

NEW JERSEY SECURE CHOICE SAVINGS BOARD

Minutes of the Meeting

March 15, 2024

Minutes of the Board meeting of the New Jersey Secure Choice Savings Board (the “Board”) held via Zoom on Friday, March 15, 2024, at 10:03 AM Eastern Standard Time.

MEMBERS OF THE BOARD IN ATTENDANCE

Todd Hassler, Executive Director, Secretary, New Jersey Secure Choice Savings Program

Andrea Spalla, Chair Person, Assistant Treasurer of the State of New Jersey, Department of the Treasury

Evelyn Liebman, Vice Chair, Public Member

Kevin Walsh, ex-officio Member; Acting State Comptroller

Tariq Shabazz, ex-officio Member; Acting Director of the Office of Management and Budget

Luis O. De La Hoz, Public Member

ADDITIONAL ATTENDEES

Jeffrey Padgett, Deputy Attorney General, Department of Law and Public Safety, Division of Law

Sam, Kovach-Orr, Governor’s Authorities Unit

Charles Vellenga, Secure Choice Savings Program

Peter Moak, Secure Choice Savings Program

Tiffany Rojas, Secure Choice Savings Program

Johanna Colapinto, Secure Choice Savings Program

Charlie Hamad, Vestwell

Michael Terdeman, Vestwell

Matthew Golden, Vestwell

Courtney Eccles, Vestwell

Erin Whitman

Andrea Feirstein

Michael Terdeman

Jeffrey Oakman, Governor’s Authorities Unit

Charles Hall

Chair Andrea Spalla presided over the meeting and Todd Hassler, Executive Director, kept the minutes.

Chair Spalla called the meeting to order at 10:03 AM. Chair Spalla introduced herself and made the following statement:

I hereby call the March 15, 2024 meeting of the New Jersey Secure Choice Savings Program Board to order. I am Andrea Spalla Chair of the Secure Choice Savings Program Board as a designee of the State Treasurer.

I also wish to announce that adequate notice of this meeting was provided in accordance with the Open Public Meetings Act. Notice of today's meeting was filed with the Secretary of State; distributed by press release to at least two daily newspapers in New Jersey; and also posted on the bulletin board for the Secretary of State.

I will now ask Deputy Director Charles Vellenga, to please call the roll.

Chuck Vellenga, Secure Choice Savings Program took roll call:

*Andrea Spalla
Tariq Shabazz
Kevin Walsh
Evelyn Liebman
Luis O De La Hoz*

We have enough for a quorum

Chair Spalla continues:

Thank you, Chuck. And thank you and welcome to everyone in attendance. If there are any members of the public in attendance who wish to speak at this meeting, please note that the Board will open the floor for public comment before we adjourn.

And with that, we will move forward with Today's agenda. I ask members of the Board to identify themselves before making or seconding a motion because this is a virtual meeting.

As the first order of business, I would like to request a motion to adopt the Resolution approving the minutes of action taken at the February 9, 2024 board meeting. Those minutes were emailed to the Board earlier this week and a copy of the Resolution and minutes are included in your Board package under "Exhibit 4 & 4.1"

May I have a motion to approve the minutes of the Board meeting held on February 9, 2024?

Evelyn Liebman moves to approve the minutes.

Kevin Walsh seconds the motion.

There is no discussion from the Board.

The motion passed with all 5 members in attendance affirming the motion.

The minutes are approved.

Chair Spalla Continues:

Next on our agenda is an executive session permitted for the purposes of discussing personnel matters, contract negotiations, pending and anticipated litigation and matters falling within the attorney-client privilege. May I have a motion for the board to move into executive session?

Evelyn Liebman moves for executive session.

Tariq Shabazz seconds.

There was no discussion from the Board.

The motion passed with all 5 members in attendance affirming the motion.

The Board moves into Executive Session at 10:08 AM

The Board returned from Executive Session at 10:24 AM

Chair Spalla Continues:

Thank you for waiting, everybody. Welcome Back. Chuck can you take a quick roll call to continue the open session?

All Board members are still in attendance, except Luis O. De La Hoz who had technical difficulties and dropped.

Before we get to the next agenda item, I would like to invite the Program's Executive Director Todd Hassler to provide the Board with a program update.

Todd Hassler provides a status update on the Board's launch of the New Jersey Secure Savings Program:

Thank you and Good Morning, and thank you for attending the New Jersey Secure Choice Savings Program's March 2024 Board Meeting.

Today we will be providing an update about the progress of the program's implementation. We will also be asking the board to take action on several key milestones.

Today is a very exciting day for us.

I would like to begin with a Marketing Update:

We've been focused very much on creating awareness of the program through our social media presence since our initial post on February 22, 2024. Staff has shared seven (7) different posts across YouTube, Instagram, Facebook, and LinkedIn. These posts have generated 49 followers and 70 likes.

