

KANSAS BOARD OF REGENTS  
Retirement Plan Committee  
September 8, 2020

## AGENDA

Kansas Board of Regents  
Retirement Plan Committee  
September 8, 2020 at 12:30 p.m.

1. Approve: Minutes from April 16, 2020
2. Introduction of new member: Debbie Amershek, PSU HR
3. ACG semi-annual report through 6/30/20 – Brad Tollander
4. Legal update – Justin Dorsey
5. Mandatory and Voluntary Retirement Plan Amendments – Natalie Yoza
6. KBOR Regulation Update – Natalie Yoza
7. National Association of Government Defined Contribution Administrators (NAGDCA) Update – Natalie Yoza
8. Voluntary Retirement Plan - KBOR plan communication strategy – TIAA and Voya
  - A. Additional information will be provided via email prior to the meeting.
9. Employee engagement outcomes – TIAA and Voya
10. Upcoming changes - TIAA
11. Good of the Order

Diane Goddard's retirement.
12. Next meeting March xx, 2021

KANSAS BOARD OF REGENTS  
**Retirement Plan Committee (RPC)**  
MINUTES  
April 16, 2020

Regent Bangerter called the April 16, 2020, video conference meeting of the Kansas Board of Regents Retirement Plan Committee to order at 1:00 p.m.

Members Participating:

Regent Shane Bangerter, Chair  
Dipak Ghosh, ESU  
Dr. Rick Lecompte, WSU  
Michele Sexton, PSU  
Jay Stephens, KSU

Mike Barnett, FHSU  
Diane Goddard, KU  
President Steve Scott, PSU  
Stacey Snakenberg, KUMC  
Madi Vannaman, KBOR

Participating from Advanced Capital Group, were consultants Brad Tollander and Justin Dorsey. Also participating, from TIAA: Nicolette Dixon, Senior Relationship Manager; and Gary Herzlich, Senior Director and Associate General Counsel; from Voya: John O'Brien, Regional Vice President; Cindy Delfelder, Client Relations; and Linda Segal Blinn, Vice President, Technical Services; from the Board Office: Natalie Yoza, Associate General Counsel, and Elaine Frisbie, Vice President Administration and Finance; and from KUMC: Kim Barksdale.

**Minutes**

Jay Stephens moved and President Scott seconded the motion to approve the minutes from the March 17, 2020. The motion was approved unanimously.

**TIAA Money Market**

The RPC reviewed information provided by Brad Tollander about the impact of Federal Reserve Rate Reductions on TIAA Money Market funds. ACG recommended that the "TIAA-CREF Money Market" fund be used instead of the "CREF Money Market" fund in the new employer-controlled KBOR Voluntary Plan beginning Plan Year 2021. This will not impact the current Mandatory or Voluntary Plan fund lineups.

Natalie Yoza clarified that the RPC makes recommendations about fund lineup changes to the Board. Yesterday, the Board approved the new voluntary plan lineups beginning Plan Year 2021. And, if today's recommendation is approved, it will be taken to the Board for their approval.

Rick LeCompte clarified that TIAA Money Market cannot be annuitized but those funds can be transferred into another account and then be annuitized.

Mike Barnett moved that the ACG recommendation be approved. After a second by Diane Goddard, the motion was approved unanimously.

**CARES Act**

The RPC reviewed information in the issue paper and power point prepared by Natalie Yoza outlining the CARES Act options available for the KBOR Mandatory and Voluntary Retirement Plans. The core issues were 1) whether the CARES Act's elective options (Coronavirus Related Distributions and Loans) should be adopted by either/both the Mandatory/Voluntary plans and 2) whether the Act's Administrative "employee self-certification" would need to be monitored for compliance?

Natalie Yoza provided a correction to the issue paper stating that the Required Minimum Distributions suspended under CARES Act will be treated the same by TIAA and Voya as both companies will continue giving participants the minimum distributions unless the participant asks otherwise.

Regarding the employee's certification that he or she is a qualified individual under the CARES act, it is currently unknown whether an individual qualifies if his or her spouse suffers an adverse financial experience such as a furlough. Linda Segal-Blinn stated that while Voya would love to see that eligibility definition clarified and broadened, the way Voya currently reads the statute is that it covers the "individual" and not a spouse or dependent. Voya is working with others in the industry to seek broader definition and guidance from the Secretary of the Treasury. In contrast, Gary Herzlick from TIAA stated this question is swirling around the industry and there is no clear consensus about what was intended or how to interpret it as the Act is drafted very broadly and the language is not ideal. TIAA, he said, thinks a reasonable argument could be made that because Congress authorized self-certification there is "no need to look under the cover." Therefore, if a participant applicant certifies he/she meets the criteria, TIAA will accept it on its face and without further inquiry. And he added that TIAA also is actively involved in industry efforts to get that clarified.

Regarding the CARES Act and the Coronavirus Distribution provision, Regent Bangerter asked if a \$100,000 Coronavirus Distribution is taken and sometime within the first 3 years it is repaid how does taxation work? Gary Herzlick responded that the \$100,000 is taxed pro-rata each year unless the participant elects to have it fully taxed the first year. If within year 3 it is repaid, the participant would not be taxed on the \$33,333 that year and would file an amendment to be repaid the prior year taxes. Linda Segal Blinn stated that the plan document should allow repayment of the distribution as currently there is not a lot of guidance whether about the legislative intent requiring the option to make repayment. But this is a complex question and will require input from the Participant's own tax consultant.

Regarding the CARES Act and the Coronavirus Loan provision, various questions were raised:

1. Dipak Ghosh asked if a Coronavirus Loan is not repaid, will it be treated as a distribution and subject to taxes? Gary Herzlick responded, yes, that distribution would be subject to standard taxation if the loan went into default. Whether the distribution would be subject to the 10% penalty will depend on the timing, as a defaulted loan could conceivably be converted into a Coronavirus distribution and not be subject to the 10% early withdrawal penalty
2. Justin Dorsey, ACG, stated that a decision on all options does not need to be finalized today. ACG is fully supportive of the Coronavirus distributions for both plans but not as supportive of the Coronavirus loans for the Voluntary Plan. Allowing employees to access \$100k is a prudent goal but that might not be true for accessing \$200k. If it is decided those loans should be made available, that decision can be made later, understanding the September 23, 2020 deadline for such loans.
3. Regent Bangerter stated that all universities are hopeful there will not be a need for layoffs or furloughs but that is a possibility. If such actions were required, they would occur at a later date that might be past the September 23, 2020, window for loans. President Scott concurred that depending on any state rescissions and the impact to enrollment, the picture might not be known until after the September date.

