

# Introduction to Governmental Defined Contribution Plans

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# Introduction to Governmental Defined Contribution Plans



**Sandy Blair**  
California Savings Plus



**Rasch Cousineau**  
Hyas Group



**Steve Rose**  
County of Nevada



# Today's Agenda

- 1. Poll
- 2. Governance
- 3. Best Practices
- 4. Resources

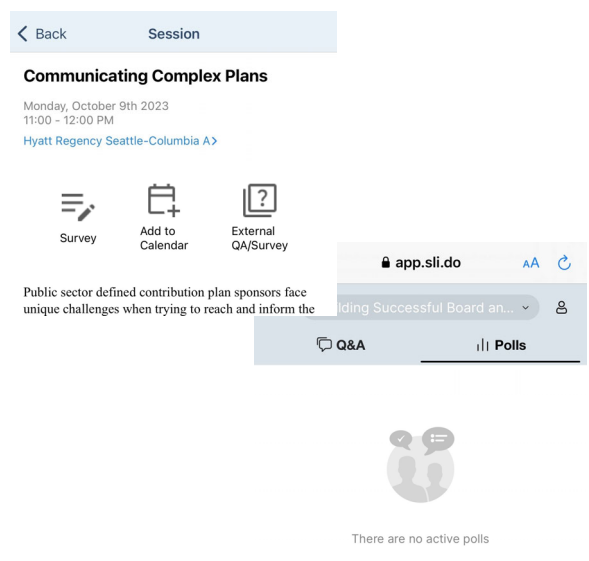


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# Polling


- 1. Open this session in the app.
- 2. Select **“External QA/Survey.”**
- 3. Select **“Polls.”**
- 4. Submit your response(s) as the poll(s) open.




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**slido**

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## How many assets in your plan(s)?

 Start presenting to display the poll results on this slide.


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## What types of plans do you offer? (check all that apply)

 Start presenting to display the poll results on this slide.

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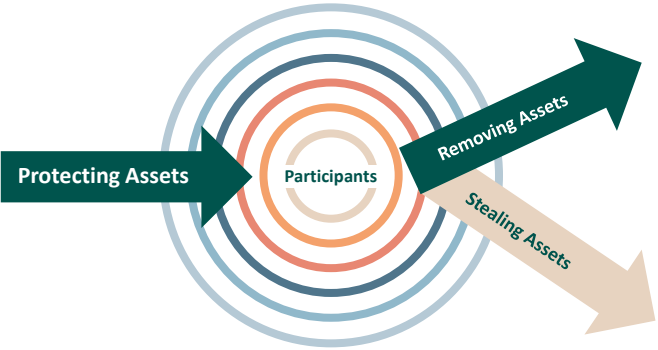


## What role do you play?

ⓘ Start presenting to display the poll results on this slide.


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## Plan Governance: Overview



- Recordkeeper
- Plan Sponsor
- Plan Consultant
- Outside Legal Counsel
- Asset Management Companies/Funds/Trust/Board of Directors
- Trust Company and Custodian
- NAGDCA

- Investment Advisors
- Stockbrokers
- Insurance Annuity
- Individual Retirement Account (IRA)
- Hackers
- Fraudsters

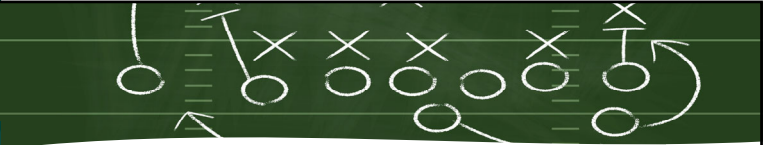


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# Plan Governance: Documents



## The Plan Sponsor Game Book

- Committee Bylaws/Charter
- Process - Agendas/Minutes/RFP/RFI
- Expenses - Fee Policy/Budget/Benchmark
- Investments - Investment Policy Statement
- Security - Cybersecurity Policy

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# Plan Governance: Committee



- Agendas/Minutes
- Meeting Frequency?
- Bylaws/Charter
  - *Who is on the Committee?*
  - *Elected/appointed/both?*
  - *Terms?*
  - *Must be a participant*
  - *Alternates?*


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## Plan Governance: Expenses

- Three major types: Recordkeeping, Investment, & Plan
- Continuously monitor and benchmark all fees
- You control Plan expenses more than any other cost



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## Plan Governance: Plan Expenses

- What are your Plan-related expenses?
- Who pays and how?
- Do you have a Plan expense budget?
- Develop a Fee Policy
  - *Details recordkeeping and plan expenses*



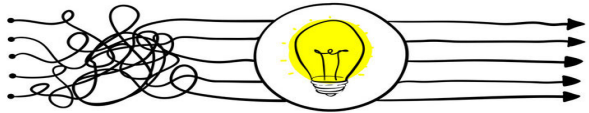
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# Plan Governance: Investments

- Consultant – 3(21) vs. 3(38)
- Fund lineup structure
  - *Less is more?*
  - *CITs vs. Mutual Funds*
  - *Zero revenue vs. revenue share*



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# Plan Governance: Investments

## Investment Policy Statement

- Who develops?
- Who reviews/approves?
- How often to update?
- Synch IPS compliance to ongoing performance reports.



