



## **Meeting Minutes | Retirement Policy Committee**

Wednesday, March 3, 2021 | 12:30 p.m.

Via Zoom Conference

Minutes Approved July 28, 2021

**Board Members Present:** Chairman Steve Heisler, Ms. Paige Lewis, and Sheriff Steve Mueller

**Board Members Absent:** Mr. Ed Walton

**Others Present for All or a Portion of the Meeting:** Peggy Boykin, Robby Brown, Ashley Brindle, Sarah Corbett, Jessica Moak, Heather Muller, Travis Turner, Stephen Van Camp, Angie Warren, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Nancy Ornduff from Empower Retirement; and Mike Wright and Joe Ferguson from Segal Marco Advisors.

### **I. Call to Order**

Chairman Steve Heisler called the PEBA Retirement Policy Committee (Committee) meeting to order at 12:30 p.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

### **II. Approval of Meeting Minutes-December 2, 2020**

Ms. Paige Lewis made a motion, which was seconded by Chairman Heisler, and passed unanimously, to approve the minutes from the December 2, 2020, Committee meeting.

### **III. Deferred Compensation Program Amendments**

Ms. Ashley Brindle, Defined Contribution Manager, reviewed two Deferred Compensation Program amendments as a result of the Further Consolidated Appropriations Act 2020, which was signed into law on December 20, 2019. Ms. Brindle advised that two of the acts incorporated in the Further Consolidated Appropriations Act impact governmental defined contribution plans and participants. These acts include mandatory and optional provisions of the Setting Every Community Up for Retirement Enhancement (SECURE Act), and the Bipartisan American Miners Act of 2019, which impacts the Deferred Compensation Program and the State Optional Retirement Plan (State ORP).

Ms. Lewis made a motion, which was seconded by Chairman Heisler, and passed unanimously, to recommend to the PEBA Board that it adopt the following optional provisions for the Deferred Compensation Program:

1. Allow qualified birth or adoption distributions from the Deferred Compensation Program 401(k) and 457(b) plans as authorized by the SECURE Act and related Internal Revenue

Service (IRS) guidance, effective April 1, 2021, with conforming plan amendments to be made at a later time; and,

2. Allow in-service distributions from the Deferred Compensation Program 457(b) plan at age 59½ as authorized by the Bipartisan Miners Act of 2019 and related IRS guidance, effective April 1, 2021, with conforming plan amendments to be made at a later time.

#### **IV. Defined Contribution Quarterly Reports**

Mr. Mike Wright and Mr. Joe Ferguson from Segal Marco Advisors presented the South Carolina Defined Contribution Plans report for the quarter ending December 31, 2020. Mr. Wright provided a market overview, and stated that U.S. equity remained positive with a fourth-quarter return of 14.7 percent, and 20.9 percent year-to-date.

Mr. Ferguson reviewed the South Carolina Deferred Compensation Program (Deferred Comp) investment performance for the fourth quarter of 2020, and reported that the Hartford Mid Cap fund placed below its index for the three and five-year periods, and is in the bottom half of its peer group universe. Segal Marco will continue to monitor this investment option on an informal basis.

Mr. Ferguson turned the discussion to the State Optional Retirement Program (State ORP) investment performance for the fourth quarter of 2020, and stated that Voya replaced MetLife as a record keeper in the State ORP effective January 1, 2021.

Mr. Ferguson reported that none of the investment options in the current MassMutual lineup are under informal review, and reminded the Committee that the Board approved the removal of a balanced fund, and addition of an international equity index fund. These changes were implemented in January 2021.

Mr. Ferguson also reminded the Committee that the Board approved the removal of the CREF Social Choice and TIAA-CREF Real Estate Securities funds, and the addition of an international equity index fund. These changes were implemented in January 2021.

Mr. Ferguson advised that the CREF Inflation Linked Bond placed below its index for the three and five-year periods, and is in the bottom half of its peer group universe. Segal Marco will continue to monitor this investment option on an informal basis.

Mr. Ferguson reviewed the scheduled lineup changes for AIG that the Board approved including the removal of the Vanguard Healthcare Fund, and the addition of an international equity index fund. The Vanguard Institutional Index, T. Rowe Price Large Cap Growth, and Vanguard Target Date Funds were also approved to be replaced in January 2021. Mr. Ferguson advised that none of the current funds that will remain in the AIG lineup after the January changes are on informal review.

#### **V. Deferred Compensation Program Plan Summary**

Ms. Nancy Ornduff, from Empower Retirement, presented the fourth quarter Deferred Compensation plan activity summary to the Committee. Ms. Ornduff reviewed the investment transfer activity during the 2020 market fluctuations due to COVID-19, and reviewed the Coronavirus, Aid, Relief and Economic Security (CARES) Act loans and withdrawals for the fourth quarter.

Ms. Ornduff concluded her presentation by reviewing a plan statistics summary; retirement plan advisory activity; the number of new enrollments for the fourth quarter; and participant engagement activity.

**VI. Old Business/Director's Report**

Ms. Peggy Boykin, Executive Director, stated that she would provide the Director's Report at the full Board meeting.

**VII. Adjournment**

There being no further business, and upon motion by Ms. Lewis, which was seconded by Sheriff Steve Mueller, and approved unanimously, the Committee meeting adjourned at 1:18 p.m.