policy Statement (IPS) with the Board. He explained that plans should be careful including verbiage in an IPS that states the plan will do something because once stated in the IPS, then it must be done. The IPS also needs to be reflective of the investments in the Plan and procedures the Plan will follow.

- On the cover page, removing the Segal Marco Advisors logo is recommended.
- In Section 1, adding language stating the investment consultant will provide ongoing monitoring and recommendations to the IPS is recommended.
- In Section 3, verbiage from the Hawai'i Revised Statutes (HRS) 88E Section 9 is recommended to be added and verbiage referring to RFPs is recommended to be removed.
- In Section 4 and throughout the IPS, the investment options were updated to reflect the fund changes the Board approved at the May 1, 2023, Board Meeting.
- In Section 5, the table showing the long term expected risk and return levels for the investment options in the Plan is recommended to be removed.

Trustee Becker asked if the table could be posted on the Plan website. Mr. Nipp replied that he could provide the table for the Plan to post, but the projections on the table would not be correct due to market fluctuations.

- Throughout the IPS, benchmark names and fund descriptions were updated.
- In Section 7, the Qualitative Performance Standards for the investment options was updated. Verbiage on requiring the investment managers to immediately notify the Board about the investment option is recommended to be removed because there are certain procedures the Fund Providers must follow when notifying participants about changes to their fund.
- In Section 9, verbiage about RFPs and about investment managers providing immediate notification to the Board are recommended to be removed.

Trustee Young questioned if Segal's Investment Consultant contract with the Plan includes assisting the Plan with RFPs. Mr. Nipp said he thinks it does not. Trustee Young commented that in the past, Segal would assist the Board with RFPs.

Chairperson Rapoza asked if an RFP is conducted in the future, would Segal assist the Board and Mr. Nipp confirmed Segal would assist. Trustee Larsen asked how removing RFP verbiage from the IPS would impact the current investment related processes in the Plan. Mr. Nipp explained that removing language from the IPS that states how things should be would not change the process in which the Board does something. However, if language was included in the IPS that specifically stated how things should be done, then the Plan must follow what is stated. Chairperson Rapoza commented that he understood that by removing certain language from the IPS would make the Plan's processes less restrictive.

There were no further questions from the Board.

**A motion was made by Trustee Larsen and seconded by Trustee Hashimoto to accept the proposed changes to the Investment Policy Statement, as amended by Segal.**

**The motion passed unanimously.**

Agenda

Item #8:

Discussion of the Part-time, Temporary, Seasonal/Casual Plan (PTS Plan) Reports, including:

- a. Approval of Report on Funds Not Deposited in the State/County Treasuries for the Period Ending March 31, 2023.

Ms. Tokuda reviewed the Quarterly Plan Asset Report for the Board members for the period ending March 31, 2023. The total combined asset balance in the PTS Plan as of March 31, 2023, totaled \$145,251,194.40.

**A motion was made by Trustee Hashimoto and seconded by Trustee Young to accept the Report on Funds not Deposited in the State/County Treasuries for the period ending March 31, 2023.**

**The motion passed unanimously.**

- b. Quarterly Management Report for Period Ending March 31, 2023

The Quarterly Management Report was provided to the Board members for their review.

There were no questions from the Board.

Agenda

Item #9:

Updates on the Amendments to Title 14, Chapters 41-44, Hawai'i Administrative Rules to Add the Roth 457 option to the Plan

Ms. Tokuda presented the updates on the amendments to the Administrative Rules.

- The last update given on the rule amendments was at the March 3, 2023, meeting where staff updated the Board that they received edits from both the Attorney General's (AG) office and the Legislative Reference Bureau (LRB).
- The edits were compiled and were sent to the AG's office for preliminary review where it was approved by Deputy AG Nishiyama.
- The approved amendments were then sent to the Governor's office for their preliminary review. The Governor's office approved the amendments.
- Letters were transmitted to departments, agencies, and unions for solicitation of comments.
- A hearing for the amendments is scheduled for July 26, 2023, and public notice of the hearing was included in newspaper ads on June 26, 2023.
- The rule amendments are on track for the timeline for implementation of the Roth in January 2024.

There were no questions from the Board.

Agenda

Item #10: Other Business/Announcements

- a. Discussion on the 2023 National Association of Government Deferred Compensation Administrators (NAGDCA) Conference and Action Thereon

Ms. Tokuda provided details about the upcoming NAGDCA Conference in October.

- The 2023 NAGDCA Conference will be held in Seattle from October 8-11, 2023.
- Attendees can attend the conference in-person or virtually.
- NAGDCA supports government deferred compensation retirement plans and the conference is a great opportunity to learn and stay updated on best practices in the government retirement space.
- The Agenda for the conference is not finalized, but staff will provide more details to the Board as they are made available.

Chairperson Rapoza stated that he has attended the 2019 NAGDCA Conference in New Orleans and the 2022 NAGDCA Conference in Baltimore. He commented that there are not a lot of opportunities for government deferred compensation plan Boards to discuss with colleagues in the industry and this conference provides this opportunity. Trustee Young asked if the Board needs to nominate which members can attend the conference. Chairperson Rapoza replied that any interested Trustee can attend the conference.

**A motion was made by Trustee Young and seconded by Trustee Becker to authorize travel for interested Board Members and Board Staff Members to attend the NAGDCA 2023 Annual Conference scheduled for October 8-11, 2023, in Seattle.**

**The motion passed unanimously.**

Chairperson Rapoza recapped that attendees can attend NAGDCA in-person or virtually and both options require registration with NAGDCA. Interested Board Members are asked to confirm their attendance with Board Staff by the early bird deadline of July 31.

Trustee Becker asked what the travel dates are for the conference. Ms. Tokuda explained that the conference is Sunday, October 8 to Wednesday October 11. For travel to past NAGDCA Conferences, Board Members would depart on the Friday before the conference and return on the Wednesday after the conference if there are flights available or the Thursday after the conference. Chairperson Rapoza commented departing the Friday before the conference was usually done because it would take multiple flights to get to the destination. Since the conference will be in Seattle, it should only take one flight to get there, so Board Members could depart on Saturday instead of Friday. However, travel plans are also based on the availability of flights.

Trustee Hashimoto asked who is responsible for making the travel arrangements. Ms. Tokuda answered that she can make the arrangements directly with Empower or the Trustees can make their own arrangements and get reimbursed. Ms. Klassen added NAGDCA reserves blocks of rooms at the hotel and reservations are done online through NAGDCA which Empower has assisted staff with in the past.

There were no further questions from the Board.

Chairperson Rapoza thanked everyone for their participation in today's meeting. He adjourned the meeting at 11:06 a.m.

**(NOTE: Signed copy on file.)**