

**Deferred Compensation
Meeting Minutes
January 23, 2025
In Person with Remote Attendance**

Members Present

Tom McKone (in person)
April Morgan (in person)
Lisa Smith (in person)
Leticia Nieto (in person)

Non-Members Present

Tamme Ford	Joshua Schwartz
Eduardo Duran	David Fowler
Darryl Collier	Rachel Bossard
Janice Irving	

Call to Order

The January 23, 2025, meeting was called to order at 2:11 p.m.

Minutes

Upon a motion by Ms. Smith and a second by Ms. Nieto minutes of the December 19, 2024, regular meeting was approved.

Hardship Report

Mr. Collier presented the December 2024 hardship report. The 457 Plan showed 26 transactions processed, with 5 pending from the previous month. There were 12 transactions approved and processed and 14 pending. There were 14 not in good order (NIGO) by the participant. The 401k Plan showed 36 transactions processed, with 15 pending from the previous month. There were 15 transactions approved and processed and 21 pending. There were 21 not in good order (NIGO) by the participant. Total paid out year to date between both plans is \$1.8M with an average distribution of \$5,548.

Old Business

Loans Update – Mr. Collier reported that in the 457 Plan, 1,082 or 13.5% of participants have an outstanding loan with an average balance of \$10,573 for a total of \$11.4M. In the 401k Plan, 808 or 17.6% of participants have an outstanding loan with an average balance of the loan is \$5,710 for a total of \$4.6M.

Hardship Process Discussion – Mr. Collier confirmed that a decision was made to migrate to Empower's internal standard hardship process. He noted there are a couple of items to be discussed regarding the loss of income and whether to continue with the way it was done in the past, however it is in progress and should be implemented by the end of the month.

New Business

Participant Activity Report – Mr. Duran reported for the month of December 2024 there were 274 one on one meetings, and 8 group meetings with a total of 431 group attendees of which 268 were Financial Friday attendees.

Plan Expense Account Funding – Mr. Collier explained that when Empower renewed their contract in April of 2023, there was a reduction in the recordkeeping fee which was down from 6 bps to 4.99. The revenue share, or what is referred to as the PEA or EBA funding remained at 3 bps as well. The way the platform worked with MassMutual is, you would take the 6 bps + 3, and that would be the 9 bps recordkeeping fee that would be assessed to plan participants. Three of that 9 bps would then be taken out of their income and put into the PEA or EBA bucket for the CTA. The Empower platform works different. The 4.99, which was just the recordkeeping side of it + 3 should have been 7.99 to be assessed. Instead, the 3 bps was not set up correctly so when the 4.99 was collected, 3 was sent to the CTA leaving Empower with 1.99. Instead, this should have been set up in 2 different buckets, which would have resulted in a recordkeeping fee of 4.99 and an EBA of 3 bps going in together which to the participant would be 7.99, but behind the scenes they would be separately accounted for, however the split never took place. Participants were being charged 4.99 instead of 7.99, and of that 4.99 they were remitting 3 of it back to the CTA for funding in the EBA. He suggested charging participants 7.99 to recover the 3 for future purposes. This would result in participants being charged \$1.25 more per month. The amount of revenue that Empower deposited into the accounts are all the amounts that would have been deposited to the EBA for the 2 plans, so in total there was \$291,000 that was deposited which represent the 3 bps.

One option is to collect the 3 on top of the 4.99 and replenish what was paid out. Option 2 would be to take the 3 from participants, keep 2.5, and credit CTA one half, keeping that going into the EBA. Mr. Schwartz added that RPA will confirm that the deduction from participant accounts was in fact 4.99. Mr. McKone suggested that rather than going with the maximum, to maybe consider what the minimum amount is that can be charged to participants to resolve this. He also suggested a third option to consider a one-time payment from the EBA to help pay for some of that uncaptured amount. Mr. Schwartz and Mr. Collier work on funding scenarios and send to the committee in advance of February meeting and Mr. Collier will consult with Empower's compliance team to determine what notification is required for the participants.

General Administration

Bills – Upon a motion by Ms. Nieto and a second by Ms. Smith an invoice for Burke, Warren, MacKay & Serritella for December 2024 was approved. Upon a motion by Ms. Smith and a second by Ms. Morgan an invoice for Retirement Plan Advisors for the 4Q2024 was approved.

Adjournment

The meeting adjourned at 2:45 p.m.

Respectfully Submitted,

Janice Irving
Plan Administrator