4. Mike Barnett asked of the two, is the distribution or the loan most tax advantageous to the individual? Linda Segal Blinn stated that it depends upon the participant. If a loan is taken and is repaid, without a default, the result is there would be no taxes. But if there is a default, those dollars will be treated as a taxable distribution. The Coronavirus distributions are taxed when received, over a three-year period, but the participant has the ability to repay in 3 years which would offset taxes.
5. Dipak Ghosh asked if the Coronavirus loans are not approved, can a participant apply using the COVID criteria for a higher loan limit? Natalie Yoza responded that under the current loan provisions in the Voluntary Plan that do not reflect the higher CARES Act limits, the participant does not have to meet the COVID qualifications to take out a loan.
6. Michele Sexton stated that having been through the housing collapse and the financial needs experienced then, she is fully on board with the Coronavirus distributions and she asked if there is a strong enough argument not to approve the higher loan limits to both plans? Jay Stephens responded that he, as we all, are hoping this will be a shorter-term issue and sometimes we can attempt to protect individuals from taking action out of nervousness and fear. Rick LeCompte agreed, especially regarding the Mandatory Plan as this would severely impact the Plan and therefore he is not supportive of doing that right now.

Three CARES Act Distribution motions were considered and voted upon:

1. Mike Barnett moved that the RPC **approve** the amendment of the **Voluntary Retirement Plan** to permit the CARES Act's Coronavirus-related **Distributions** effective today, or as soon as administratively practical thereafter, for the recordkeepers that meet the following conditions. These coronavirus-related distributions are only available to participants enrolled with one of the six recordkeepers that are currently approved for new enrollments—TIAA, Voya, VALIC, Ameriprise Financial Services, Security Benefit Life Insurance Co., and Waddell & Reed Financial Services—or the seven recordkeepers that are frozen to new participants—American Century Investments, Lincoln Investment Planning, Inc., Lincoln Life, Lincoln National Life Insurance Co., Modern Woodmen of America, ReliaStar Life Insurance Co., and Thrivent Financial for Lutherans. And those recordkeepers are only approved if they have the ability to properly administer the distributions in conjunction with PlanWithEase and obtain the two required self-certifications that the participant is a qualified individual under the CARES Act and that the participant has not exceeded the monetary limitations for the coronavirus-related distributions. The recordkeepers that have been deselected are not approved to offer the coronavirus-related distributions. The Board's President and CEO, is authorized to enter any agreements necessary to implement this amendment. And Board staff are authorized to hire counsel to memorialize those amendments in the Voluntary Plan Document before December 2024.

This motion was seconded by Diane Goddard and approved unanimously.

2. Mike Barnett moved that the RPC **approve** the amendment of the **Mandatory Retirement Plan** to permit the CARES Act's Coronavirus-related **Distributions** effective today, or as soon as administratively practical thereafter, for the recordkeepers that meet the following conditions. These coronavirus related distributions are only available to participants enrolled with one of the two approved recordkeepers—TIAA and Voya—or the frozen recordkeepers—Lincoln National and Security Benefit Insurance Co. And those recordkeepers are only approved if they have the ability to properly administer the distributions in conjunction with PlanWithEase and obtain the

two required self-certifications that the participant is a qualified individual under the CARES Act and that the participant has not exceeded the monetary limitations for the coronavirus-related distributions. The Board's President and CEO, is authorized to enter any agreements necessary to implement this amendment, and Board staff are authorized to hire counsel to memorialize those amendments in the Mandatory Plan Document before December 2024.

This motion was seconded by Diane Goddard and approved unanimously.

**3. Mike Barnett moved that the RPC not approve the Coronavirus-related Loans for the Voluntary Retirement Plan.**

This motion was seconded by Diane Goddard and approved unanimously.

Concluding Discussions:

Mike Barnett asked how TIAA and Voya plan to distribute information to participants about availability. Cindy Delfelder stated that Voya does not plan to provide a broad communication on this but information will be available to participants on the website when they log in and also be discussed by the Call Center Representatives when contacted. Voya's local advisers also will be notified. Nicolette Dixon responded that is the same for TIAA. Also, participant webinars are available that are not specifically CARES Act-related, but address market volatility and how to weather the storm. When participants log into their accounts, they will see information about distribution options. TIAA is trying to educate participants about the impact distributions will have to their retirement plan and helping them to walk through consideration of other options.

The Board Office will provide information from the Board Office to the KBOR university HR directors and ask that they share that information with Mandatory and Voluntary Plan participants on their campuses. Natalie Yoza confirmed that the RPC has the authority to amend the Plan documents and the RPC has fully authorized the Coronavirus Distributions for both plans.

Next RPC meeting:

The next regular RPC meeting will be scheduled for September 2020 TBD.

## Topical Legal Review

### 1. U.S. Supreme Court + Statute-of-Limitations – Intel Corp. Investment Policy Committee v. Sulyma (2/26/2020)

**Take-away:** ERISA has two (2) statutes-of-limitations: 6 years vs 3 years. The shorter limit is applied where there is “actual knowledge” of an alleged Fiduciary breach. The Plaintiff alleged that while he received disclosure info, he didn’t read or understand. The Court unanimously sided with the Participant and held that to satisfy the actual knowledge requirement, the plaintiff must “in fact have become aware of that information.”

While siding with the plan participant on the meaning of actual knowledge, the court concludes its opinion by clarifying that nothing in the opinion precludes any of the “usual ways” of proving actual knowledge – and that the Defendant didn’t try to establish “actual knowledge.”

“Nothing in this opinion forecloses any of the “usual ways” to prove actual knowledge at any stage in the litigation. Plaintiffs who recall reading particular disclosures will of course be bound by oath to say so in their depositions. On top of that, actual knowledge can be proved through “inference from circumstantial evidence.” Evidence of disclosure would no doubt be relevant, as would electronic records showing that a plaintiff viewed the relevant disclosures and evidence suggesting that the plaintiff took action in response to the information contained in them. And though, at the summary judgment stage, facts must be viewed in the light most favorable to the nonmoving party, that is true only if there is a ‘genuine’ dispute as to those facts. If a plaintiff’s denial of knowledge is “blatantly contradicted by the record,” “a court should not adopt that version of the facts for purposes of ruling on a motion for summary judgment. Today’s opinion also does not preclude defendants from contending that evidence of “willful blindness” supports a finding of “actual knowledge.”

**In the case before us, however, petitioners do not argue that “actual knowledge” is established in any of these ways, only that they need not offer any such proof. And that is incorrect.”**

### 2. Is “Participant Data” a Plan Asset – Charles Harmon v. Shell Oil and Divane v Northwestern Univ.

**Take-away:** This case is still in its early stages. Plaintiffs’ counsel is the St. Louis based Schlichter firm. This is just one of many claims of the case – for which part the Plaintiffs seek an injunction.

