Ohio Deferred Compensation

BOARD UPDATE

APRIL 2023

Upcoming Meeting Schedule

May Audit Committee Meeting

The May Audit Committee meeting will be held on **Tuesday May 16, 2023 at 8:30 a.m.** Audit Committee members are Stewart Smith, Chair; Tim Steitz, Vice Chair; Julie Albers; Jim Kunk; and Jim Tilling. The Committee will review the Annual Comprehensive Financial Report and the results of the 2022 independent financial audit with the auditors from Rea & Associates.

May Board Meeting

The May Board meeting will be held on **Tuesday, May 16, 2023, at 9 a.m.**

August Strategic Planning Meeting

The August Strategic Planning meeting will be held on **Tuesday, August 15**. 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 2023 National Association of Government Defined Contribution Administrators (NAGDCA) Annual Conference will be held October 8-11 in Seattle, Washington. Registration opens in May and the discounted conference in-person registration fee is $700 and is due by August. There is also a virtual option for $250.

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.

2022 Financial Disclosure Statement Filing Deadline is May 15, 2023

Your 2022 Financial Disclosure Statement is required to be filed on or before Monday, May 15, 2023, 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.

2022 Participant & Employer Satisfaction Surveys

In April of 2022, Ohio DC staff issued an RFP for a Participant and Employer Satisfaction Survey Provider. Based on the RFP responses, staff determined that telephone surveys are no longer industry practice and have become very costly. Telephone surveys were eliminated from the scope of services and the fall data collection began in October 2022.

The data was aggregated and presented to our management team and Nationwide by CFR in February 2023. Despite the changes in survey methodology for the fall period, the 2022 survey results show participant satisfaction with Nationwide is in the 100th percentile, compared to the Investments industry benchmark. If you have established an account, you can view the full participant and employer survey reports on the Board site here.

SECURE 2.0 Act

Staff have implemented two mandatory provisions of the SECURE 2.0 Act which were effective in 2023:

- Section 107, which increased the RMD age from 72 to 73 (and will increase to age 75 effective in 2033)
- Section 306, which eliminated the "first day of the month" rule

At the May Board meeting, staff will present information about the optional provision of Section 312, which allows for self-certification of unforeseeable emergency withdrawals. Topics of discussion with be the adoption of the provision and, if so, a cap on the amount which can be self-certified and the frequency of said self-certified withdrawals.

See the next page for the March 2023 |Ohio DC Statistics

Take Note >>>

Enrich

We continue to see usage of the Enrich Financial Wellness platform. Newsletter, email, and website promotions for Enrich continue to drive new Enrich enrollments. To date, 12,801 participants have signed up for the Enrich Financial Wellness program.

State of Ohio Automatic Enrollment

To date, we have received 3,419 valid new hire records from the State. There are 986 records still pending due to the 90-day opt-out period. Therefore, 2,433 records have been processed.

Currently, 270 (11.1%) people have opted out, 814 (33.5%) have enrolled on their own to begin contributions sooner, and 1,349 (55.4%) new accounts have been created.

Roth457

To date, 563 employers have adopted the Roth 457 Option and 7,242 participants have enrolled.

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 this evaluation and will send it to Board members after the May Board meeting.

March 2023 | Ohio DC Statistics

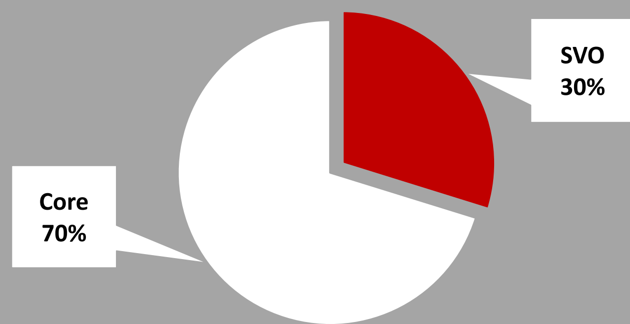
MONTHLY MARKET PERFORMANCE

	March	YTD
Large Company Stocks	▲ 3.67%	▲ 7.50%
Small/Mid Company Stocks	▼ -2.77%	▲ 5.92%
Non-US Stocks	▲ 2.13%	▲ 6.91%
Total Bond Market	▲ 2.54%	▲ 3.13%

