



## Meeting Minutes | Retirement Policy Committee

Wednesday, March 1, 2023 | 1:00 p.m.

202 Arbor Lake Dr., Columbia, SC 29223 | First Floor Conference Room

Minutes approved June 21, 2023

**Board Members Present for All or a Portion of the Meeting:** Mr. Calvin Elam, Sheriff Steve Mueller, PEBA Board Chairman Joe “Rocky” Pearce, Committee Chairman Paige Lewis, and Mr. Ed Walton.

**Others Present for All or a Portion of the Meeting:** Peggy Boykin, Ashley Brindle, Donald Brock, Amber Carter, Justin Ellis, James Manning, Heather Muller, Tammy Nichols, Sheila Pinckney, Danielle Quattlebaum, Travis Turner, Justin Werner, Faith Wright, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Jared Hardin from CapTrust; Nancy Ornduff from Empower; Amy Heyel, Greg Miller, Heather Peters, and Jennifer Yellott from Corebridge; Andrew Barres, Josh Freely, and Austin Morris, from TIAA; Carl Goodwin from Voya; and Sam Griswold from the State Retirees Association of South Carolina.

**Others Present for All or a Portion of the Meeting Via Virtual Means:** Marcia Peters from CapTrust; and Angie Warren from PEBA.

### I. Call to Order

Chairman Paige Lewis called the PEBA Retirement Policy Committee (Committee) meeting to order at 1:00 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 7, 2022

Sheriff Steve Mueller made a motion, which was seconded by Mr. Ed Walton, and passed unanimously, to approve the minutes from the December 7, 2022, Committee meeting.

### III. Defined Contribution Plans Quarterly Investment Performance Report

Mr. Jared Hardin, Financial Advisor from CapTrust, provided market commentary for the quarter, specifically noting positive quarterly results in all major asset classes, with large value stocks that generate current cash flows leading the returns.

Mr. Hardin reviewed the South Carolina Deferred Compensation Program (Deferred Comp) investment performance for the fourth quarter of 2022, and stated that CapTrust recommends keeping the T. Rowe Price Growth Stock fund on the watch list for further review. Ms. Marcia Peters, Senior Investment Analyst, provided the rationale behind this investment recommendation.

Mr. Hardin also advised that CapTrust previously recommended replacing the Hartford Mid Cap Growth fund investment option effective March 10, 2023.

Mr. Hardin turned the discussion to the State Optional Retirement Program (State ORP) investment performance for the fourth quarter of 2022, and stated that CapTrust recommends keeping the MassMutual Select Blue Chip Growth I fund in the Empower Retirement investment lineup on the watch list for further review. Mr. Hardin also advised that CapTrust previously recommended replacing the Invesco Oppenheimer International Growth fund, also on the Empower Retirement investment lineup, effective March 10, 2023. Ms. Peters provided the rationale behind these investment recommendations.

#### **IV. Deferred Compensation Program Quarterly Plan Summary**

Ms. Nancy Ornduff, from Empower, presented the fourth quarter of 2022 Deferred Compensation Program quarterly plan summary to the Committee. Ms. Ornduff reviewed the plan statistics for the fourth quarter, including participant accounts; assets; contributions and distributions; rollovers; new enrollments; and participating employers.

Ms. Ornduff concluded her presentation by reviewing retirement plan advisory activity; outreach to participants and employers during the third quarter; and website and call center statistics.

#### **V. State ORP Service Provider Review (Voya Financial)**

Mr. Travis Turner, Deputy Director and Chief Financial Officer, introduced Mr. Carl Goodwin, Vice President, Client Relationship Manager, with Voya Financial, to provide a service overview of their investments in the State ORP program. Mr. Goodwin stated that Voya joined the State ORP January 1, 2021, and assets totaled over \$434 million as of the fourth quarter 2022, with 11,263 active participants, and a median participant balance of \$13,689.

Mr. Goodwin concluded by reviewing participant engagement and Voya's communication initiatives.

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

Ms. Peggy Boykin, Executive Director, reviewed the Secure 2.0 Act which is a massive Federal pension bill intended to expand coverage, increase retirement savings, and makes major changes to distribution rules, catch-up provisions, and participant disclosures. Ms. Boykin stated that there are many issues with the Secure 2.0 Act that will need to be addressed before implementation.

Ms. Boykin advised that there have been several bills filed in the State legislature regarding the current \$10,000 earnings limitation. Ms. Boykin reviewed the complexities of the earnings limitation with the Committee, and pointed out several provisos that would exempt certain employees from the earnings limitation. Ms. Boykin reported that it would cost approximately \$140 million to remove the earnings limitation from the Police Officer's Retirement System (PORS), and approximately \$800 million to remove the earnings limitation from the South Carolina Retirement System (SCRS).

#### **VII. Adjournment**

There being no further business, and upon motion by Mr. Calvin Elam, which was seconded by Sheriff Mueller, and approved unanimously, the Committee meeting adjourned at 2:13 p.m.