

**Minutes of
OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION BOARD**

A publicly noticed meeting of the Ohio Public Employees Deferred Compensation Board was held at the Ohio Public Employees Retirement System offices located at 277 East Town Street, Columbus, Ohio on January 16, 2024, at 9:10 a.m.

Members present: Chair Ken Thomas; Ms. Julie Albers; Senator Louis W. Blessing, III; Mr. James E. Kunk; Ms. Kathleen Madden; Mr. Scott Richter; Mr. Stewart Smith; Mr. Timothy Steitz; Mr. James R. Tilling; and Mr. Steve Toth.

Also present: Mr. Paul D. Miller, Interim Executive Director, Mr. Kevin Kirkpatrick, Ms. Renee Zysk (virtual), Mr. Jason Chang (virtual), and Ms. Cindy Ward of the Ohio Public Employees Deferred Compensation Program; Mr. Matt Gill and Mr. Cedric Gaaskjolen of Nationwide, Ms. Caroline Mills of the Attorney General's office; and Mr. Matthias Bauer (virtual), Mr. Stephen Budinsky, and Ms. Sarah Boctor of RVK, Inc. (RVK).

Member(s) absent: Representative Richard Brown; Mr. Randy V. Desposito; and Mr. Christopher Mabe.

Chair Thomas called the meeting to order.

Mr. Stewart moved, Mr. Kunk seconded to excuse Mr. Deposito and Mr. Mabe.

All aye. The motion passed without dissent.

Chair Thomas opened the floor for nominations of the 2024 Chair and Vice Chair. At the November meeting, Mr. Thomas and Ms. Albers expressed their desire to be nominated as Chair and Vice Chair, respectively. Chair Thomas and Ms. Ward noted no other nominations had been received prior to the January meeting. Chair Thomas called for nominations from the floor.

Mr. Toth moved, Mr. Smith seconded to close nominations and elect Mr. Thomas as Chair and Ms. Albers as Vice Chair by acclamation.

Chair Thomas asked for any questions regarding the motion.

Roll call vote was taken:

Senator Blessing	yes	Mr. Smith	yes
Mr. Kunk	yes	Mr. Tilling	yes
Ms. Madden	yes	Mr. Toth	yes
Mr. Richter	yes	Chair Thomas	yes

The motion passed unanimously.

Minutes

The minutes of the November 14, 2023, Board meeting were presented.

Mr. Kunk moved; Mr. Richter seconded to accept and file the minutes listed above.

Chair Thomas asked for any questions regarding the motion.

All aye. The motion passed without dissent.

Action Items

(Mr. Steitz entered the meeting.)

Mr. Gill reviewed the 2023 service statistics that included new records for the annual number of new enrollments and SMarT enrollments, the results of the satisfaction survey, and the demand for personalized services. He reported the statistical results for online withdrawals and State of Ohio auto-enrollment. He noted new fraud detection software, implementation of the JP Morgan Early Warning system to allow online updates of banking information, and success of the Virtual Adventure Center.

Mr. Gill presented the 2024 Annual Service Plan that includes onsite or virtual face-to-face services, tactics for Service Center hiring, training, and staffing for peak call volume times, and participant and employer communications. Group education will include coordinated meetings with the Ohio pension systems, and increased webinar offerings, including four new webinars presented in partnership with the Nationwide Retirement Institute.

Mr. Gill highlighted participant and employer communications, call quality management, and the rebranding project. Mr. Gill reported the 2024 primary marketing campaign theme, "Invest in you," will address topics of a secure and prosperous future, financial security, retirement readiness, and financial wellness.

(Ms. Albers entered the meeting.)

Discussion was held regarding employers with higher enrollment numbers, other IRC 457 plan providers and how we deal with competition, and the appropriateness of annuities or life insurance for participants with pensions.

Mr. Gill demonstrated participant website content showing the rebranding, online literature, and the availability of live and recorded webinars. He also demonstrated the Virtual Adventure Center that was provided to participants this fall, to help direct them to certain educational communications. Nationwide prepares a similar interactive site each year.

Discussion was held regarding elements of the website and the Virtual Adventure Center.

Mr. Albers moved; Mr. Richter seconded, to accept the Nationwide 2023 Year in Review and the 2024 Annual Service Plan as presented.

Chair Thomas asked for any questions or discussion regarding the motion.

Roll call vote was taken:

Ms. Albers	yes	Mr. Smith	yes
Senator Blessing	yes	Mr. Steitz	yes
Mr. Kunk	yes	Mr. Tilling	yes
Ms. Madden	yes	Mr. Toth	yes
Mr. Richter	yes	Chair Thomas	yes

The motion passed unanimously.

Mr. Miller presented information regarding the 2024 National Association of Government Defined Contribution Administrators (NAGDCA) Annual Conference. He explained that the conference dates conflict with the regularly scheduled September Ohio DC Board meeting, so the September meeting was moved to Tuesday October 15, 2024. Staff recommends Board approval for travel and registration for any Board member interested in attending the 2024 NAGDCA Conference.

