

# IDAHO DEFERRED COMPENSATION BOARD

## Minutes

**December 02, 2024 - 1:00pm-3:00pm**  
**Idaho State Controller's Office**  
**700 West State Street, 5th floor Room 537, Boise, ID**

*The following board members were present in person:*

*Lisa Mason and Nicole Fitzgerald representing the Secretary of State's Office, Phil Skinner representing the Attorney General's Office and State Controller Brandon Woolf representing the State Controller's Office. Ben Yrusa representing the Governor's Office was absent for the meeting.*

*Others present were John Lamm, John Steggell, Mark Knudson, Jared Williams and Laura Leigh Brewster from Nationwide, Gaby Gudino and Renee Holt from the State Controller's Office, and Jake O'Shaughnessy from SageView.*

- 1. Committee Questions or Additions to Agenda- Action Item**
- 2. Approval of Minutes from the Meeting on August 26, 2024- Action Item**
- 3. Q3 Quarterly Performance Review and Market Recap – Jake O'Shaughnessy - Action Item**
- 4. Recent Developments (regulatory or marketplace) – Jake O'Shaughnessy – Action Item**
- 5. Quarterly Board Report – John Steggell – Action Item**
- 6. JD Power Award – John Steggell – Action Item**
- 7. Secure Act 2.0 Provision – John Steggell – Action Item**
- 8. My Interactive Retirement Planner Updated – ~~John Steggell~~ Jared Williams – Action Item**
- 9. Mr. Lamm – Impromptu Question**
- 10. Proposed Meeting Dates for 2025 – Brandon Woolf – Action Item**
  - a. March 3<sup>rd</sup>, May 19<sup>th</sup>, August 25<sup>th</sup>, December 8<sup>th</sup>**

### **Recap – Action Items**

- a) Remove TCW MetWest and replace it with Fidelity.
- b) Next board meeting will be held March 3<sup>rd</sup> at 1:00 pm.

*The meeting was called to order by Brandon Woolf at 1:05 p.m.*

The agenda was reviewed, with a correction noting that Jared Williams would present Action Item #8 instead of John Steggell. The board then approved the minutes from the previous meeting on August 26, 2024, with a correction to Phil Skinner's name.

*Resolution Lisa Mason moved to approve the minutes from August 26, 2024 meeting. Brandon Woolf seconded the motion. The motion carried on a unanimous voice vote.*

Jake O'Shaughnessy provided a quarterly market performance review, discussing economic trends and regulatory updates. He noted that although the economy slowed down in the third quarter, this was seen as positive for potential interest rate cuts by the Federal Reserve. The labor market showed signs of softening, and federal budget deficits remained a concern, with interest payments expected to reach a trillion dollars in the coming year. He highlighted the impact of the election on economic policies, suggesting that with a Republican-controlled White House and Congress, tax increases were unlikely, and inflation might be used as a tool to manage national debt. Market trends showed large-cap growth stocks performing well, while bond markets faced challenges due to fluctuating interest rates. He also discussed the Federal Reserve's approach to interest rates, the possibility of quantitative easing, and concerns about long-term inflation.

Mr. O'Shaughnessy then addressed recent regulatory developments, emphasizing the importance of managing fees and record-keeping. He mentioned that some companies, like Nordstrom, had faced issues with excessive record-keeping fees, and he reiterated the board's commitment to proper oversight. He reviewed investment fund performance, noting that the TCW MetWest Total Return Fund had underperformed and recommended replacing it with a stronger alternative. After discussion, the board agreed to remove TCW MetWest and replace it with the Fidelity Total Bond Fund, citing its consistent performance and lower expense ratio.

*Resolution: Phil Skinner moved to remove TCW MetWest and replace it with Fidelity. Brandon Woolf seconded the motion. The motion carried on a unanimous voice vote.*

John Steggell from Nationwide presented the quarterly board report, highlighting that the deferred compensation plan had surpassed \$700 million in assets, with strong participation among state employees. He reviewed the growth in Roth contributions and the use of managed accounts, noting that participants were increasingly opting for professional investment management. He also provided insights into participant engagement, online account activity, and call center performance. He reported that contributions in the third quarter totaled \$9.3 million, with most new investments directed toward target-date funds and large-cap stocks. He noted that loan activity had increased slightly, though average loan amounts remained relatively low compared to national trends.

Mr. Steggell also discussed the JD Power Award results, recognizing Nationwide's strong performance in customer service. He then provided an overview of the Secure Act 2.0 provisions, outlining mandatory and optional changes affecting retirement plans. He explained that the higher catch-up limits for participants aged 60 to 63 would take effect in 2025 and that Nationwide would conduct targeted communication efforts to inform affected employees. Additional provisions, such as emergency withdrawals and self-certified hardship distributions, were discussed, though there was limited interest in implementing these changes at this time.

Jared Williams introduced updates to Nationwide's retirement planning tools, highlighting the transition from the Interactive Retirement Planner to the My Income Retirement Planner. The new tool offers enhanced features, including the ability to incorporate outside income sources and predict retirement expenses more accurately.

During an impromptu discussion, Mr. Lamm raised concerns about a participant withdrawing large sums of money under suspicious circumstances. Nationwide and law enforcement had attempted to intervene, but the participant was unresponsive, raising concerns about a potential financial scam. Mr. Lamm also announced that Christy Baker would be retiring, with Kim Labelle taking over her administrative role.

Brandon Woolf proposed the 2025 board meeting dates, asking members to review their schedules. The meeting concluded with a recap of action items, including the approval of the fund replacement and confirmation of the next meeting on March 3, 2025.

*Brandon Woolf moved to adjourn the meeting at 2:43pm.*