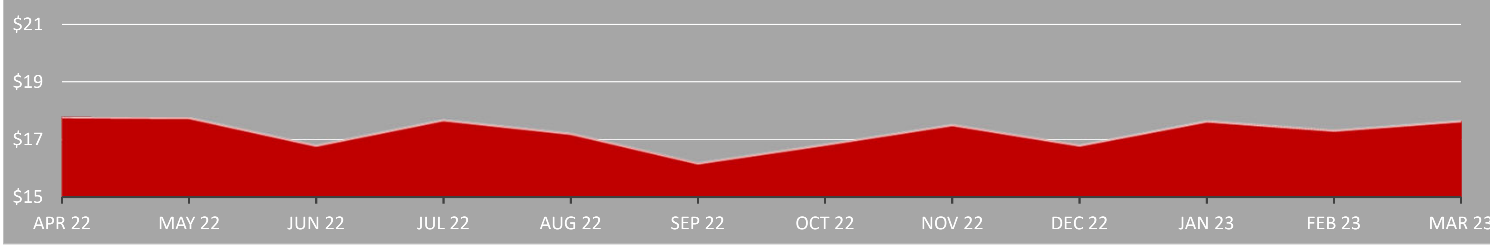
Monthly Perf.
$369
million

YTD Perf.
$926
million

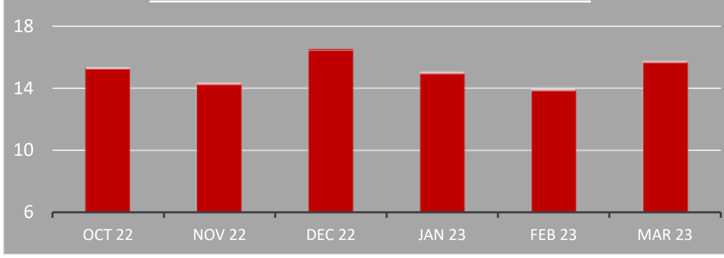
MONTH END ASSET ALLOCATION



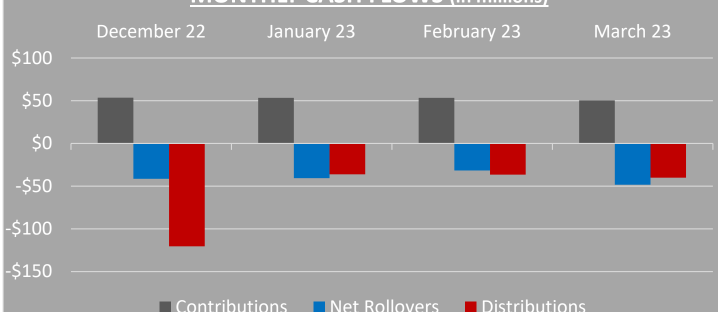
TOTAL ASSETS (in billions)



MONTHS OF EXPENSE IN CASH RESERVES



MONTHLY CASH FLOWS (in millions)



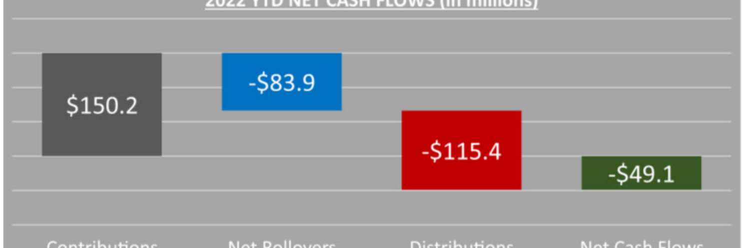
KEY INDICATORS

	March	YTD
Enrollments		
2023	1,793	5,207
2022	1,773	4,543
% Change	▲ 1.1%	▲ 14.6%
Unforseeable Emergencies (in millions)		
2023	$ 0.9	$ 2.1
2022	$ 0.8	$ 2.1
% Change	▬ 2.7%	▼ -3.1%

Applications Processed:	281
Applications Approved:	265

Approval %
94.3%

2022 YTD NET CASH FLOWS (in millions)



2023 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.				
1-48	KK/MG	~~1Q 2022~~ 1Q 2023	Develop the appropriate participant service model to assist with a future RFP for an enrollment, education, and service provider.	****COMPLETED****
1-49	KK/PM	1Q 2024	Develop a request for proposal, solicit proposals, and select a vendor to provide enrollment, education, and customer service beyond June 30, 2024.	****COMPLETED**** ***Staff is negotiating a contract extension***
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.	On Target
2-53	MG/JC	~~3Q 2022~~ ~~2Q 2023~~ ***2Q 2024***	Research strategies to obtain detailed participant information with the goal of utilizing data for future strategic goals, objectives, and service and marketing efforts.	

On Target | Potential Delay With Target | Target Delayed

Strategic Plan Objectives Update

Goal/ Objective	Lead	Target Quarter/Year	Objective	Status
Goal #3: Provide suitable, diverse, cost effective investment options.				
3-26	PM/RVK	~~2Q 2022~~ ~~3Q 2022~~ 3Q 2023	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	Research retirement income strategies.	
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.				
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