*The Response to the Defendants motion to dismiss argues, “Plaintiffs’ theory is not novel. Before ERISA was enacted, courts routinely recognized the same types of data sets that Fidelity Investment Institutional Operations Company, Inc. (“FIIOC”) misappropriated from the Plan are assets. The common law concerns are the same here—the combination of information linking each customer to their most highly confidential information such as investment history, identity of their investments, account balances, investment contribution amounts, investment goals, social security numbers, age, income, marital status, and call center notes combined with knowledge of triggering events such as retirement, changes in employment status, marital status or beneficiary status. It is this combination of elements that makes the data set highly valuable to the Plan and financial services firms. Congress incorporated the common law understanding that such data sets are asset into ERISA.”*

*But the Divane court affirmed a district court’s finding that confidential participant data, including “participants’ contact information, their choices of investments, the asset size of their accounts, their employment status, age, and proximity to retirement”, could not be a plan asset because it was not property the plan could sell or lease in order to fund retirement benefits.*

### 3. More Litigation re: active vs passive TDF’s - Johnson vs Quest

**Take-away:** *To date, this is the most frequently recurring claim in these ERISA cases. And the Complaints themselves are getting more analytical:*

3-Year Trailing Performance as of 4/30/20				
Freedom Suite	Return	Freedom Index Suite	Return	Difference
Income K	3.78%	Income Inst Prem	4.87%	-1.09%
2005 K	4.08%	2005 Inst Prem	5.22%	-1.14%
2010 K	4.24%	2010 Inst Prem	5.43%	-1.19%
2015 K	4.34%	2015 Inst Prem	5.59%	-1.25%
2020 K	4.35%	2020 Inst Prem	5.65%	-1.30%
2025 K	4.37%	2025 Inst Prem	5.71%	-1.34%
2030 K	4.60%	2030 Inst Prem	6.00%	-1.40%
2035 K	4.29%	2035 Inst Prem	5.76%	-1.47%
2040 K	3.95%	2040 Inst Prem	5.40%	-1.45%
2045 K	3.94%	2045 Inst Prem	5.39%	-1.45%
2050 K	3.92%	2050 Inst Prem	5.40%	-1.48%
2055 K	3.95%	2055 Inst Prem	5.40%	-1.45%
2060 K	3.92%	2060 Inst Prem	5.39%	-1.47%

*What’s also interesting about this case is Count II: Failure to Monitor Fiduciaries and Co-Fiduciary Liability:*

*Quest and the Committees breached their fiduciary monitoring duties by, among other things:*



*(a) Failing to monitor and evaluate the performance of their appointees or have a system in place for doing so, standing idly by as the Plan suffered enormous losses as a result of the appointees' imprudent actions and omissions with respect to the Plan;*

*(b) Failing to monitor their appointees' fiduciary processes, which would have alerted a prudent fiduciary to the breaches of fiduciary duties described herein, in clear violation of ERISA; and*

*(c) Failing to remove appointees whose performance was inadequate in that they continued to maintain imprudent, excessively costly, and poorly performing investments within the Plan, all to the detriment of the Plan and its participants' retirement savings.*

#### 4. More on Cybersecurity – Leventhal v. MandMarblestone Group

**Take-away:** *ACG will work with KBOR to explore TLA/Voya Cybersecurity protections.*

The court ruled that the TPA service provider, after being sued by the plan sponsor for the cybersecurity breach, may bring counterclaims against the plan sponsor for contribution and indemnity because the plan sponsor was alleged to be “careless” in its “computer/IT systems” and “employment policies” in permitting an employee and plan participant to work remotely without adequate safeguards to do so.

#### 5. Chubb & Groom co-author “The War on Retirement Plan Fees: Is Anyone Safe”?

**Take-away:** *The Evolution of Excessive Fee Claims, Steps that May Reduce Exposure to Excessive Fee Claims, Predicting Which Plans Might Be Targeted, Mitigating Corporate and Personal Risk.* [https://www.chubb.com/us-en/\\_assets/doc/2020-05.06-17-01-0271-war-on-retirement-plan-fees.pdf](https://www.chubb.com/us-en/_assets/doc/2020-05.06-17-01-0271-war-on-retirement-plan-fees.pdf)

## Act on Proposed Amendments to Mandatory and Voluntary Plan Documents

### Summary and Staff Recommendation

*The Board of Regents's Mandatory and Voluntary Plan Documents need to be amended to: (1) reflect the Retirement Plan Committee's (RPC) decision to permit certain approved recordkeepers to offer Coronavirus-Related Distributions as authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act); (2) incorporate a change to the Required Minimum Distribution rules that was mandated by federal law; and (3) amend the Voluntary Plan's approved vendor list effective January 2021 to reflect the consolidation of recordkeepers.*

*The Ice Miller law firm drafted the Plan amendments. The Board has delegated to the RPC, through the RPC Charter, the authority to amend Plan documents. Board staff reviewed the proposed amendments and recommend that the RPC adopt Amendment Three to the Mandatory Retirement Plan and Amendment Four to the Voluntary Retirement Plan, attached.*

### Background

The Kansas Board of Regents is required by K.S.A. 74-4925 to offer a 403(b) compliant retirement plan for eligible faculty and staff; this plan is generally called the Mandatory Retirement Plan. The Board is also permitted by K.S.A. 74-4925b to offer a supplemental 403(b) compliant retirement plan to which eligible faculty and staff may voluntarily contribute; this plan is generally called the Voluntary Retirement Plan. As required by federal law, both Plans are administered pursuant to written Plan documents.

The Board created the Retirement Plan Committee (RPC) as a co-fiduciary for the Mandatory and Voluntary Retirement Plans. Through the RPC Charter, the Board has delegated to the RPC the responsibility for approving and adopting Plan Documents and material amendments and modifications.<sup>1</sup>

### The Proposed Plan Amendments

Amendment Three to the Mandatory Retirement Plan Document and Amendment Four to the Voluntary Retirement Plan Document (collectively the "proposed Amendments") are attached. The language in the proposed Amendments is identical in the two sections adopting Coronavirus-Related Distributions and temporarily waiving the Required Mandatory Distribution rules (RMDs) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The only difference between the two proposed Amendments is that the Voluntary Plan Amendment also contains a vendor listing in Exhibit A that reflects that Plan's consolidation taking effect January 2021.

Because the pandemic is on-going, the provisions for coronavirus-related distributions and RMDs include language that will incorporate any changes that occur in subsequent legislation modifying or extending the CARES Act and any regulatory guidance issued under the CARES Act.<sup>2</sup>

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<sup>1</sup> RPC Charter, p. 3.

<sup>2</sup> See, e.g., Mandatory Plan Amendment Three, Section 9.07(d) and Section 9.04(d).

### **(1) The Coronavirus-Related Distributions**

The CARES Act was enacted to loosen restrictions on distributions and loans for employees impacted by COVID-19. These provisions were optional. At its April 2020 meeting, the RPC amended the Mandatory and Voluntary Plans to permit eligible Plan participants to take Coronavirus-Related Distributions from qualified recordkeepers.<sup>3</sup> These changes were implemented by the Plans' recordkeepers, and Plan participants have been using them.

As of August 5, 2020, Mandatory and Voluntary Plan participants have distributed around \$6.5 million in Coronavirus-Related Distributions. The vast majority of these distributions were from the Mandatory Plan; of the 251 instances (as some employees took more than one distribution) only 10 were from the Voluntary Plan. Some individuals have taken the \$100,000 maximum, but it is more common for the distributions to be for less.

