

## Nassau County Deferred Compensation Plan Board Meeting Minutes – October 9, 2025

On Thursday, October 9, 2025, the Nassau County Deferred Compensation Plan Board held a quarterly meeting in the 1<sup>st</sup> floor conference room at One West Street and via Microsoft Teams video conference call. In attendance were:

Nassau County	Empower	MMA
Steven Conkling Joseph Philbin Dennis Maurus Andrew James Sean Mulligan David Y. Chiang Edward Eilenberger Thomas Iervese Ricky Frassetti Beaumont Jefferson Garrett Wakefield Michael Grunwald David J. DeBaun Harvey Liebman Amanda Cohn	Ellen Wilson Andrew Estreich  <u>Via Teams:</u> Gabe D’Ulisse Nina Barbarino Robert Luciani Jeremy Evanko Joe Fein Robert Lamb	James Hageney Kevin Broderick Brad Pike  <b>EFPR</b> <u>Via Teams:</u> Timothy Hagen Ryan Angie

Board Chairman Steven Conkling commenced the meeting at approximately 10:05 a.m.

### Agenda items included –

1. 2024 Audited Financial Statements (EFPR)
2. Voting Items
  - Approval of Minutes of June 18, 2025 Meeting
3. NAGDCA Conference
4. Marsh & McLennan Agency
  - 2025 2<sup>nd</sup> Quarter Report
  - Low Scoring Funds Review and Recommendations
  - Other Issues
5. Empower
  - 2025 2<sup>nd</sup> Quarter Plan Summary Report
  - Stable Value Fund

- Field Report
  - Self-Directed Brokerage Religious Exemption
  - Class Action Litigation
  - Other Issues
6. VSIP Program Contributions
  7. Other Business

## **2024 Audited Financial Statements (EFPR Group)**

**Timothy Hagen** presented the December 31, 2024 Plan audit. Tim said it was an unmodified (clean) opinion.

- Timothy discussed the Plan’s balance sheet. Contributions by participants increased approximately \$10 million year-over-year (YoY). Notes receivable also increased YoY from 2023 to 2024. There was a redistribution to participants in 2024. Rollovers from other accounts or previous employer accounts increased YoY as well.
- Steve explained that the administrative expenses were reported on a gross basis in 2024 and a net basis in 2023 due to the transition of plan administrator from Prudential in 2023 to Empower in 2024. The motion to add a clarifying footnote regarding the administrator change and recording of administrative expenses was made, seconded, and approved.
- It was also decided to change the name of “Forfeiture Account” to “Holding Account.”
- EFPR Group administered a timeliness test as well as an excess contribution test on the Plan and also randomly selected 25 participant accounts to audit in 2024 as they do every year. Timothy reported that there were no major issues in 2024.
- The audit was approved pending footnote updates.

## **June 18, 2025 Meeting Minutes**

A motion to approve the meeting minutes of June 18, 2025 was made and seconded. The meeting minutes were approved.

## **NAGDCA Conference**

The attendees of the Conference discussed the following items of interest:

- There are many new product offerings available, such as private placements and Collective Investment Trusts (CITs).
- Auto-enrollment was discussed along with auto-escalation. Automatic enrollment is growing increasingly popular across plans to encourage retirement saving. It was decided auto-enrollment was not necessary at this time for the County’s Plan due to the high participation rate.
- Client communications
- Impact of artificial intelligence
  - AI agents were also a popular area of discussion at the Conference.
- **Joe Fein** reminded the Board that the Plan already has low-cost vehicles available.

## Marsh & McLennan Q2 2025 Investment Review

MMA presented their Fiduciary Due Diligence Report for the quarter ending June 30, 2025.

- **Kevin Broderick** started by saying CITs are not available in 457(b) plans. He agreed with Joe regarding the institutional separate accounts that are already available in the plan as a low-cost investment option for participants. He also said that private placements are not being made available inside 457(b) plans at this time.
- **Brad Pike** went through the MMA report.
  - Discussed themes of the markets: Tariffs, AI, Federal Reserve rate cuts.
  - Reviewed Equity and Fixed Markets themes.
  - Discussed Target Date Funds and their glide path. 25% of assets in Target Date Series are in the 2025 Vintage.
- MMA recommended the replacement of two funds currently on the watch list:
  - American Century Mid Cap Value R6 - replace with the John Hancock Disciplined Mid Cap Value
  - AB Small Cap Growth Advisor - replace with the Voya Small Cap Growth
- The Board approved the two fund changes that MMA brought forward, which should be revenue neutral.
  - Empower will work with Marsh McLennan to implement the share class that allows the fund changes to be revenue neutral.
- The Marsh McLennan scoring system was explained in further detail.
  - 27 points of data are used to look for the best returns with the least amount of risk.

## Empower Q2 Report

Gabe D'Ulisse presented Empower's Plan Performance Insights Report as of June 30, 2025.

- 10,902 participants with participant assets of approximately \$2.1 billion
- Average account balance of \$188,674
- Average Lifetime Income Score of 93% for the 1,701 participants who use the tool.
- Participant activity cash flow on a year-to-date basis
  - \$47,007,467 total contributions
  - (\$67,662,574 total disbursements)
  - (\$20,665,107) net activity
- Contribution rate of 14.1% average vs. benchmark of 7.3%
  - 83% (5,057 participants) use Before Tax contributions only
  - 8% (473 participants) use Roth only
  - 9% (568 participants) use both Before Tax and Roth contributions
- The number of outstanding loans remains consistent at approximately 1,000 loans quarter-over-quarter.
- Investment strategy utilization
  - 53.8% (5,861 participants) choose their own investments with the do-it-yourself strategy.
  - 39.9% (4,354 participants) use the GoalMaker asset allocation model portfolios.
  - 3.4% (374 participants) use target date funds.

