OHIO Deferred Compensation
Invest in you.

BOARD UPDATE

APRIL 2024

Board Meeting Schedule

April Special Board Meeting

A Special Board meeting will be held on **Monday, April 15 at 9:30 a.m.** Ohio DC's organization and leadership structure will be discussed, and an Executive Session will be held to discuss the compensation of a public employee.

May Audit Committee and Board Meetings

The May Audit Committee and Board meeting will take place on **Tuesday, May 14**. The Audit Committee meeting will begin at 8:30 a.m. and the Board meeting will begin at 9 a.m.

The Committee will review the draft Annual Comprehensive Financial Report and the results of the 2023 independent financial audit.

August Strategic Planning Meeting

The Strategic Planning meeting will take place on **Tuesday, August 20**. The meeting will begin at 9 a.m. and is expected to conclude around 3 p.m.

You can review the Strategic Plan Objectives Update here.

NAGDCA Annual Conference

The 2024 National Association of Government Defined Contribution Administrators (NAGDCA) Annual Conference will be held September 15-18 in Phoenix, Arizona. Registration opens in April and the discounted conference in-person registration fee is $700 and is due by July 11.

You can review information regarding the conference and the agenda here.

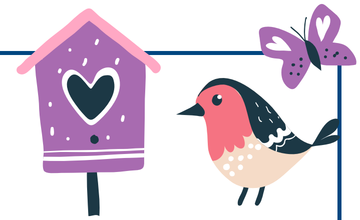
Cindy Ward will assist Board members with registration and travel arrangements. Please contact Cindy if you plan to attend.

2023 Financial Disclosure Statement Filing Deadline is May 15, 2024

Your 2023 Financial Disclosure Statement is required to be filed on or before Monday, May 15, 2024, with the Ohio Ethics Commission. In February, Cindy Ward emailed you a summary of the expenses paid on your behalf by Ohio DC.

You are registered at the Ohio Ethics Commission as a "dual filer," because of your appointment on the OPERS Board or your capacity as a public employee. In the past, Ohio DC Board members have filed under OPERS or their primary employer.

Summary of...



Tax Identification Number and Form 1099-R Issue

At the end of January, Ohio DC produced 54,060 Form 1099-Rs for our participants who took a distribution or rolled out funds in 2023 using the same federal tax identification number that we have used for 30 years. On February 5, we started receiving calls from participants who received an error message when filing their federal tax returns electronically. We immediately contacted the IRS and were told our tax identification number had been "deactivated," because it was not being used. We put up an alert on our website homepage and sent an email to every participant who received a Form 1099-R.

We made several calls to the IRS, visited a local IRS office, and weren't satisfied with the various answers we were given. Paul Miller called US Senator Sherrod Brown's Washington DC office for assistance, and was put in direct contact with a lead tax advocate in the Cincinnati IRS office. It was confirmed that, without notification, the IRS deactivated the federal tax identification number that we have been using continuously since 1994 (to report participant withdrawals) and merged all our data into a different federal tax identification number that we have been using since 1987 (to report employee wages).

Due to the unknown timeline and viability of re-activating our tax ID, we chose to use the combined federal ID number for 2023 and forward. This required us to reissue revised Form 1099-Rs for 2023 at our expense, but it allowed participants to file their taxes electronically. By February 15, the revised Form 1099-Rs were posted and available for download on our participant website. A new alert was posted on the website and another email was sent to every participant that received a Form 1099-R.

We had to reorder paper stock and envelopes to send out paper copies of the revised forms. The revised forms were mailed February 29 to participants who don't participate in eDelivery. Ohio DC had additional printing costs of $11,853 and postage cost of $19,173 for a total of $31,026. Paul asked US Senator Sherrod Brown's office if there is any way to get the IRS to reimburse us for these costs, but we have not heard back about the request.

Unfortunately, this was a big event that took a lot of our resources away from other projects during a very busy time of year. The Ohio DC and Nationwide staff put in a lot of time and effort into identifying, communicating, and resolving this issue for our participants. Ohio DC staff will continue to work with our many business partners to update our taxpayer identification number.