Generally speaking, the proposed Amendments related to Coronavirus-Related Distributions would amend the Mandatory and Voluntary Plan Documents' definition sections to define Coronavirus-Related Distributions and to define who is a qualified individual under the CARES Act. The Amendments then memorialize the RPC's decision to permit approved vendors to administer the distributions, allowing qualified individuals to withdraw up to \$100,000 from all Plans maintained by the employer or a related employer. However, the participant must self-certify that he or she is a qualified individual.

### **(2) Required Minimum Distributions**

The CARES Act also temporarily waived RMDs. This change occurred by operation of law and must be memorialized in the Plan Documents.

Typically, participants must take RMDs beginning at age 70.5, or 72 if born after June 30, 1949. The distribution amount is based on the account balance at the end of the prior year and your life expectancy factor. The CARES Act waives RMDs for 403(b) plans for any RMD required to be paid in 2020 and to 2019 RMDs that are required to be made by April 1, 2020.

Generally speaking, the proposed Amendments alter the required distribution rules for the Mandatory and Voluntary Plan Documents to indicate that Plan participants and beneficiaries can elect to receive or elect to stop receiving these distributions as permitted under the CARES Act. The language was specifically drafted to recognize that different recordkeepers treated the waiver differently. Some automatically stopped distributions and others continued the distributions unless the participant chose not to receive them. The proposed Amendments cover both scenarios.

### **(3) Voluntary Plan Amendment Exhibit A – The Vendor Listing**

The Voluntary Plan Amendment also contains an updated Exhibit A. It includes the vendors that are currently approved, frozen, and former vendors. Effective with the first paycheck in January 2021 (dated January 8, 2021), it indicates that only TIAA and Voya are approved to accept contributions. All other vendors become former vendors that cannot accept contributions under the Plan. This Exhibit reflects the work the RPC and Board have been doing to improve the

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<sup>3</sup> The CARES Act gives government plans until January 2024 to amend the Plans.

Voluntary Plan for participants by consolidating vendors, improving investment offerings, and increasing fiduciary oversight.

**AMENDMENT NUMBER THREE TO THE  
KANSAS BOARD OF REGENTS MANDATORY RETIREMENT PLAN**

THIS AMENDMENT NUMBER THREE to the Kansas Board of Regents Mandatory Retirement Plan ("Mandatory Plan") is hereby adopted by the Kansas Board of Regents ("Board").

WHEREAS, the Mandatory Plan was established effective January 1, 1962, was most recently amended and restated in its entirety effective January 1, 2009, and has been amended twice thereafter, most recently effective June 18, 2014; and

WHEREAS, the Board reserved the right to amend the Mandatory Plan in Article XIV of the Plan; and

WHEREAS, the Board delegated its authority to approve and adopt Mandatory Plan documents and amendments and modifications to the Retirement Plan Committee, subject to certain Board approval requirements; and

WHEREAS, the Retirement Plan Committee now wishes to amend the Mandatory Plan to reflect changes made pursuant to the Coronavirus Aid, Relief, and Economic Security Act of 2020 ("CARES Act").

NOW, THEREFORE, the Mandatory Plan is hereby amended effective as of April 17, 2020, unless otherwise stated herein:

1. A new Paragraph (pp), defining the CARES Act, is hereby added to Section 2.02 of the Plan, to be and read as follows:

(pp) "CARES Act" means the Coronavirus Aid, Relief, and Economic Security Act of 2020.

2. A new Paragraph (qq), defining Coronavirus-Related Distribution, is hereby added to Section 2.02 of the Plan, to be and read as follows:

(qq) "Coronavirus-Related Distribution" means a distribution made on or after April 17, 2020, but before December 31, 2020, or such later date as provided in legislation modifying or extending the CARES Act or regulatory guidance under the CARES Act, to a Qualified Individual in accordance with Section 9.07.

3. A new Paragraph (rr), defining Qualified Individual, is hereby added to Section 2.02 of the Plan, to be and read as follows:

(rr) "Qualified Individual" means a Participant:

(i) who is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention;

(ii) whose spouse or dependent (as defined in Code Section 152) is diagnosed with such virus or disease by such a test; or

(iii) who experiences adverse financial consequences as a result of:

(A) the Participant, the Participant's spouse, or a member of the Participant's household (i) being quarantined, (ii) being furloughed or laid off or having work hours reduced due to such virus or disease, (iii) being unable to work due to lack of child care due to such virus or disease, (iv) having a reduction in pay (or self-employment income) due to such virus or disease, or (v) having a job offer rescinded or start date for a job delayed due to such virus or disease;

(B) closing or reducing hours of a business owned or operated by the Participant, the Participant's spouse, or a member of the Participant's household due to such virus or disease; or

(C) other factors as determined by the Secretary of the Treasury (or the Secretary's delegate); or

(iv) any other Participant who satisfies the definition of a Qualified Individual as provided in legislation modifying or extending the CARES Act or regulatory guidance under the CARES Act.

For purposes of this paragraph (rr), a member of the Participant's household means someone who shares the Participant's principal residence.

4. A new Section 9.07, related to Coronavirus-Related Distributions, is hereby added to the Plan to be and read as follows:

**Section 9.07 Coronavirus-Related Distributions.**

(a) Notwithstanding Section 9.01, (i) if a Vendor has been approved by the Administrator to offer Coronavirus-Related Distributions under the Plan and (ii) subject to the limitation under paragraph (b) and the terms of the Funding Vehicles, a Participant who is a Qualified Individual may request one or more Coronavirus-Related Distributions from his or her Account.

(b) Coronavirus-Related Distributions to a Participant from this Plan, the Kansas Board of Regents Voluntary Plan, and all other plans maintained by the Employer or a Related Employer may not exceed \$100,000.

(c) A Participant shall certify that he or she is a Qualified Individual prior to receiving a Coronavirus-Related Distribution.

(d) Notwithstanding any other provision of the Plan, Coronavirus-Related Distributions shall be made in accordance with the CARES Act, any subsequent legislation addressing Coronavirus-Related Distributions, and any regulatory guidance issued thereunder.

5. Section 9.04 of the Plan, Required Distribution Rules, is hereby amended to be and read as:

**Section 9.04 Required Distribution Rules.** The provisions of this Section 9.04 take precedence over any inconsistent provisions of the Plan or of any Funding Vehicle.

(a) All distributions under this Plan will be made in accordance with Code Section 401(a)(9) and the regulations thereunder, including the incidental death benefit rules under Code Section 401(a)(9)(G) and the changes under the Setting Every Community Up for Retirement Enhancement Act of 2019 and any guidance issued thereunder. For this purpose, each Individual Agreement shall comply with the minimum distribution requirements of Code Section 401(a)(9) and the regulations thereunder. For purposes of applying the distribution rules of Code Section 409(a)(9), each Individual Agreement is treated as an individual retirement account (IRA) and distributions will be made in accordance with the provisions of Treasury Regulation Section 1.408-8, except as provided in Treasury Regulation Section 1.403(b)-6(e). Notwithstanding the preceding sentence, each Vendor shall separately comply with the minimum distribution requirements under Code Section 401(a)(9) and the regulations thereunder with respect to its Funding Vehicles under the Plan.

