

# Massachusetts Defined Contribution CORE Plan

## Minutes of the Not-for-Profit Defined Contribution Committee March 16, 2021

The Not-for-Profit Defined Contribution Committee (the “Statutory Committee”) for the Massachusetts Defined Contribution CORE Plan (the “Plan”), met, pursuant to notice, via video- and teleconference, on March 16, 2021. Present were Statutory Committee Chair Treasurer Deborah B. Goldberg, and Statutory Committee members Donna Bonaparte, Jim Klocke, Noreen McMahon and James “Chet” Riley.

Also present for all or part of the meeting were Giuseppe Caruso, Henry Clay, Nicola Favorito, Emily Kowtoniuk, David Lynch, James MacDonald, Emily Robbins, Laura Rooney, and Mary Wilkins from the Commonwealth of Massachusetts Office of the Treasurer and Receiver General; Lisa Cardinal, John Fellin, Heather Kane, Karl Kroner and Liz West of Empower Retirement Services (“Empower”); Chris Behrns, Beth Halberstadt, and Sue Sinclair of Aon Investments USA Inc. (“Aon”); and Jessica Constantino from AARP. All guests attended via video- or teleconference.

The following materials were distributed via email to the members of the Statutory Committee in advance of the meeting:

- 1) Agenda for the March 16, 2021 Meeting;
- 2) Draft minutes from the December 17, 2020 Not-for-Profit Defined Contribution Committee Meeting;
- 3) Commonwealth of Massachusetts, Fourth Quarter 2020, Quarterly Investment Review (the “Investment Report,” prepared by Aon); and
- 4) Massachusetts Defined Contribution CORE Plan, Committee Meeting, March 16, 2021 (the “Empower Report,” prepared by Empower Retirement).

With a quorum present, Treasurer Goldberg called the meeting to order at 1:08 p.m. Eastern Time. Roll Call: Mr. Klocke, Ms. Bonaparte, Ms. McMahon, Mr. Riley and Treasurer Goldberg.

Treasurer Goldberg noted that the meeting was being conducted via video- and teleconference call in accordance with the Order Suspending Certain Provisions of the Open Meeting Law, M.G.L. c. 30A § 20 issued by Governor Baker on March 12, 2020. Treasurer Goldberg advised attendees of the recording parameters under Open Meeting Law M.G.L. c. 30A, §§ 18-25. Treasurer Goldberg inquired if anyone present was recording the session, and no one identified themselves as making a recording. Treasurer Goldberg advised all parties that should they be unable to hear, they should bring that to her attention.

The Statutory Committee reviewed and approved the meeting minutes from the December 17, 2020 meeting on a motion by Mr. Riley, seconded by Ms. McMahon, and then confirmed via roll call: Mr. Riley, Ms. Bonaparte, Mr. Klocke, Ms. McMahon, and Treasurer Goldberg.

Mr. Behrns directed the Statutory Committee to the Investment Review report and presented the report's analysis. He reviewed the state of the overall economy, the domestic and international equity markets, the bond markets and other capital markets through December 31, 2020. Mr. Behrns reported on the Plan's asset allocation and performance of investments held in the Plan as of December 31, 2020 and February 28, 2021 as compared to benchmarks, and other relevant aspects of the funds offered considering the Plan's Investment Policy Statement. He also reviewed the management fees for the investments in the Plan, noting that, the fees for all investments, with one exception, are below the median of the applicable peer group. At the Committee's prompting, Mr. Behrns and the Committee discussed several possible economic impacts that legislated and proposed federal stimulus packages may have on interest rates and the Plan's investments.

Directing the Statutory Committee to the Empower Report, Mr. Fellin informed the Committee that the Plan achieved an important milestone: 100 non-profit organizations have adopted the Plan. He also discussed 2021 proposed retirement legislation related to catch-up contributions and required minimum distributions.

Mr. Kroner, Ms. Kane, Ms. Cardinal, and Ms. West continued their review of the Empower report noting:

- The Plan's quarter-over-quarter asset growth;
- Increase in the number of accounts, contributing participants and average account balances;
- Participant behavior related to automatic enrollment and distributions;
- Participant engagement through the voice response unit, web usage and managed accounts;
- The number of new employers adopting the plan through February 2021;
- The reasons why employers chose to adopt or decline participating in the Plan;
- The pipeline of potential employers interested in joining the Plan through February 2021;
- Social media and email communication campaign activity for the fourth quarter of 2020; and
- Planned marketing and social media campaigns for the first and second calendar quarters of 2021.

Ms. Rooney informed the Statutory Committee that the next meeting will be scheduled in the upcoming weeks and distributed to all members. The meeting will be presented via videoconference.

There being no further business to come before the Statutory Committee, the meeting was adjourned by unanimous vote of the Committee at 2:01 p.m. Eastern Time. Roll Call: Mr. Klocke, Mr. Riley, Ms. Bonaparte, Ms. McMahan, and Treasurer Goldberg.