Annual Investment Consultant Evaluation

Ohio DC's Investment Policy states that the investment consultant will be **reviewed annually** concerning their work on both the investment options and the Stable Value Option. The purpose of the review is to provide feedback to the consultant and determine if the consultant will be considered for future investment reviews. Staff is preparing an evaluation survey and will send it to Board members after the May Board meeting.

2023 Participant & Employer Satisfaction Surveys

Fall data collection began in August 2023. The data was aggregated and presented to our management team and Nationwide by Qlarity (formerly known as CFR) in February 2024. The 2023 survey results show participant satisfaction with Nationwide remains in the 100th percentile, compared to the Investments industry benchmark. If you have established a log in, you can view the participant and employer survey reports on the Board site here.

March 2024 | Ohio DC Statistics

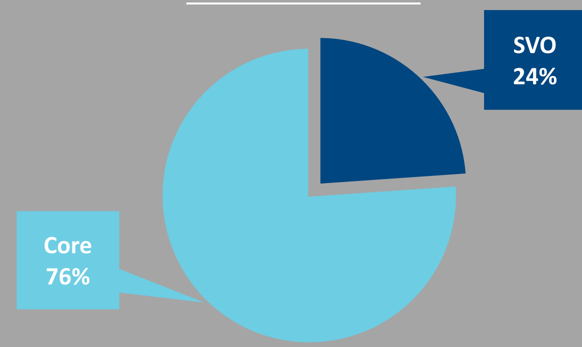
MONTHLY MARKET PERFORMANCE

	March	YTD
Large Company Stocks	▲ 3.21%	▲ 10.55%
Small/Mid Company Stocks	▲ 3.36%	▲ 7.27%
Non-US Stocks	▲ 3.01%	▲ 4.26%
Total Bond Market	▲ 0.87%	▼ -0.73%

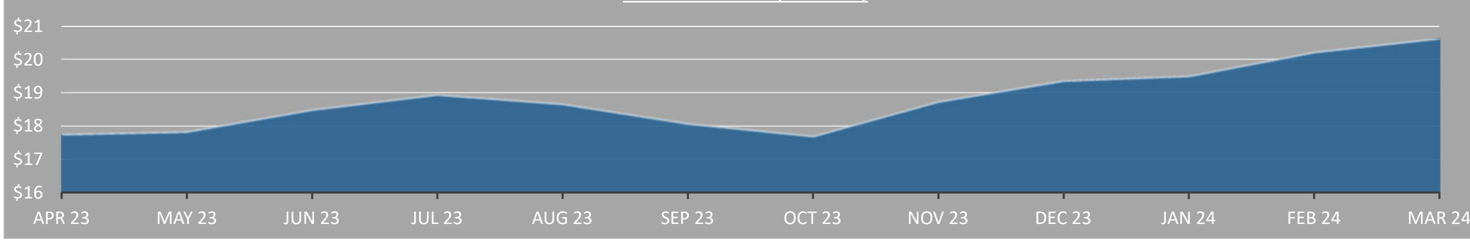
Monthly Perf.
$471
million

YTD Perf.
$1,429
million

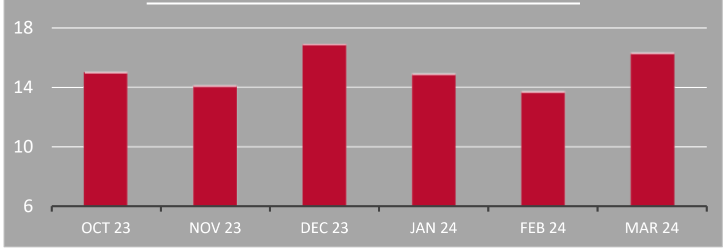
MONTH END ASSET ALLOCATION



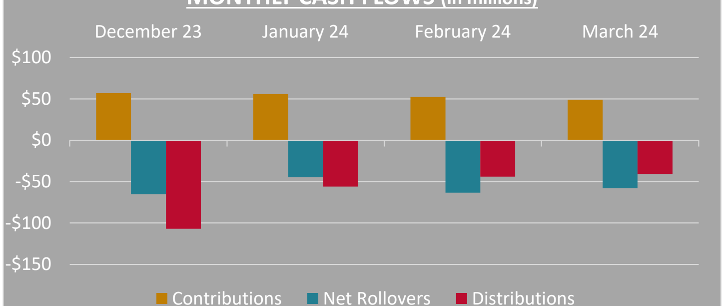
TOTAL ASSETS (in billions)