(b) Distributions may only be made over one of the following periods (or a combination thereof):

(1) The life of the Participant;

(2) The life of the Participant and a designated individual Beneficiary;

(3) A period certain not extending beyond the life expectancy of the Participant; or

(4) A period certain not extending beyond the joint and last survivor life expectancy of the Participant and designated individual Beneficiary.

(c) A Participant's Accounts shall be distributed to the Participant beginning no later than April 1 of the calendar year following the calendar year in which the Participant attains age 70½ (age 72 for distributions required to be made after December 31, 2019, with respect to a Participant who would have attained age 70½ after December 31, 2019) or, if later, April 1 of the calendar year following the calendar year that the Participant has a Severance from Employment.

(d) For 2020 or such longer period as provided in legislation modifying or extending the CARES Act, unless otherwise provided in the Individual Agreements, the minimum distribution requirements set forth under paragraph (a) will be satisfied as provided in either subsection (1) or (2) below, as determined by the Vendor responsible for the Participant's required minimum distribution and in accordance with the Individual Agreements:

(1) Effective March 27, 2020, or as soon as administratively practicable thereafter, a Participant or Beneficiary who would have been required to receive a required minimum distribution in 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 1, 2021) but for the enactment of Code Section 401(a)(9)(I) ("2020 RMDs") and who would have satisfied that requirement by receiving distributions that are either (i) equal to the 2020 RMDs, or (ii) one or more payments (that include the 2020 RMDs) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant and the Beneficiary, or for a period of at least ten (10) years ("Extended 2020 RMDs"), will not receive this distribution unless the Participant or Beneficiary chooses to receive the distribution. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distribution described in the preceding sentence.



(2) Effective March 27, 2020, or as soon as administratively practicable thereafter, a Participant or Beneficiary who would have been required to receive a 2020 RMD, and who would have satisfied that requirement by receiving distributions that are (i) equal to the 2020 RMDs or (ii) Extended 2020 RMDs, will receive this distribution unless the Participant or Beneficiary chooses not to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to stop receiving the distribution described in the preceding sentence.

Further, if provided by the Individual Agreement, 2020 RMDs and Extended 2020 RMDs will be treated as eligible rollover distributions in 2020.

6. In all other respects, the Mandatory Plan shall be and remain unchanged.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

**KANSAS BOARD OF REGENTS**

By: \_\_\_\_\_  
Shane Bangerter  
Chair of the Retirement Plan Committee

By: \_\_\_\_\_  
Blake Flanders, Ph.D.  
President and Chief Executive Officer

**AMENDMENT NUMBER FOUR TO THE  
KANSAS BOARD OF REGENTS VOLUNTARY RETIREMENT PLAN**

THIS AMENDMENT NUMBER FOUR to the Kansas Board of Regents Voluntary Retirement Plan ("Voluntary Plan") is hereby adopted by the Kansas Board of Regents ("Board").

WHEREAS, the Voluntary Plan was most recently amended and restated in its entirety effective January 1, 2011, and has been amended three times thereafter, most recently effective January 1, 2020; and

WHEREAS, the Board reserved the right to amend the Voluntary Plan in Article XIV of the Plan; and

WHEREAS, the Board delegated its authority to approve and adopt Voluntary Plan documents and amendments and modifications to the Retirement Plan Committee, subject to certain Board approval requirements; and

WHEREAS, the Retirement Plan Committee now wishes to amend the Voluntary Plan to reflect changes made pursuant to the Coronavirus Aid, Relief, and Economic Security Act of 2020 ("CARES Act").

NOW, THEREFORE, the Voluntary Plan is hereby amended effective as of April 17, 2020, unless otherwise stated herein.

1. A new Paragraph (nn), defining the CARES Act, is hereby added to Section 2.02 of the Plan, to be and read as follows:

(nn) "CARES Act" means the Coronavirus Aid, Relief, and Economic Security Act of 2020.

2. A new Paragraph (oo), defining Coronavirus-Related Distribution, is hereby added to Section 2.02 of the Plan, to be and read as follows:

(oo) "Coronavirus-Related Distribution" means a distribution made on or after April 17, 2020, but before December 31, 2020, or such later date as provided in legislation modifying or extending the CARES Act or regulatory guidance under the CARES Act, to a Qualified Individual in accordance with Section 9.08.

3. A new Paragraph (pp), defining Qualified Individual, is hereby added to Section 2.02 of the Plan, to be and read as follows:

(pp) "Qualified Individual" means a Participant:

(i) who is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention;

(ii) whose spouse or dependent (as defined in Code Section 152) is diagnosed with such virus or disease by such a test; or

(iii) who experiences adverse financial consequences as a result of:

(A) the Participant, the Participant's spouse, or a member of the Participant's household (i) being quarantined, (ii) being furloughed or laid off or having work hours reduced due to such virus or disease, (iii) being unable to work due to lack of child care due to such virus or disease, (iv) having a reduction in pay (or self-employment income) due to such virus or disease, or (v) having a job offer rescinded or start date for a job delayed due to such virus or disease;

(B) closing or reducing hours of a business owned or operated by the Participant, the Participant's spouse, or a member of the Participant's household due to such virus or disease; or

(C) other factors as determined by the Secretary of the Treasury (or the Secretary's delegate); or

(iv) any other Participant who satisfies the definition of a Qualified Individual as provided in legislation modifying or extending the CARES Act or regulatory guidance under the CARES Act.

For purposes of this paragraph (pp), a member of the Participant's household means someone who shares the Participant's principal residence.

4. A new Section 9.08, related to Coronavirus-Related Distributions, is hereby added

to the Plan to be and read as follows:

**Section 9.08 Coronavirus-Related Distributions.**

(a) Notwithstanding Section 9.01, (i) if a Vendor has been approved by the Administrator to offer Coronavirus-Related Distributions under the Plan and (ii) subject to the limitation under paragraph (b) and the terms of the Funding Vehicles, a Participant who is a Qualified Individual may request one or more Coronavirus-Related Distributions from his or her Account.

(b) Coronavirus-Related Distributions to a Participant from this Plan, the Kansas Board of Regents Mandatory Plan, and all other plans maintained by the Employer or a Related Employer may not exceed \$100,000.

(c) A Participant shall certify that he or she is a Qualified Individual prior to receiving a Coronavirus-Related Distribution.

(d) Notwithstanding any other provision of the Plan, Coronavirus-Related Distributions shall be made in accordance with the CARES Act, any subsequent legislation addressing Coronavirus-Related Distributions, and any regulatory guidance issued thereunder.