This has also resulted in increased web traffic for our program with over 100 visits during

this abbreviated month.

A graph of web traffic is displayed.

The slide that just came up will show the increase on the chart for February and March. This report was taken about a week ago, so it's not showing all of the activity as of yet. As you may know, our website is our primary source of information for the program, so we rely on that heavily.

Postings from Social Media are displayed.

On your screen we're sharing some examples of the social media posts that have been presented to the community. One area that we've been focusing on is trying to address questions that are presented to us. So we have a Question and Answer time that the team has developed as we're seeing questions that come up, that are frequently asked. We are using this medium to try and create awareness and also educate the community about the program.

Our team has been very focused on creating awareness of the program, but also the general importance of retirement readiness. As you'll see in some of the other posts further down.

These posts have also evolved into video content that we're sharing with you.

Video plays.

These posts are being produced in both English and Spanish and are going to be available through all of our meetings over the next several weeks.

Finally, I would also like the board to be aware that the program has launched its community engagement phase of its outreach campaign. We'll be presenting at several webinars over the coming weeks. These presentations will be given through key partners including Chambers of Commerce, industry groups and other forums dedicated to support the employers in New Jersey.

I'd like to personally extend my gratitude to board member De La Hoz and his fellow Chamber members and leaders for their partnership with the program. We look forward to meeting with you over the next couple of weeks.

Additionally, I would like to thank board member Liebman for her contributions and support to the organization and RetireReady NJ.

As we move into matters that require board action, I would like to begin with Resolution 7A and B. These are matters that were addressed in previous board meetings. The December and January meeting minutes, as well as the bylaws that were resolved in the previous meetings.

In Regards to the Minutes, we have made updates to provide clarification related to the use of jargon and acronyms. I've asked my team to remove these extraneous terms and acronyms and going forward use plain language. This is a source of information for the community. Because of these clarifications, we are asking the board to reapprove the Minutes.

Further, the program by-laws were approved through multiple resolutions. We have amended by-laws and presenting them in their final stage for approval today.

We are also presenting Exhibit 7C, the program's investment policy. As you know, the investment policy or the Investment Committee has met to review the program's investment policy statement. As you know, this policy statement serves as the guidelines for prudent selection of investments for the program. This document was crafted with the guidance of our counsel and our investment advisors. I've asked John Hume, who's our representative with Segal Advisors to be in attendance today to offer any clarifications for the program of the board and in managing the process of choosing, monitoring, and maintaining the investments, that will be offered to the participants of Retire Ready, NJ.

The Investment Committee has evaluated this document and is recommending that the Board pass a resolution to use it as the Investment Policy Statement for the Program.

Further, I would like also to ask the board to turn its attention to exhibits 7D and 7D.1. These exhibits are the resolution to adopt the investments and default processes for the program. As highlighted in 7D.1 this is the Appendix A to the Investment Policy Statement. The Investment Committee has met with the Program's Investment Advisor, Segal Advisors, and have reviewed the recommended investments for the Program.

Segal developed the list of potential investments through a quantitative and systematic evaluation of the funds that are available to us through our service providers. The Investments were ranked and presented to the Investment Committee. The Committee compared the investment managers, reputation, performance, expenses and consideration to the requirements of the New Jersey Secure Choice Savings Program Act and the needs of the participants.

After evaluating these factors and deliberating over a course of two long days, the investment committee unanimously agreed to propose these investments and the default processes for the program. As a result we are recommending that the board pass the resolution to adopt Appendix A as the available investments and the default processes for the program.

With that, I am concluding my update to the board, if there are any questions, I'd be happy to answer them.

No further board member comments or questions for the Executive Director.

Chair Spalla moved forward with the agenda.

ITEMS OF DISCUSSION

I. **Resolution to approve Meeting minutes from January 19, 2024 and December 15, 2023.**

So as Todd explained, Agenda item 7A and 7B are included on this month's agenda is a good housekeeping measure. We appreciate Todd and his team's work on that. May I have a motion for agenda item 7A resolution to approve the meeting minutes from January 19th, 2024 and December 15th, 2023?

A motion was made by Evelyn Liebman, and seconded by Kevin Walsh.

There were no additional comments or questions related to this resolution.

The resolution was approved by all four (4) voting members present.

II. **Resolution to approve By-Laws.**

May I have a motion for agenda item 7B to approve amendments to the Board's by-laws?

A motion was made by Tariq Shabazz, and seconded by Evelyn Liebman.

There were no additional comments or questions related to this resolution.

The resolution was approved by all four (4) voting members present.