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# Plan Governance: Cybersecurity

## Cybersecurity Statement

- Purpose/definitions
- Tips for keeping accounts safe and secure
- Minimum requirements for participants
- Recordkeeper Cybersecurity policies and procedures
- Plan Sponsor Cybersecurity policies and procedures
- Incident response overview
- Review annually and update as necessary



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# Plan Governance: Training

## Fiduciary Training

- How often? Who provides?
- Possible content:
  - Background of retirement plans
  - Current Legal/Regulatory updates
  - Fee benchmarking and best practices
  - Investment updates and review
  - Cybersecurity training
  - Request for Proposal (RFP) training




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## By the Numbers

### DC Plan Design

Nevada County Plans  
457(b) & 401(a) Plans



# \$46,716,285


In total assets, as of March 31, 2024.

## \$45,163,154

693 Participants  
457 Plan Assets

## \$926,283

28 Participants  
401(a) Plan Assets



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## County of Nevada: Lessons Learned + Best Practices

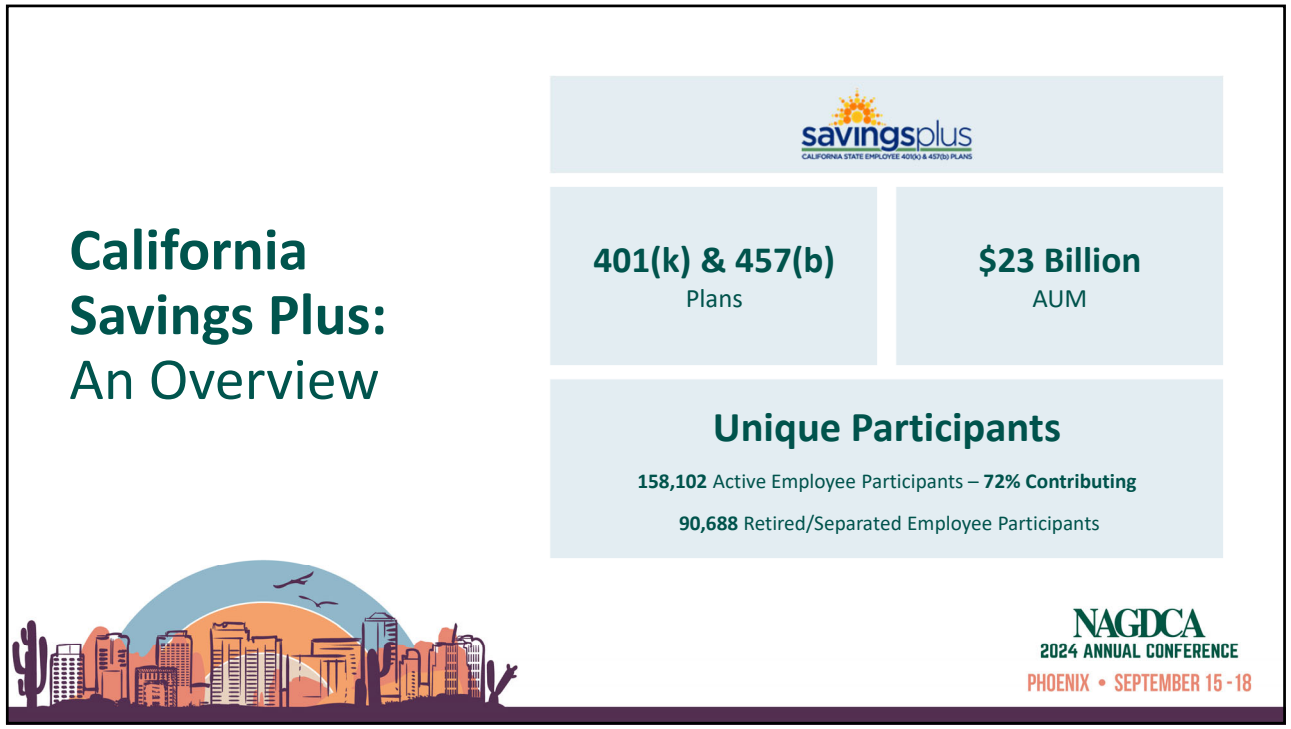
2018	2019	2020	2021	Present
<p>Asked to make major plan decisions.</p> <ul style="list-style-type: none"> <li>• No Fiduciary plan or committee.</li> <li>• Three recordkeepers.</li> <li>• Disjointed, no synergy of effort education or strategic plan.</li> </ul>	<p>Research on a Fiduciary consultant and drafted Fiduciary committee charter.</p>	<p>Hyas Group became our Fiduciary consultant.</p>	<p>Added 401(a).</p>	<p>Quarterly meetings (Committee, Hyas Group, Nationwide) with one open to all staff meeting annually.</p>
		<p>RFP merged 3 recordkeepers into 1.</p>		



