

# NEVADA COUNTY RETIREMENT PLAN 401(a) DEFINED CONTRIBUTION & 457 DEFERRED COMPENSATION PLANS

Presented By:

Mali Dyck, Assistant County Executive Officer

Steven Rose, Director of Human Resources

Vincent Galindo, Senior Consultant HYAS Group



# Background

- 1975 Establishment of a Deferred Compensation Plan
- 1981 Adopted the National Association of Counties Deferred Compensation Plan
- 2010 Amended the Deferred Compensation Plan to make loans available
- 2018 HR researched multiple counties for best practices
- 2019 Development of an Ad-hoc Fiduciary Committee and partnership with HYAS Group



# HYAS Group

- Hired as an advisor August 2019
- Independent retirement plan consultant
- Based in Portland, Oregon
- Seven consultants with nearly 170 years experience combined
- Heavy focus on governmental plans
- From \$2 million to \$1.5 billion
- We are considered a fiduciary to the plans
  - *Represents all employees as well as those separated from service*



# CURRENT STRUCTURE – Three Record Keepers

## › CalPERS 457 Plan

- › Six core funds plus a target date suite
- › \$10 million in current assets
- › Fees are approximately \$42,500 annually

## › ICMA-RC 457 Plan

- › 38 core funds plus a target date suite
- › \$1.2 million in current assets
- › Fees are approximately \$15,000 annually

## › Nationwide 457 Plan

- › 39 core funds plus a target date suite
- › \$18 million in current assets
- › Fees are approximately \$125,000 annually

## › ICMA-RC 401(a) Plan

- › 38 core funds plus a target date suite
- › \$90,000 in current assets
- › Fees are approximately \$1,100 annually



# THE FORMAL RFP PROCESS

- The Request for Proposal document was posted – June 2019
- Sent to 34 firms as well as major media outlets
- Eight firms responded – June 2019
- Three firms were selected as finalists – September 2019



# RFP Selection Recommendation

- **ONE RECORD KEEPER**

- › Retain Nationwide as sole provider as both 401(a) and 457 Plans

- 13 core funds plus a target date suite
- \$30 million in current assets
- Fees will be approximately \$125,000 annually

- **BENEFITS**

- Annual participant savings of \$50,000
- A much cleaner participant experience
- A simplified investment menu made up of best in class funds

- **Transition to Nationwide May 15, 2020**



# Recommendation: Formation of Deferred Compensation Plan Committee

- **The Board of Supervisors establishes the Committee**
  - Members all volunteer to serve
  - The Committee is considered a fiduciary to the plans
  - The Board is also considered a fiduciary to the plans
- **FUDICIARY RESPONSIBILITIES**
  - Quarterly review plan performance
  - Revise plan investment options in accordance with statement of investment policies and guidelines
  - Maintain necessary records for administration of plans
  - Review performance of service providers engaged with plans
  - Other duties as listed on Charter



# Deferred Compensation Plan Committee

- **COMPOSITION:**

- Five voting members:

- Assistant County Executive Officer (Chair)
    - Human Resources Director (Plan Administrator)
    - County Benefits Officer (Secretary)
    - Auditor-Controller
    - Deputy County Executive Officer

- Also present at meetings:

- County Counsel, Plan Investment Consultant, Plan Record Keeper  
Representatives





# RECOMMENDED BOARD ACTION

- Adopt Resolution Approving Personnel Services Contract with Nationwide Retirement Solutions, Inc. pertaining to Third-Party Recordkeeping, Administration, Education and Investment Services for the Nevada County 457(b) Differed Compensation Plan and 401(a) Plans
- Adopt Resolution to approve the formation and charter of the Nevada County Deferred Compensation Plan Committee to provide oversight of the Nevada County 457(b) Deferred Compensation Plan and 401(a) Plans



# Questions