5. Section 9.04 of the Plan, Required Distribution Rules, is hereby amended to be

and read as:

**Section 9.04 Required Distribution Rules.** The provisions of this Section 9.04 take precedence over any inconsistent provisions of the Plan or of any Funding Vehicle.

(a) All distributions under this Plan will be made in accordance with Code Section 401(a)(9) and the regulations thereunder, including the incidental death benefit rules under Code Section 401(a)(9)(G) and the changes under the Setting Every Community Up for Retirement Enhancement Act of 2019 and any guidance issued thereunder. For this purpose, each Individual Agreement shall comply with the minimum distribution requirements of Code Section 401(a)(9) and the regulations thereunder. For purposes of applying the distribution rules of Code Section 409(a)(9), each Individual Agreement is treated as an individual retirement account (IRA) and distributions will be made in accordance with the provisions of Treasury Regulation Section 1.408-8, except as provided in Treasury Regulation Section 1.403(b)-6(e). Notwithstanding the preceding sentence, each Vendor shall separately comply with the minimum distribution

requirements under Code Section 401(a)(9) and the regulations thereunder with respect to its Funding Vehicles under the Plan.

(b) Distributions may only be made over one of the following periods (or a combination thereof):

(1) The life of the Participant;

(2) The life of the Participant and a designated individual Beneficiary;

(3) A period certain not extending beyond the life expectancy of the Participant; or

(4) A period certain not extending beyond the joint and last survivor life expectancy of the Participant and designated individual Beneficiary.

(c) A Participant's Accounts shall be distributed to the Participant beginning no later than April 1 of the calendar year following the calendar year in which the Participant attains age 70½ (age 72 for distributions required to be made after December 31, 2019, with respect to a Participant who would have attained age 70½ after December 31, 2019) or, if later, April 1 of the calendar year following the calendar year that the Participant has a Severance from Employment.

(d) For 2020 or such longer period as provided in legislation modifying or extending the CARES Act, unless otherwise provided in the Individual Agreements, the minimum distribution requirements set forth under paragraph (a) will be satisfied as provided in either subsection (1) or (2) below, as determined by the Vendor responsible for the Participant's required minimum distribution and in accordance with the Individual Agreements:

(1) Effective March 27, 2020, or as soon as administratively practicable thereafter, a Participant or Beneficiary who would have been required to receive a required minimum distribution in 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 1, 2021) but for the enactment of Code Section 401(a)(9)(I) ("2020 RMDs") and who would have satisfied that requirement by receiving distributions that are either (i) equal to the 2020 RMDs, or (ii) one or more payments (that include the 2020 RMDs) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant and the Beneficiary, or for a period of at least ten (10) years ("Extended 2020 RMDs"), will not receive this distribution unless the Participant or Beneficiary chooses to receive the distribution. Participants and Beneficiaries described in the preceding

sentence will be given the opportunity to elect to receive the distribution described in the preceding sentence.

(2) Effective March 27, 2020, or as soon as administratively practicable thereafter, a Participant or Beneficiary who would have been required to receive a 2020 RMD, and who would have satisfied that requirement by receiving distributions that are (i) equal to the 2020 RMDs or (ii) Extended 2020 RMDs, will receive this distribution unless the Participant or Beneficiary chooses not to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to stop receiving the distribution described in the preceding sentence.

Further, if provided by the Individual Agreement, 2020 RMDs and Extended 2020 RMDs will be treated as eligible rollover distributions in 2020.

6. A new Paragraph (d), related to loan repayments, is hereby added to Section 10.01 of the Plan, to be and read as follows:

(d) If a Participant who is a Qualified Individual has an outstanding loan on or after March 27, 2020, and certifies that he or she is a Qualified Individual, and the Vendor has been approved by the Administrator to administer delayed loan repayments under the Plan, this paragraph (d) shall apply:

(1) if the due date under Code Section 72(p) for any repayment with respect to such loan occurs during the period beginning on March 27, 2020, and ending on December 31, 2020, such due date shall be delayed for one year;

(2) any subsequent repayments with respect to any such loan shall be appropriately adjusted to reflect the delay in the due date under paragraph (1) and any interest accruing during such delay; and

(3) in determining the five year period and the term of a loan under Code Section 72(p), the period described in paragraph (1) shall be disregarded.

7. Exhibit A – Vendor Listing, shall be amended to be and read as attached hereto.

8. In all other respects, the Voluntary Plan shall be and remain unchanged.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

**KANSAS BOARD OF REGENTS**

By: \_\_\_\_\_  
Shane Bangerter  
Chair of the Retirement Plan Committee

By: \_\_\_\_\_  
Blake Flanders, Ph.D.  
President and Chief Executive Officer

**KANSAS BOARD OF REGENTS  
VOLUNTARY RETIREMENT PLAN**

**EXHIBIT A**

**VENDOR LISTING**

The purpose of this Exhibit A is to set forth the current approved Vendors, frozen Vendors, and Former Vendors under the Plan. This Exhibit A may be amended from time to time; provided, however, that any changes to approved Vendors under the Plan shall be effective on the date that the Board approves such changes, and not on the date of the amended Exhibit A.

**VENDOR LISTING PRIOR TO JANUARY 1, 2021**

**1. Approved Vendors**

Effective as of the date of this amendment, the Vendors listed below are approved to accept contributions under the Plan:

<b>Code</b>	<b>Company Name</b>
321	Ameriprise Financial Services, Inc.
413	Lincoln Investment Planning
416	Lincoln National Life Insurance Company
655	Security Benefit Life Insurance Company
695	TIAA
769	VALIC
024/009	Voya Retirement Services
785	Waddell & Reed Financial Services – <i>not a Roth provider</i>

**2. Frozen Vendors**

Effective as of the date of this amendment, the frozen Vendors listed below are approved to accept contributions under the Plan, but *only* with respect to Participants who were investing with these Vendors as of March 2003.

<b>Code</b>	<b>Company Name</b>
710	American Century Investments
728	Lincoln Life
468	Modern Woodmen of America
506	Reliastar Life Insurance Company
064	Thrivent Financial for Lutherans

Effective January 1, 2021, there will be no frozen Vendors under the Plan.



### 3. Former Vendors

The Former Vendors listed below were approved by the Board to accept contributions under the Plan, but ceased to be eligible to receive new contributions under the Plan on or after January 1, 2005.

