

**Nevada System of Higher Education (“NSHE”)
Minutes of the
Retirement Plan Advisory Committee Meeting
February 13, 2023**

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 February 13, 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”), Julie Konkol (Director, Benefits and HR Operations, UNLV), Kent Ervin (University of Nevada, Reno; “UNR”), Ayla Koch (College of Southern Nevada; “CSN”) Scott Nielsen (Great Basin College; “GBC”), Jennifer Schultz (Desert Research Institute; “DRI”), Brad Summerhill (Faculty Senate Chairs), Robyn Raschke (University of Nevada, Las Vegas; “UNLV”), Bob Whitcomb (Western Nevada College; WNC), all being voting members of the Committee.

Voting Committee members Zarah Gayrama-Borines (Nevada State College; “NSC”) and Paul Thistle (Retiree) were unable to attend.

Attending the meeting by invitation were 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 December 9, 2022

The Committee reviewed and approved the minutes from the December 9, 2022 Committee meeting.

Executive Officer and Chair Report

Kelley informed those present of the following Committee member changes: Daniel Williams has resigned from the Committee and Thistle will replace Williams as the Retiree Representative; Jerry Lockhart has resigned from the Committee and Koch has joined as the CSN Representative; and Raschke has joined the Committee as the UNLV Representative.

Kelley led a discussion of the provisions included in the SECURE 2.0 Act of 2022, which was signed into law on December 29, 2022, as part of the Consolidated Appropriations Act of 2023. Kelley highlighted the following provisions:

- Required Minimum Distributions (RMDs): The RMD age will increase from age 72 to age 73 beginning in 2023 and to age 75 beginning in 2033.
- Catch-up Contributions: Catch-up contributions must be designated as Roth for employees with earnings greater than \$145,000 and will be optional for other employees, beginning in 2024.
- Catch-up Contributions: Increase of the catch-up contributions to \$10,000 for participants 60, 61, 62 and 63 beginning in 2025.
- Collective Investment Trusts in 403(b) Plans: Security law changes are still needed to make CITs viable investment options for 403(b) plans.

Kelley informed the Committee that the approval of retirement distributions and loans with the Retirement Administrative Office at NSHE has been complete, finishing the implementation of the recommendations from the NSHE Internal Audit conducted in 2022. Additionally, she informed the Committee that the \$50.00 retirement plan compliance fee was now being collected through payroll deduction. Participants will continue to apply for loans through the TIAA website where they are informed that they will receive an email from NSHE instructing them on how to pay the \$50.00 Loan Compliance Fee. The employee will receive an email from Kelley's email address containing a link to a docuform that, once signed, is routed to Payroll who will deduct the \$50.00 fee from the employees next paycheck. Once the form is signed, Kelley receives a notification and will review and approve the retirement plan loan.

Kelley introduced the new Retirement Administration Knowledge Group that will serve as a retirement knowledge resource for all NSHE institutions. The purpose of this group is to provide knowledge and skills to HR representatives so they can answer retirement plan questions accurately and confidently, to encourage cross-campus collaboration and process alignment of retirement plan administration, and to develop a direct line of communication to and from each institution. Representatives include Montes and HR Benefits representatives from each campus and will meet monthly.

Kelley provided an overview of the Spring Retirement Week scheduled for March 20th – 24th which will include two to three education sessions per day. Potential topics that will be addressed include home financing, managing anxiety in the workplace, social security, retirement income, Medicare, Health Savings Accounts, and lifetime income.

Kelley provided a summary of the TIAA Forum and highlighted TIAA's new leadership and investment in technology, noting an overall positive experience.

Ervin joined the meeting.

Campus Updates

In a settlor capacity, Beers informed the Committee that the Institutional Finance and Human Resources are currently reviewing long-term disability providers and pricing request for information responses with consideration of implementing an NSHE sponsored Long Term Disability benefit in 2024.

The Committee had a brief discussion of the Nevada Legislative Session with Ervin discussing the possibility of cost-of-living allowance increase. There was a brief discussion regarding the Nevada PERS actuarial study that determined that retirement contributions will increase on July 1, 2023 to 17.5%

from the current rate of 15.5% without legislative action. Beers inquired when campuses should start pushing out information on the PERS increase from 15.5% to 17.5%.

Ervin left the meeting and Pawlisch joined the meeting.

Quarterly Investment Review

Returning to fiduciary matters, Kung led a discussion regarding the contents of a previously distributed report titled “Nevada System of Higher Education, Fourth Quarter, 2022 Discussion Guide (Discussion Guide).” Kung noted that a previously distributed document titled “Nevada System of Higher Education, Fourth Quarter, 2022 Investment Review” was for the Committee’s reference. Kung reviewed the current state of the overall economy, the domestic and international equity markets, and the bond markets during the fourth 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 T. Rowe Price Instl. Large Cap Growth Fund on the watch list and remove the DFA Inflation-Protected Securities Fund from the watch list. Whitcomb made a motion to direct Aon to identify potential alternative investment manager candidates. The Committee approved. Kung agreed to provide a U.S. Large Cap Growth Equity manager search at the next regularly scheduled meeting.

Kung discussed participant contribution and transfer activity. He also reviewed the investment management fees for the investments in the Plans, comparing them to the medians of the applicable peer groups. Kung also reviewed the Plans’ Morningstar Model Portfolios’ allocations and performance as of December 31, 2022.

Pawlisch provided an overview of recent regulatory policies regarding environmental, social and governance (ESG) investing.

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

Self-Directed Brokerage Window Follow-Up

Kung noted that at the last meeting, the Committee requested additional information regarding the self-directed brokerage window. Specifically, Kung informed the Committee that TIAA’s brokerage does not allow direct investment in cryptocurrency or Class A share mutual funds if there is no load waive agreement. Kung also reviewed the TIAA revenue collected over the last twelve months from the self-directed window.

Legacy Defined Contribution Plan Review

Kung led a discussion of a previously distributed document titled “Nevada System of Higher Education Fourth Quarter 2022 Legacy Defined Contribution Plan Review.” He discussed the asset allocation for the Plans’ legacy vendors (TIAA and Corebridge Financial) noting that the investment options were no longer

open for participant contributions. He noted the Committee does not have control over the legacy vendor assets since such amounts are under participant control. Kung also reviewed the fund performance and expense ratios by vendor.

Other Business

Kelley noted that the next Committee meeting a two-day meeting, with day one being a video conference where the Committee will undergo Fiduciary Training. The second day of the meeting will be held on June 1, 2023 in Las Vegas (in-person), where the TIAA Team will be invited to attend.

Kelley informed the Committee that an RFP for investment consulting services will be issued in the coming months. Kelley, Montes, Thistle, and Whitcomb will oversee the RFP process and participate in the candidate interviews.

Adjournment

There being no further business before the Committee, the meeting adjourned at 12:00 p.m.

Reviewed by:


Michelle Kelley, Director Retirement Plan Administration


Andrew Clinger, NSHE Chief Financial Officer

5/23/2023
Date Signed

6/28/2023
Date Signed