III. **Resolution to approve the Investment Plan recommended by the Investment Committee**

I will now turn to the two very important milestones, as I would call them, Agenda Items 7C and 7D, I would like to remind the board members, we do have John Hume here from Segal Advisors to answer any questions you might have once these items are moved for consideration.

May I have a motion to approve item 7C, the resolution to adopt the program's investment policy which is included in your board package as agenda item 7C and in exhibit 7C.1.

A motion was made by Evelyn Liebman and seconded by Kevin Walsh.

There were no additional comments or questions related to this resolution.

The resolution was approved by all four (4) voting members present.

IV. Resolution to approve the Investments and Default Process recommended by the Investment Committee.

May I have a motion to approve the resolution to adopt the investments and default process recommended by the Investment Committee included in your board package as agenda items 7D and exhibit 7D.1.

A motion was made by Evelyn Liebman and seconded by Kevin Walsh.

I'd like to just thank the members of the Investment Committee for their work on this and our advisor John Hume for his team's work advising the investment committee around this very important decisions for our planned participants. It's very exciting. This is a big milestone.

There were no additional comments or questions related to this resolution.

The resolution was approved by all four (4) voting members present.

Board Unfinished or New Business.

Tariq Shabazz raised the following question.

Sorry, just a curiosity question. So on the Retire Ready New Jersey Site, I don't know if this is something that you know that can be provided to the remaining board members, but for the sign up now link for the pilot, is it possible to get a count of how many employers have provided submissions for the sign up now link?

Executive Director, Todd Hassler, responded.

The last count that we had I believe was 13 employers, which is actually comparative to what we've seen in other programs, a very large response. We are getting several a day. We will be actually looking over the next week to narrow that down to a final number and then working with our partner Vestwell to determine which are feasible to be able to be used as pilots.

We will be announcing these names to board members and key stakeholders who may want to participate in this. So Tariq, we may actually ask you to come and attend if you would like to and have availability.

PUBLIC COMMENT

Chair Spalla invited comments from the public.

Sharon Hall:

Hi this is Sharon Hall, I'm calling from our company in Edison. I wanted to know

what the effective date of the RetireReady law will be for New Jersey.

Todd Hassler:

Presently we are anticipating a pilot launch of May 15th and June 30th. Communications will be going out to all employers who have been identified as eligible and covered by the program. So June 30th the services will be become live and you would be able to log on and register thereafter.

Sharon Hall:

So with this plan, it's an Individual Retirement Account plan to the employees. Will there be a charge to the employees? I know there is no charge to employers, but will there be a charge to the employees when they like a monthly fee or anything like that.

Todd Hassler:

The fees as described under the law are 75 basis points, so that's $\frac{3}{4}$ of 1% that would be charged as a fee to the participant or employee.

Sharon Hall:

And that's monthly yes?

Todd Hassler:

It's not charged the 75 basis points. It's not charged monthly, it's spread over the course of a year, so there's a communication to it each year. They would be charged 75 basis points or $\frac{3}{4}$ of 1% of the assets in the account.

Sharon Hall:

This will feed into Automatic Data Processing, Inc. (ADP) our payroll system. I should say, for anyone who uses others. When we're submitting the funds, does it feed from ADP into Retire Ready? Will it provide information as far as what the employees have contributed each pay period, so it can be invested?

So we're deducting the funds from employees on payroll and then we're submitting it to Retire Ready. Will you be communicating with the payroll companies in order for this feed to happen so that we can submit the funds that they're investing into the plan?

Todd Hassler:

We are actively engaging the payroll community now. We have reached out to

three different payroll consortiums or chambers if you will in the state of New Jersey. So we've engaged them and are attempting to have communications with them to help prepare them. We have specifically spoken to ADP and they are capable of not only making these deductions under their system, but in certain cases provide that information through direct communication from them to the program that would need to be as far as the service that's being provided from the paper vendors that would need to be coordinated with them.

Sharon Hall:

One more question, so we talked about the investments, I wanted to know if they're going to be target investments based on the retirement age for employees or will they be able to invest in mutual funds.

Todd Hassler:

There's two questions there, so I'm going to answer the first one. We are using a target date default process that will put the individual into a target dated investment based on the individual age and that will graduate from a more equity based to a more conservative bond based as time passes on that glide path. So yes to your first question.

Also we will offer benchmark investments that are allowing individuals to diversify on their own so they can choose differing types of investments through the program. These have not been published, yet, so I can't say how many or which investments are going to be available. I can say that they are all high quality investments with the best investment class that is available to the program. Also I can say to that it offers a relatively broad based view of the market. So you're not going to be limited to one or two investments in the program outside of the target date funds, you will have a broad set of benchmarks to consider.