<b>Code</b>	<b>Company Name</b>
025	AIM Investment Services Inc.
839	American Funds Distributors In
792	American General Annuity Ins
057	American United Life Ins Co
337	Anchor National Life Insurance Co
186	AXA Equitable Life Insurance Co
470	Conseco Life Ins Co (Mass Gen Life)
378	Farm Bureau Life Insurance Co
775	Fidelity Investments Inst Services
272	Guardian Life Ins Co of America
835	Invesco Funds Group Inc.
831	Janus Capital Corporation
357	John Hancock Funds, Inc.
830	John Hancock Life Ins Co (USA)
838	LIFEUSA
412	Lincoln Benefit Life Company
829	Mackay-Shields Tax Shltd An Pr
444	Mass Mutual Life Ins Co V A
843	MetLife Investors USA Ins Co
446	Metropolitan Life Insurance Co
687	MFS/Sun Life Assur of Can(USA)
834	National Western Life Ins Co
474	Nationwide Life Insurance Co
842	New England Financial Annuities*
501	New York Life Insurance Co*
507	Northwestern Mutual Life Ins Co
828	PFS Investments, Inc
569	Phoenix Mutual Life Ins Co
821	Pioneer Investment Management
084	Principal Financial Group
584	Prudential Ins Co of America
595	Putnam Financial Services Inc
724	The Union Central Life Ins Co
823	The Vanguard Group of Inv Cos
842	New England Financial Annuities
702	Travelers Insurance Company
743	USAA Life Insurance Company

## **VENDOR LISTING EFFECTIVE JANUARY 1, 2021**

### **1. Approved Vendors**

Effective January 1, 2021, the Vendors listed below are approved to accept contributions under the Plan:

<b>Code</b>	<b>Company Name</b>
695	TIAA
024/009	Voya Retirement Services

### **2. Former Vendors**

Effective January 1, 2021, the Former Vendors listed below were approved by the Board to accept contributions under the Plan, but ceased to be eligible to receive new contributions under the Plan.

<b>Code</b>	<b>Company Name</b>
025	AIM Investment Services Inc.
710	American Century Investments
839	American Funds Distributors In
792	American General Annuity Ins
057	American United Life Ins Co
321	Ameriprise Financial Services, Inc.
337	Anchor National Life Insurance Co
186	AXA Equitable Life Insurance Co
470	Conseco Life Ins Co (Mass Gen Life)
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775	Fidelity Investments Inst Services
272	Guardian Life Ins Co of America
835	Invesco Funds Group Inc.
831	Janus Capital Corporation
357	John Hancock Funds, Inc.
830	John Hancock Life Ins Co (USA)
838	LIFEUSA
412	Lincoln Benefit Life Company
413	Lincoln Investment Planning
728	Lincoln Life
416	Lincoln National Life Insurance Company
829	Mackay-Shields Tax Shltd An Pr
444	Mass Mutual Life Ins Co V A
843	MetLife Investors USA Ins Co
446	Metropolitan Life Insurance Co
687	MFS/Sun Life Assur of Can(USA)
468	Modern Woodmen of America
834	National Western Life Ins Co
474	Nationwide Life Insurance Co
842	New England Financial Annuities*
501	New York Life Insurance Co*
507	Northwestern Mutual Life Ins Co
828	PFS Investments, Inc

569	Phoenix Mutual Life Ins Co
821	Pioneer Investment Management
084	Principal Financial Group
584	Prudential Ins Co of America
595	Putnam Financial Services Inc
506	Reliastar Life Insurance Company
655	Security Benefit Life Insurance Company
724	The Union Central Life Ins Co
823	The Vanguard Group of Inv Cos
064	Thrivent Financial for Lutherans
702	Travelers Insurance Company
743	USAA Life Insurance Company
769	VALIC
785	Waddell & Reed Financial Services



# Kansas Board of Regents

## Plan change communications

BUILT TO PERFORM.

CREATED TO SERVE.

September, 2020



## Multi-vendor environment

### Inconsistencies

Employees receive some combination of communication from TIAA, VOYA, and legacy vendors. Messages are likely not in synch.

### Multiple sources

TIAA shows information one way. VOYA and others, another.

### Double effort

Communications requires twice the amount of work: content, reviews, approvals, etc...

### Incomplete picture

For employees who split contributions, neither vendor can provide a complete assessment of whether the individual is on track without participant engagement.

# Plan Communications – Opportunities (part 1)

## Communication Coordinator

**Reduces workload**

Coordinated communication strategy led by one vendor

**Holistic approach**

All plan and vendor information will be included

**Simplifies**

Participants would receive one, consolidated, consistent communication

**Enhances outcomes**

Provides a streamlined participant experience

## Plan Communications – Opportunities (part 2)

### Custom KBOR Retirement Program brand



- 1 • Creates a brand that reflects uniqueness of KBOR’s benefits
- 2 • Provides a reintroduction of the retirement benefits program, including both the Voluntary and Mandatory retirement plans
- 3 • Delivers visual impact and an instantly recognizable identity that could be expanded to other employee benefits
- 4 • Can be for overall communication or project-specific:
  - Investment changes and/or education
  - Supplemental campaigns at system or campus level

### Custom Brand Samples

On the following slides, you’ll find 2 concepts that have been created to reflect the KBOR Retirement Program brand.

## Heritage

This theme is intended to appeal to KBOR's distinguished history. Rock solid and enduring, your steadfast commitment and dedication to those you serve also applies to those you employ. The concept highlights the strength and stability, which extends to the retirement plans you offer, and reinforces a sense of legacy and achievement.

## Design Considerations

Imagery is architectural; the concept can be customized to feature noteworthy or historic landmarks at KBOR and each of the campuses.

## Tone

- Focus: We help employees invest in their future financial well-being, offering time-tested solutions to create their own personal legacy in retirement.
- Design elements: Color palette complements selected imagery and/or campus colors
- Language/tone: Serious and strong, reassuring; pride in the institution and the plan



## Teamwork

This concept was created to reflect how dedicated KBOR is to help employees work toward financial well-being and a better retirement. It emphasizes how employees are not alone on their journey and KBOR is there to provide support.

## Design Considerations

This concept uses images with groups of people and uplifting color to customize the material.

## Tone

- Focus: People sharing a particular view or viewpoint
- Design elements: Bright, uplifting colors; bold images that make a statement
- Language/tone: Simple, friendly, team-oriented



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**BUILT TO PERFORM.**

**CREATED TO SERVE.**



# Employee Engagement

September 8, 2020



# Measuring outcomes



3,647

Took advantage of in person advice available to all plan participants.

As of 12/31/2019



4,472

Took an action: 574 completed online advice, 1,313 started contributions, 1,297 reallocated/re-balanced, 1,288 updated beneficiaries

As of 12/31/2019



96%

Reported TIAA's Financial Consultants considered their interests first and acted with integrity and objectivity.

As of 12/31/2019



1,862

KBOR former employees received \$40M in lifetime income payments in 2019. The average annual payout is \$21,453

As of 12/31/2019

Kansas Board of Regents has 9,879 employees in their plans recordkept by TIAA; 15,996 former employees have a balance in the plans.

These statistics are meant to reflect customer satisfaction with services provided through TIAA financial consultants. Results experienced may not be typical of all participants and are not indicative of future performance or success. Individual results will vary.

# Measuring outcomes - continued



10,626

Employees engaged through multi-touch targeted campaigns. 17 workshops and benefits fairs 1,710 contacted via the Stay Smart for Life program and 9,046 contacted via the Financial Foundation campaigns.