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**California Savings Plus: An Overview**

**savingsplus**  
CALIFORNIA STATE EMPLOYEE 401(k) & 457(b) PLANS


**401(k) & 457(b)**  
Plans

**\$23 Billion**  
AUM

**Unique Participants**

**158,102** Active Employee Participants – **72%** Contributing

**90,688** Retired/Separated Employee Participants



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**California Savings Plus: Lessons Learned + Best Practices**

- Investment Advisory Committee
- Consolidating to one Consultant
- Align with Industry Best Practices
- Change Management efforts
- Strong Relationship with Recordkeeper, Nationwide
- Strategic Planning
- Building Stakeholder Relationships



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# Savings Plus Operational Plan

Developed the Division's Operational Plan

Strategic Map

Quarterly Dashboards

Drive Participant Outcomes




**SAVINGS PLUS**  
**PROGRAM**  
*Operational Plan*  
2024-2027



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## Strategy Map



### Savings Plus Operational Strategy

- Grow the Savings Plus Program and its employees
- Redevelop education, resources, and tools
- Align with industry best practices
- Implement and integrate operational alignment
- Educate stakeholders and participants

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# Driving Participant Outcomes: Dashboards

SPP Operational Strategy Review
Implement and integrate operational alignment.

Operational Alignment Projects

Create operational alignment on policies and procedures

**Summary**

- 30% Complete
- Project Charter implemented 2/2024
- Project leads identified and completed their first procedure using new template
- Strong engagement across division

**Path Forward**

- Continue to provide feedback as procedures are completed to ensure they meet guidelines
- Next Project Charter milestone: all procedures identified as "High Priority" (36 remaining) completed by 9/2024

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# NAGDCA Featured Resources

**Introduction to Governmental DC Plans**  
*(Updated version coming soon!)*

- Public Sector DC Plans Breakdown
- Links to NAGDCA Resources
- Frequently Asked Questions (FAQs)
- Glossary of Commonly Used Terms

**Auto Enrollment Toolkit**

- Is your Plan considering pursuing auto enrollment legislation in your state? The Auto Enrollment Toolkit provides the information you need to get started.

**Fees Guide**

- A foundational document for the understanding of different fee types and structures that apply to government defined contribution plans.

**SECURE 2.0 Implementation Resources**

- Use the sortable table and fact sheets to learn about the provisions affecting governmental plans and the advocacy efforts NAGDCA is taking on behalf of members to assist with implementation.

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## NAGDCA Featured Resources

### Public Retirement Research Lab (PRRL) Research

- PRRL research provides an overview and analysis of the annual plan- and participant-level data collected from recordkeepers.
- Annual releases include an annual report on the “State of Public Sector Defined Contribution Plans” and various study snapshots that provide a deep dive into the data.

### Connect with Members

- **Peer-to-Peer Exchanges** - informal, virtual discussion sessions for government members only
- **Member Forums** - pose questions, post job positions, and announce open RFPs through the members-only forums
- **Member Directories** - access contact and Plan information for fellow members
- **Annual Conference** - meet plan sponsors and industry providers from across the country at our premier event



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## Featured Conference Sessions

### *Mastering Strategic Contract Negotiations to Maximize Plan Success*

**Monday | 10:30 – 11:30 am**

This session offers insights into the complexities of contract negotiations, essential knowledge for attendees involved in managing or overseeing plan operations.

### *Shared Responsibility in Cybersecurity: Protecting Retirement Plans in the Digital Age*

**Tuesday | 10:15 – 11:15 am (repeated at 2:15 pm)**

This session covers cybersecurity in the context of retirement plans, providing critical information on how to protect sensitive data and navigate the evolving threat landscape.

### *Effective Governance and Fiduciary Excellence in Public Sector DC Plans*

**Tuesday | 10:15 – 11:15 am (repeated at 2:15 pm)**

Explore key governance structures, fiduciary duties, and best practices essential for managing public sector defined contribution plans effectively.

### *Engaging a Diverse Workforce: Effective Communication Strategies for Retirement Plans*

**Wednesday | 10:15 – 11:15**

Discover innovative strategies for crafting inclusive and personalized communication to effectively engage a diverse public sector workforce in retirement plans.

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