Mr. Toth moved; Ms. Albers seconded to approve travel and registration for any Board member interested in attending the 2024 NAGDCA Annual Conference.

Chair Thomas asked for any questions or discussion regarding the motion.

Roll call vote was taken:

Ms. Albers	yes	Mr. Smith	yes
Senator Blessing	yes	Mr. Steitz	yes
Mr. Kunk	yes	Mr. Tilling	yes
Ms. Madden	yes	Mr. Toth	yes
Mr. Richter	yes	Chair Thomas	yes

The motion passed unanimously.

Discussion Items

Mr. Budinsky reviewed the evaluation process for the three-step Retirement Readiness Review, that provides insight into expected retirement income security for new participants and participants near retirement. He highlighted the base projections and analysis used in the review.

Ms. Boctor explained RVK's efforts to develop retirement readiness solutions by reviewing all initiatives, education, and resources made available by Ohio DC. Phase III of their review will provide information on potential steps to support participant retirement income needs.

Ms. Boctor reviewed the assumptions used, the projections of balance accumulations and retirement income adequacy, and the scenario analysis for new participants and participants near retirement. Discussion was held regarding the role of RMDs and taxes in the calculations.

Ms. Boctor summarized the findings of the Phase II review that includes the importance of automatic features, and the recommendation for existing participants to contribute as long as possible. Phase III will review current initiatives and additional steps to support retirement income needs. Discussion was held regarding the need to continue to educate younger participants about the need for supplemental retirement income, behavioral economics, the power of escalation and time, the asset allocation influence offered by the target date funds, and the challenges with maintaining participant engagement.

Mr. Miller mentioned upcoming RVK leadership changes emailed to the Board, and asked if the Board had any questions. Mr. Budinsky noted the plans for the leadership transition, and that no personnel changes were anticipated with the RVK team assigned to Ohio DC.

(Senator Blessing left the meeting.)

Mr. Kirkpatrick reviewed the status of the Strategic Plan objectives, including the completion of Strategic Objective 2-49, Complete Phase III of the recordkeeping modernization project. He provided a history of the three phased recordkeeping modernization project, including the development of the participant website, enhancements, security improvements, and operational efficiencies. Mr. Kirkpatrick highlighted the planned projects, for which staff will evaluate the cost-benefit of outsourcing IT resources versus adding internal staff. Staff consider Strategic Objective 2-49 to be complete.

Chair Thomas indicated he had been asked to continue the discussions on the staffing model for Ohio DC. At the August Strategic Planning meeting, three possible staffing models were reviewed. Staff were directed to identify and begin using purchased services in 2024 to supplement the Ohio DC staff. Chair Thomas identified a potential motion that would move forward with making Ohio DC a subcomponent of the OPERS and define the legislation for this to occur.

Chair Thomas discussed the need for the Board's leadership to decide what direction to take, to move forward on the August Strategic Planning meeting discussions regarding potential Ohio DC staffing models. He indicated that to move this forward, at some point, there would need to be a motion by the Board to instruct staff to work with OPERS senior administration to seek legislation to merge Ohio DC into OPERS. Chair Thomas indicated that was looking for the Board's sentiment on continuing with purchased services, how to proceed with the Executive Director position, and the direction of the staffing model.

Comments were given by each Board member present at the meeting. Discussion was held regarding the need for proper review and discussion at future meetings before a motion was made to set the path of the Program. Several Board members commented on the necessity of getting a cost/benefit analysis, looking at the pros and cons, identifying challenges, and having further discussion to determine the direction or the hiring of an Executive Director, before requesting any legislative change.

Discussion was held about continuing the current path to help with under resourced staff by finding competitive outsourced resources, the need to develop a process to evaluate the potential staffing models and get all ideas on the table, address vulnerabilities, plan for the retirement of senior staff, analyze the costs to provide justification for a change, and to create transparency. It was noted that, before taking any next steps, the Attorney General's office could be consulted to provide guidance or provide other things to consider if legislative changes would be needed later in the process.

Discussion was held regarding the make-up of the Ohio DC and OPERS boards, and the need to have similar discussions at OPERS meetings. It was decided to move more swiftly on looking at purchased services, continue discussions at future meetings, and determine what assistance might be needed to provide the Board with necessary information to help determine the next steps and develop a process for moving forward that is in the best interest of the Plan and the participants.

Information Items

There was no additional discussion regarding the Information Items.

Chair Thomas thanked the Board for the robust discussion.

Mr. Toth moved; Mr. Kunk seconded to adjourn the meeting at 12:15 p.m. until the next regular meeting of the Board, March 19, 2024, to be held at the Ohio Public Employees Retirement System offices, located at 277 East Town Street.