Andrea Spalla:

Todd, when do you think that the information related to the investment options will be public or published, I should say. I mean they're public now, but when will they be published? I'm assuming you tend to put them on the website or something?

Todd Hassler:

I would expect that we're going to have them published in pretty short order, but I want to make sure that it's provided outwardly consistent with the needs of the service provider and also our laws. But so that everybody has a fair view of it, I would expect within the next day or two.

Andrea Spalla:

Great, that's very soon. Thank you very much. Any other members of the Public?

Cody Browning:

Hi Cody Browning and I want to follow up on one of the questions. I just heard the previous person asking when the RetireReady law was going into effect. I didn't quite understand if there was a clear date. I understood that June 30th was the service live anticipation for the program that you're launching but the actual like requirements for employers going into place when those when compliance to this regulation would be enforced.

Todd Hassler:

Thank you, Cody. We have actually addressed this in past meetings and I'm happy to reinforce it going forward. It is our goal to create awareness of retirement. It is our goal to offer an equitable retirement program to all individuals in the community who would be covered by this program.

Part of that is communication and we will be actively working to communicate to the employers of the state until we reach a point where we feel that and when I say we, I mean the board feels as though we have exhausted the ability to communicate and then we could look at enforcement. I will say that I think most employers are going to in good faith enter the program.

But, unfortunately, there are circumstances that we're learning from our partners in other states that employers may choose not to, and we have to look at and enforcement that's down the line a little bit. We will be very clear and forthcoming with where we stand on this. Our present focus right now is to create awareness of the program and help the employers transition and adopt the program.

Cody Browning:

Ok and with no cost to the employers, I mean I can honestly agree that is the best tactic to be taken is being taken. I agree you're making it as simple and non-threatening to employers as you possibly could, and then it's option for the employees as long as it's offered to them to enroll correct?

So it's for the employers and then optional for the employees as long as it's being offered and it's offered either through the employers first and then there's also another you know public eventually, public system offer so.

Todd Hassler:

So I'm going to provide some clarification there too. Employees are automatically enrolled, similar to any newly established program that an employer would offer.

They're requiring an auto-enrollment provision. So they will be automatically enrolled at 3% defaulted. That is the expectation. Employers would simply go on to our systems and register. I would encourage you to actually look on our website. We will be having some presentations with Chamber of Commerce. We can even make provisions if you're not part of those chambers, in certain circumstances, to get you a free remittance into those meetings. And we'll be able to present in greater detail of some of the nuances of it, even in some cases, showing screens as we progress forward, but in generality, correct. We are not charging the employers anything to participate, employees will automatically be enrolled into the program, and as we talk today, we are introducing high quality investments that you would like to see in any private retirement program within the industry with actually very impressed with our advisors at Segal Investments or what they were able to negotiate on our behalf. In regards to the quality of the investments that are going to be made available to the participants.

Cody Browning:

In a private, privately provided plan through an employer would be in a substitution to this requirement, correct?

Todd Hassler:

Correct.

Cody Browning:

And for that information what would be considered the best source to go to for general information on this topic? What is the website?

Todd Hassler:

RetireReady.nj.gov.

As we progress forward with our implementation, we're going to be posting dates on here in regards to the meetings that will be coming up. So as presentations are scheduled, we'll be making those announcements on here also.

Cody Browning:

Okay, I will navigate that site more before the next gathering so thank you for your time.

Andrea Spalla:

Asks for any further public comments, which was discovered Sharon Hall wished to speak again.

Hi Sharon, typically there is one bite at the apple public comment structure, but given that these are all really helpful questions, that I'm sure are shared by many employers out there, I'm going to indulge it. But just keep in mind you've had your three minutes. Thank you.

Sharon Hall:

Okay, that's no problem. I just figured since no one else is asking, so I have just two more questions if that's okay. I believe it's going to be an Individual Retirement Account plan so Individual Retirement Account savings plan, it's going to be either the employees can choose either Roth or Traditional Individual Retirement Account plan, correct?

Todd Hassler:

That's correct.

Sharon Hall:

So will you be giving us the forms for employer/employees to sign up or as the employer? Do we need to prepare forms yourself, in order for the employees to, well I know they are going to be automatically signed up, but to waive the plan if they don't want to sign up?

Todd Hassler:

There are forms going to be created for the program, yes, and communications that you can actually print off. We've even talked about it, you often see these next to where you punch your time card, a lot of employers are looking for resources like that. So yes, we are going to be providing some documentation. Employees can actually choose to not participate through our vendor. They would be able to log on to the site and make an affirmative election to reduce to 0 or elect to save more money if they chose to increase their deferrals as well.

There being no further business, on a motion from Evelyn Liebman, which was seconded by Tariq Shabazz, and carried by voice vote from members present voting in favor, the meeting was adjourned at 10:57 AM.