

**Nevada System of Higher Education (“NSHE”)  
Minutes of the  
Retirement Plan Advisory Committee Meeting  
December 9, 2022**

The Retirement Plan Advisory Committee (“Committee”), the fiduciary committee for the Nevada System of Higher Education Defined Contribution Retirement Plan Alternative (the “401(a) Plan”), Nevada System of Higher Education Supplemental 403(b) Plan (the “403(b) Plan”), Nevada System of Higher Education Medical Resident/Postdoctoral Scholar Retirement Plan (the “Medical Resident Plan”), the Excess Benefit Plan of the Nevada System of Higher Education (the “415(m) Plan”), and University of Nevada System Defined Contribution Retirement Plan Education (the “Pre-99 Plan”) (collectively referred to as the “Plans”), met, pursuant to notice, on December 9, 2022 via video conference. Present were voting members: Michelle Kelley (Chair), Kim Beers (Business Center North, University of Nevada, Reno “UNR”), Amy Cavanaugh (Truckee Meadows Community College; “TMCC”), Kent Ervin (University of Nevada, Reno; “UNR”), Zarah Gayrama-Borines (Nevada State College; “NSC”), Scott Nielsen (Great Basin College; “GBC”), Jennifer Schultz (Desert Research Institute; “DRI”), Brad Summerhill (Faculty Senate Chairs), Paul Thistle (University of Nevada, Las Vegas; “UNLV”), Bob Whitcomb (Western Nevada College; WNC), Daniel Williams (Retiree), all being voting members of the Committee.

Voting Committee member Jerry Lockhart (College of Southern Nevada; “CSN”) was unable to attend.

Attending the meeting by invitation were Kim Dawes (Benefits Specialist, UNLV), Seresa Greer (BSN), and David Montes (NSHE), and Leon Kung and Dan Pawlisch of Aon Investments USA Inc. (“Aon”).

### **Call to Order**

The meeting was called to order at 9:05 a.m. by Kelley.

### **Approval of Minutes from August 31, 2022**

The Committee reviewed and approved the minutes from the August 31, 2022 Committee meeting.

### **Executive Officer Report**

Kelley advised those present that Montes had been hired as NSHE’s new Retirement Plan Coordinator effective January 1, 2023.

Kelley informed those present that Thistle will be retiring at the end of 2022, and this would be his last Committee meeting. Kelley thanked Thistle for his service and time on the Committee. Kelley indicated that she will be discussing the Committee’s retiree position with Williams as Thistle has expressed an interest to remain on the Committee.

Kelley advised those present that the recordkeeping RFP had been completed, and TIAA will continue to be retained as the Plans’ recordkeeper. She noted that TIAA’s annual recordkeeping fee was reduced to \$28 per unique participant effective October 1, 2022, for a period of five-years. This fee will be deducted

from participant accounts with assets greater than \$100 across the 401(a) Plan, Medical Resident/Postdoctoral Fellow 403(b) Plan, NSHE Supplemental 403(b) Plan, and 415(m) Excess Benefit Plan, up to a maximum account balance of \$300,000. Based upon these new figures, Kelley indicated that the annual plan servicing fee is being reduced from 2.82 basis points to 2.3 basis points beginning December 21, 2022 (the cap does not apply to legacy TIAA assets). In addition, participants in Retirement Choice / Retirement Choice Plus contracts will continue to be assessed an annual per-participant fee of \$12 (\$3 per quarter) regardless of the total number of plans in which they participate.

Kelley provided an update on fund changes previously approved by the Committee. She indicated that existing balances in and future contributions to the Dodge & Cox Global Stock Fund – I will be directed to the Dodge & Cox Global Stock Fund – X (DOXWX) beginning on December 20, 2022. In addition, the Vanguard Target Retirement 2070 Trust Plus CIT will be added to the lineup of the 401(a) Plan and the Vanguard Target Retirement 2070 mutual fund (VSVNX) will be added to the lineup of the remaining Plans as of December 20, 2022.

Kelley solicited feedback from the Committee regarding the rebranding of participant communications for 2023. She requested that members provide their preferences regarding TIAA's suggested designs so materials can be updated by July 1, 2023.

In a settlor manner, Kelley provided a recap of the Fall 2022 Retirement Week, including a summary of topics and the number of attendees. She indicated that the Spring 2023 Retirement Week is being planned for March 20 -24 and will include several expanded topics, including purchasing a home, saving for college, and mental health during market volatility. Schultz requested that information regarding the Windfall Elimination Provision be included as a topic. Kelley indicated she would take this into consideration.