- 2.3% (254 participants) use self-directed brokerage.
- There was a conversation regarding the managed account option that was rolled out in June. Empower addressed the Board's concern of whether participants are made aware of the fee structure.
  - Participants are asked questions in a Best Interest Profile, where the Retirement Plan Advisor is acting as a fiduciary.
  - A recommendation is provided to the participants based on how they answer the questions.
  - Participants are directly asked if they are willing to pay a fee, which is disclosed. The fee starts at 0.45% (45 bps) and decreases based on account balance.
    - If they say yes and agree to implement the managed account option, the fees will be deducted from their account on a quarterly basis.
  - There are various recommendations that have no additional cost, such as Point in Time Advice, the GoalMaker model portfolio, and target date funds.

**Ellen Wilson** presented the Field Report from the Retirement Plan Advisors.

- From **Nina Barbarino**:
  - Nina coordinated with Human Resources in 1 West Street and discussed County-wide presentations should the VSIP be approved. They also discussed presentations that Empower will be hosting this month to spread awareness of new service offerings.
  - Nina presented at a CSEA Retirement Meeting, to approximately 125 people. The focus was on asset retention, process of 457(b) contribution from unused sick and vacation pay after maxing out in 401(a) plan, and participants staying in touch with RPAs throughout retirement. Nina will be attending and speaking at the CSEA Retirement Meeting on October 29, 2025.
  - She had several Enrollment meetings: two at Probation for new classes of Probation Officers, three meetings at the Department of Social Services (DSS), and one at the District Attorney in Hempstead
  - Nina has had discussions with Mike Grunwald regarding Secure 2.0.
- From **Jim Cordes**:
  - Enrollment meetings:
    - Corrections Academy – 35 new enrollments into plan.
    - Fleet Services – 10 New enrollments into plan.
    - Emergency Ambulance Bureau – 8 New enrollments into plan.
    - Fire Marshals – 6 New enrollments into plan.
    - Total new enrollments since the last Board meeting including individual and groups: 64
  - Jim attended and presented at the COBA annual retirement seminar in June; he spoke to over 60 attendees about deferring assets from their separation checks and retaining the assets in the Nassau Plan.
  - 17 separation checks since last board meeting: \$536,890
  - Total rollover-ins since last board meeting: \$1,794,000
- From **Ellen Wilson**:

- Ellen had pre-retirement meetings with 40 police officers between June – August. Deferrals from Separation Checks totaled over \$1.5 million moving into the Plan.
- Attended the Crossing Guard Unit Meeting in September with Jim and Andrew where they presented to 75 crossing guards, enrolling 10 on the spot.
- Two enrollment meetings at CB for new 911 operators, one in September and one in October.
- As a Team:
  - Empower introduced the Retirement Readiness Reviews (RRR) to Nassau County participants.
    - It was very well received by participants.
  - During RRRs, Empower representatives gather information about a participant’s retirement goals, such as age, sources of income and expenses in retirement
  - Then, they run an analysis with 5,000 scenarios in good markets and bad.
  - This analysis generates a probability score to see if a participant is on track to meet his or her retirement goals.
    - Targeting 70% or higher
    - Can run alternate scenarios to see where adjustments may improve a participant’s score.
  - As a Team, Empower has conducted close to 200 RRRs since launching in May 2025.
    - Andrew has been doing them at Nassau Community College (NCC).
    - Nina has had meetings at the Legislature, Treasurer, Probation, Consumer Affairs, Police Department pistol range in Hempstead and the Department of Social Services.
    - Ellen has been conducting meetings in a conference room at Police Headquarters, the Police Unions (meet with retirees also), and the Police Wellness Center.
    - Have been conducting virtual meetings as well.
  - The Team will be hosting workshops in October to spread awareness of all the new service offerings.
- **Andrew Estreich** provided an update of Nassau Community College activity.
  - For NCC, Andrew had 42 retirement meetings with deferrals into the Plan from separation checks and 15 new enrollments.
- **Robert Lamb** discussed communication materials for October’s National Retirement Security Month. The Board agreed to proceed with the communications.

### **Self-Directed Brokerage Religious Exemption**

The Board discussed whether to allow for a religious exemption with self-directed brokerage accounts. A religious exemption for self-directed brokerage accounts allows 100% of a participant’s core account assets, in excess of a stated minimum amount, to be transferred into a self-directed brokerage account for religious reasons. Participants would need to self-certify.

The New York State Plan allows for this. It was voted on and approved by the Board. Empower agreed to provide a draft Religious Exemption form at the next board meeting.

### **VSIP Program Contributions**

The County's proposed Voluntary Separation Incentive Payments (VSIP) program was discussed. Kevin from MMA indicated that the incentive money may not be legally allowable as a source of contribution for the 457(b) plan. Steve agreed that he would distribute a detailed description of the program once it was available. Nina reminded the board that contributions to the 457(b) plan were not allowed with previous VSIPs, which Mike Grunwald confirmed.

### **Class Action Litigation**

Next, the Board discussed a suit filed by Schlichter Bogard LLC representing plaintiffs Shakira Williams-Linzey, Jennifer Patton, and Kathleen McFarland, named as defendants Empower Retirement, LLC, Empower Financial Services, Inc., and Empower Annuity Insurance Company of America. It was agreed that the suit is not relevant to the County's Plan.

### **Next Board Meeting Date**

The Board agreed to meet next on November 18, 2025.

Having no further business, the meeting adjourned at approximately 12:30 p.m.