

Public Employees' Retirement Board

Employee Investment Advisory Council

100 North Park Avenue, Room 201

Helena MT 59601

MINUTES

Thursday October 28, 2021

1:00 – 5:00

VIA: REMOTE – ZOOM meeting.

Council Members

Patricia Davis, Chair

Tammy Potter, Member - absent

Amy Berry, Member

Barb Wagner, Member

Jim Penner, Member

Sarah Piper, Member

Jeff Bollman, Member - absent

Malissa Williams, Member

Kim Stout, Member

Nadine Henning, Member - absent

Tim House, Member

MPERA Staff

Ann Reber - MPERA Education

Doug Hays - MPERA Client Services Supervisor

Joel Thompson - MPERA Education

Terry Dalton – MPERA Education

Kyle Hartse – MPERA Fiscal Services

Kris Vladic – MPERA Legal Specialist

Public Members

Rich Hickel, Member of MT Public Employee Retirement Board

Sonja Woods, Member of MT Public Employee Retirement Board

Scott Braun, Empower Retirement

Marybeth Daubenspeck, Empower Retirement

Chris Heisel, Empower Retirement

Julie Lucas, Empower Retirement

Jon Hess, Empower Retirement

Presenters

Ian Bray, RVK, Inc.

Eryn Bacewich, RVK, Inc.

Elise Willey, RVK, Inc.

Sarah Boctor, RVK, Inc.

Liz Davidsen, Empower Retirement

Jannah Ross, Empower Retirement

- I. Call to Order – Patricia Davis called the meeting to order at 1:05 p.m. (1:47)
- II. Roll Call -- Patricia Davis conducted the roll call. [1:05 p.m. -1:06 p.m.] (1:47 – 3:04)
- III. Public/Member Comment on any subject of interest not on the agenda [1:06 p.m.] (3:19 – 3:52)

- IV. Approval of EIAC meeting minutes – July 22, 2021 [1:11 p.m.] (7:53 – 8:30)
 - Sarah Piper made a motion to approve the July 22, 2021 EIAC minutes.
 - Tim House seconded the motion, motion passed unanimously.
- V. Fund Performance Review – *Ian Bray, CFA. Consultant, Principal, RVK, Inc.* [1:12 p.m. - 1:52 p.m.] (8:46- 49:00)
 - a. Market Review & Plan reviews: 457(b) & 401(a)
- VI. Recommendation to add T Rowe Price Retirement 2065 Trust [1:52 p.m. -- 1:56 p.m.] (49:00 – 52:42)

MPERA and Defined Contribution plans currently offer the T. Rowe Price Retirement Trust F as the target date fund offering and default investment options. As of September 30, 2021, assets in the target date fund suite across both Plans totaled \$201.5 million.

Consistent with the five-year cycle of adding additional target date vintages, T. Rowe Price recently added the 2065 Fund. This Fund is intended to provide participants born in or after 1988 with the appropriate risk-adjusted returns. While the 2065 Fund currently provides the same asset allocation as the 2060 Fund, the 2060 Fund will start to de-risk sooner than the 2065 Fund.

RVK recommends the EIAC approve the addition of the 2065 T. Rowe Price Retirement 2065 Trust Class F to the MPERA plans.

- Barb Wagner made a motion to add the 2065 T. Rowe Price Retirement 2065 Trust Class F to the Defined Contribution Retirement Plan and 457(b) Deferred Compensation lineup.
- Jim Penner seconded the motion, motion passed unanimously.

Discussion Item

- VII. Retirement Readiness – Work Plan – *Patricia Davis & Ann Reber, MPERA* [1:56 p.m. – 2:25p.m.] (53:00 - 1:22:22]

Patricia Davis and Ann Reber presented to the committee a work plan to better inform participants of their investments and to encourage new participants. They provided a three-year work plan with specific project goals for both the 457(b) and the PERS Defined Contribution Retirement Plan. The project will be done in coordination with Empower, EIAC and RVK.

- a. 457(b)
- b. PERS DCRP

Break (2:25 -2:40)

- VIII. Retirement Readiness - Advise –*Liz Davidsen, Marybeth Daubenspeck and Jon Hess, Empower Retirement* [2:40 p.m. – 3:52 p.m.] (1:23:30 - 2:35.04)

Empower gave a presentation on their Advise services for the participants in both the 457(b) and the PERS Defined Contribution Retirement Plan. They can assist participants in the transition from working to retirement. They will give comprehensive retirement investment, savings, and income withdrawal advice. They will be working in coordination the work plan for the retirement readiness.

Advise Services is a new product that the Board would need to approve for the participants to use. If a participant chooses to utilize the advise services, there are fees which are in addition to their plan level fees. For accounts under \$100,000 the cost will be 45 basis points. For accounts over \$100,000 to \$250,000 are 35 basis points, \$250,000 – \$400,000 are 25 basis points and 15 basis points for accounts over \$400,000. The Advise option is an opt-in feature.

- Barb Wagner made a motion to revisit this discussion at the January 27, 2022 EIAC meeting. Ian Bray, RVK, Inc. will bring his perspective for advise services and managed plans.
- Sarah Piper has seconded the motion, and the motion passed unanimously.

Informational:

- IX. Empower 3rd Quarter Field Report
- X. MPERA Education Staff –3rd Quarter Field Report

Meeting adjourned at 3:56 p.m.

Next Meeting: **January 27, 2022**

Agenda Items: Investment Policy Review 401(a), 457(b), Stable Value