

# **Massachusetts Defined Contribution CORE Plan**

## **Minutes of the Not-for-Profit Defined Contribution Committee March 22, 2022**

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 22, 2022. Present were Statutory Committee Chair Treasurer Deborah B. Goldberg, and Statutory Committee members Donna Bonaparte, Jim Klocke, Noreen McMahon, and James “Chet” Riley, being all the voting members of the Statutory Committee.

Also present for all or part of the meeting were Nicola Favorito, Carla Kath, Emily Kowtoniuk, David Lynch, Sandra Lynch, Caitlin Marksteiner, and Joel Massa from the Commonwealth of Massachusetts Office of the Treasurer and Receiver General (“Treasurer’s Office”); Lisa Cardinal, John Fellin, Karl Kroner, and Liz West of Empower Retirement Services (“Empower”); Chris Behrns, John Flagel, Beth Halberstadt, and Sue Sinclair of Aon Investments USA Inc. (“Aon”); and Paulina Diaz of Massena Associates LLC.

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

- 1) Agenda for the March 22, 2022 Meeting;
- 2) Minutes from the December 8, 2021 Not-for-Profit Defined Contribution Committee Meeting (the “Minutes”);
- 3) Commonwealth of Massachusetts, Fourth Quarter 2021, Quarterly Investment Review (the “Investment Report,” prepared by Aon); and
- 4) Massachusetts Defined Contribution CORE Plan, Committee Meeting, March 22, 2022 (the “Empower Report,” prepared by Empower).

With a quorum present, Treasurer Goldberg called the meeting to order at 12:05 p.m. Eastern Time.

Treasurer Goldberg noted that the meeting is being conducted via video- and teleconference call in accordance with An Act Extending Certain COVID-19 Measures Adopted During the State of Emergency signed into law by Governor Baker on June 16, 2021. Treasurer Goldberg advised attendees of the recording parameters under Open Meeting Law M.G.L. c. 30A, §§ 18-25 as amended most recently by Chapter 22 of the Acts of 2022. 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 during the meeting, they should bring that to her attention.

On a motion by Mr. Riley, seconded by Mr. Klocke, the Statutory Committee approved the meeting minutes from the December 8, 2021 meeting 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 Report and reviewed the state of the overall economy, the domestic and international equity markets, the bond markets, and other capital markets through December 31, 2021 and January 31, 2022. In addition, he provided commentary about market activity in February 2022, focusing on the impact inflation and Russia's invasion of Ukraine have had on the Plan's investments. He reported on the Plan's asset allocation and performance of investments held in the Plan for both time periods and compared to benchmarks and other relevant aspects of the funds offered considering the Plan's Investment Policy Statement.

The Statutory Committee and Mr. Behrns discussed the Plan's use of Treasury Inflation Protected Securities and public real estate investments. In addition, the Statutory Committee, Empower, and Mr. Lynch discussed recent participant activity at the Plan's call center and website, both hosted by Empower, as well as the availability of educational materials to participants seeking guidance about managing their investments during market volatility.

Mr. Fellin presented the "Executive Summary" of the Empower Report, noting that over 1,000 participants have balances in the Plan. Mr. Kroner reviewed several metrics including asset growth, contribution history, Plan participation, and benefit payment transactions for the quarter ending December 31, 2021. He discussed managed account activity and various metrics of engagement, including personalization of participant investing profiles.

As requested at the previous meeting, Mr. Fellin explained Empower's periodic re-enrollment process from operational and compliance perspectives. The Statutory Committee discussed the potential impact periodic re-enrollment may have on the Plan, its participating employers and their participants. Mr. Fellin and Mr. Lynch agreed to outline the administrative considerations for the participating employers, considering their existing administrative responsibilities to the Plan, and report back to the Statutory Committee at the next meeting.

Ms. Cardinal reported on the "Sales Update" section of the Empower Report, informing the Statutory Committee that 35 new employers adopted the Plan in 2021. She analyzed the impact the Plan's design and the Massachusetts Nonprofit Network discount had on the number of new employers adopting the Plan.

Ms. West summarized Empower's marketing and social media activities used for engaging potential adopting employers. She informed the Statutory Committee that Empower is researching different types of marketing activities and will send recommendations to Mr. Lynch in the near future.

Treasurer Goldberg noted that the next Statutory Committee meeting is scheduled for June 14, 2022. There being no further business to come before the Statutory Committee, the meeting was adjourned at 1:00 p.m. Eastern Time by a motion from Ms. Bonaparte, seconded by Mr. Riley. Roll Call: Mr. Riley, Ms. Bonaparte, Mr. Klocke, Ms. McMahon, and Treasurer Goldberg.