Returning to fiduciary matters, Kelley advised those present that Lockhart will be retiring effective December 31, 2022, and she was working with representatives from CSN to identify his replacement on the Committee. Kelley also noted that she is working with representatives from UNLV to identify a replacement for Thistle on the Committee.

Kelley advised those present that retirement contribution rates for Nevada PERS will increase in 2023. As a result, required participant contributions for the 401(a) Plan will increase from 15.5% to 17.5% effective July 1, 2023. Whitcomb inquired as to when/how this change will be communicated to participants. Kelley indicated that representatives from campus HR are responsible for notifying participants. In a settlor manner, Ervin asked if information regarding the lump sum return of furloughs for all state employees will be included in HR communications to participants. Kelly noted the Committee is unable to control this messaging. However, participants with short-term needs can access their 401(a) Plan balances via a loan.

Greer and Kung joined the meeting.

## **Campus Updates**

In a settlor manner, Schultz discussed the positive feedback she received from participants regarding the most recent Retirement Week. She also noted the potential to add Medicare as a future topic through Via Benefits.

Returning to fiduciary matters, Beers indicated that TIAA has shifted their group education sessions from Tuesdays and Thursdays to Fridays. She also noted that attendance at regular retirement counseling sessions remains strong with participants frequently asking for information regarding Medicare.

Ervin noted that a recent survey indicated that faculty employees are upset with compensation, but happy with the NSHE retirement plan.

Greer left the meeting.

## **Quarterly Investment Review**

Kung led a discussion regarding the contents of a previously distributed report titled "Nevada System of Higher Education, Third Quarter, 2022 Discussion Guide (Discussion Guide)." Kung noted that a previously distributed document titled "Nevada System of Higher Education, Third Quarter, 2022 Investment Review" was for the Committee's reference.

Pawlisch noted that detailed slides regarding the capital markets was included in the Third Quarter, 2022 Investment Review. Referring to the Discussion Guide, Pawlisch reviewed the current state of the overall economy, the domestic and international equity markets, and the bond markets during the third quarter of 2022.

Kung discussed the Plans' asset allocation and noted situations in which there were exceptions to, or comments on, the targeted performance, company structure, or other relevant aspects of the funds offered against the Plans' Investment Policy Statement. After a thorough discussion and review of the materials provided, the Committee agreed to keep the DFA Inflation-Protected Securities Fund and T. Rowe Price Instl. Large Cap Growth Fund on the watch list.

Kung discussed participant contribution and transfer activity. He also reviewed the Plans' Annual Investment Fee Monitoring & Transparency, noting that the fees for all the Plans' investments were reasonable relative to the medians of applicable peer groups. Kung also reviewed the Plans' Morningstar Model Portfolios' allocations and performance as of September 30, 2022.

After a thorough discussion and review of the materials provided, the Committee accepted the reports provided by Aon.

## **Self-Directed Brokerage Window Review**

Pawlisch discussed the prevalence of Self-Directed Brokerage Windows (SDBWs) in defined contribution plans and the Department of Labor's guidelines for fiduciaries with respect to monitoring SDBWs. He noted that Aon rates TIAA's SDBW product a "2.9" on a 1-3 scale. After thorough discussion, the Committee concluded, based on the information provided, that it would be in the best interest of the Plans' participants and beneficiaries to continue to offer TIAA's SDBW product.

At the Committee's request, Pawlisch agreed to work with TIAA to obtain the following information:

- Number of funds that generate revenue sharing in the SDBW and amount being collected by TIAA
- Any funds available with loads (front or back end)
- Funds with potential cryptocurrency exposure

## Other Business

Kelley advised those present that communications regarding forced RMDs is now automated for participants not employed by NSHE as of December 31<sup>st</sup>.

At Ervin's request, Pawlisch provided a verbal update regarding potential legislation in Secure 2.0 that would allow 403(b) plans to invest in Collective Investment Trusts.

At the Committee's request, Aon agreed to provide an update on retirement income solutions, including those available through TIAA Traditional, at a future meeting.

Kelley noted the next Committee meeting will be held via video conference in February 2023. The May 2023 Committee meeting will likely be in-person in Las Vegas and include fiduciary training.

## Adjournment

There being no further business before the Committee, the meeting adjourned at 11:15 p.m.

  
Michelle Kelley, Director Retirement Plan  
Administration

2/14/2023  
Date Signed

Reviewed by:

  
Andrew Clinger, NSHE Chief Financial Officer

02/27/2023  
Date Signed