MONTHS OF EXPENSE IN CASH RESERVES



MONTHLY CASH FLOWS (in millions)



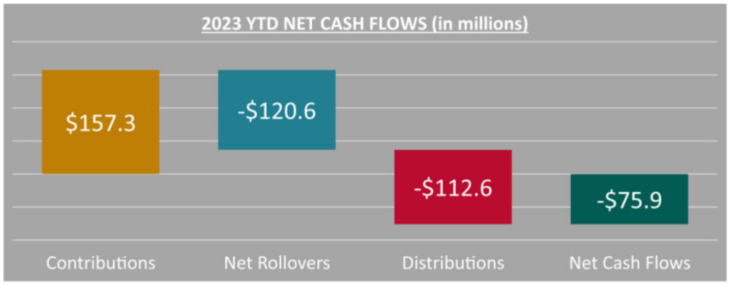
KEY INDICATORS

		March	YTD
Enrollments			
	2024	1,589	5,370
	2023	1,793	5,207
	% Change	▼ -11.4%	▲ 3.1%
Unforseeable Emergencies (in millions)			
	2024	$ 1.5	$ 4.4
	2023	$ 0.9	$ 2.1
	% Change	▲ 70.9%	▲ 112.2%

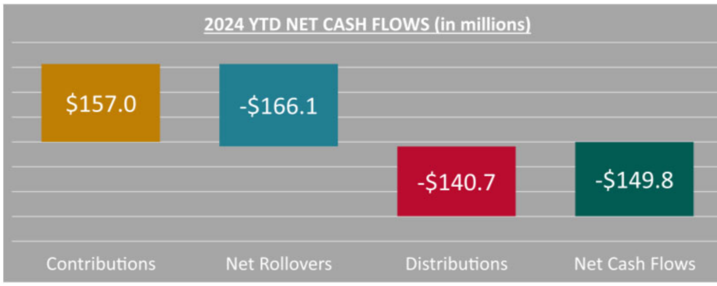
Applications Processed:	387
Applications Approved:	378
Percentage Self-Certified:	81%

Approval %
97.7%

2023 YTD NET CASH FLOWS (in millions)



2024 YTD NET CASH FLOWS (in millions)



Financial data is unaudited and reflects the cash basis of accounting.

Strategic Plan Objectives Update

Goal/ Objective	Lead	Target Quarter/Year	Objective	Status
Goal #1: Provide quality participant services and promote financial literacy through effective education and clear communication.				
Goal #2: Establish plan features and tools that encourage supplemental savings to provide income through retirement.				
2-49	KK/JC	~~4Q 2022~~ 4Q 2023	Complete Phase III of recordkeeping modernization project.	**COMPLETED**
2-55		4Q 2024	Update the internal fiduciary review, every five years.	
Goal #3: Provide suitable, diverse, cost effective investment options.				
3-26	PM/RVK	~~2Q 2022~~ ~~3Q 2022~~ ~~3Q 2023~~ ***4Q 2024***	Research asset retention strategies, including but not limited to self-directed brokerage window and managed account options.	
3-27	PM/RVK	~~2Q 2023~~ ~~3Q 2023~~ ***4Q 2024***	Research retirement income strategies.	

On Target

Potential Delay With Target

Target Delayed

Strategic Plan Objectives Update

Goal/ Objective	Lead	Target Quarter/Year	Objective	Status

Goal #4: Accurately and fairly apply laws; when appropriate, advocate regulatory and legislative changes.

Goal #5: Develop and implement prudent practices to effectively govern and administer the Plan.

Goal/ Objective	Lead	Target Quarter/Year	Objective	Status
5-20	KK/PM/CW	~~3Q 2022~~ ~~3Q 2023~~ TBD	Develop an administrative staffing model to assist with maintaining new technology, participant service enhancements, and succession plans.	

On Target

Potential Delay With Target

Target Delayed