As of 12/31/2019

**Save More**

**Diversification to <women / LGBT / other audiences>**

**Income in Retirement**

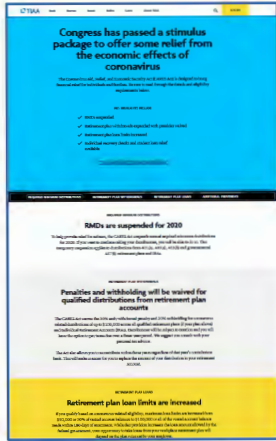
**Estate Plan/Beneficiary**

**Annual Checklist**



# Responding to the pandemic

## Inform and Educate – Phase I



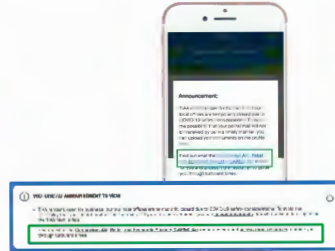
TIAA.org Customer COVID-19/CARES Act Website



TIAA.org Homepage



Phone center open 6 days per week



Digital, Mobile and Automated Messaging



Digital access to forms and Information on MyTIAA.org, mobile and automated assistant



TIAA.org Plan Sponsor COVID-19/CARES Act Website

# Guiding employees to appropriate decisions

## Tools and Resources—Phase II



FCs and WMAs help participants make educated decisions



Targeted Emails (what to do and how to do it)



Interactive web communications (triggered by transaction requests)



Email that plan sponsors can send to participants on key provisions



CARES hub on PlanFocus



Webinars



Website FAQs

# Voya Participant Actions (COVID Response)



Average call length is up about **13%** compared to baseline

Participant satisfaction is **consistently strong** **+97%**

**5.5%** of all calls are related to CARES Act

- ✓ Call volumes have stabilized
- ✓ CARES Act calls are declining as percent of overall calls
- ✓ Participants are engaging in meaningful conversations about retirement and looking to advisors for guidance
- ✓ Service levels are strong and we are meeting client commitments
- ✓ Remote work is seamless and we continue to recruit, onboard and train call center associates across geographic locations



## Trading activity returned to normal levels in June

**99.2%** are staying the course and have not taken any action.

**Only 0.4%** made a future investment allocation change

Of those who changed their savings rate, **68%** increased their savings rate

**We are meeting participants in their channel of choice and see a continued surge in digital engagement**



**JUNE 2020**

**53%** higher digital engagement in June 2020 versus June 2019



# Participant Education & COVID-19 Sentiment

## Continued increase in engagement

### Voya Blog



### Voya Learn



## Top COVID-19 related content in June

- CARES Act
- The Secure Act Key Changes and FAQs
- IRS issues guidance expanding COVID-19 relief for plan participants and employers
- Security and Fraud Protection
- Investing Basics Webinar
- Retirement Planning over 40 Webinar



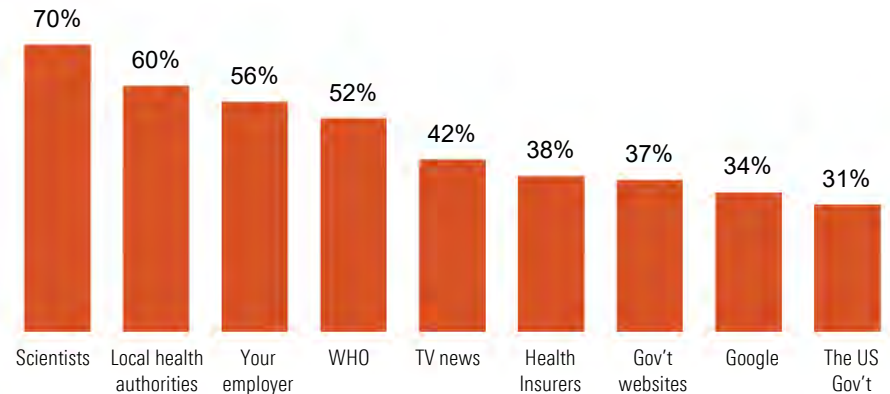
## Email campaigns

- Quarterly education emails reflect current economic and social state

Voya Internal Data, as of 6/30/20

PLAN | INVEST | PROTECT

## Trusted sources



Nearly 6 in 10 Americans trust their employer for COVID-19 related information





Working Americans are most interested in **emergency savings** (#1) and **retirement planning** (#2) support from their employer

[Click here to view the full report](#)


Products and services offered through the Voya family of companies.



# 2019 Participant Overview


 8,062	Participant <u>Accounts</u> with a Balance
 \$59,000	Median Participant Salary
 51	Average Participant Age
 \$114,409	Average Savings Balance

 **3,844** Local 1x1s

 **837** CSR Calls

 **611** New Enrollments

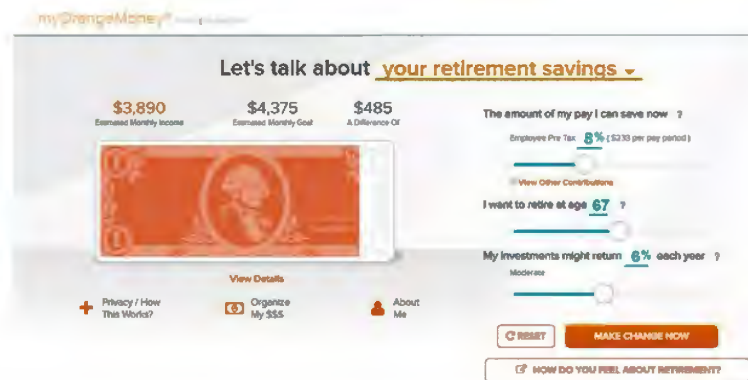
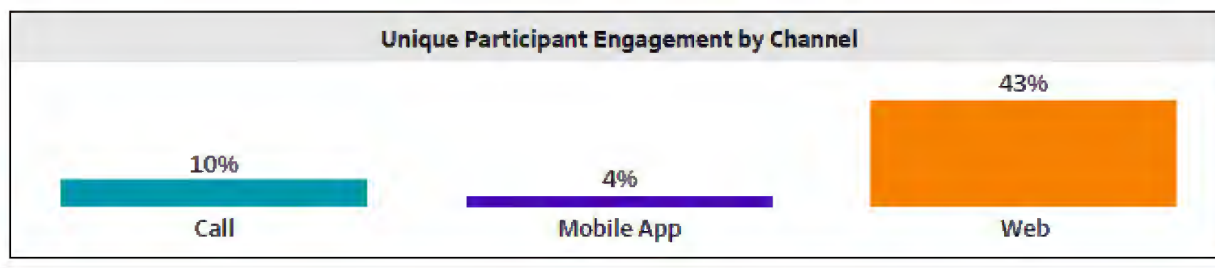
 **1,041** Investment Changes

  
**342**  
Transfers into  
the Plan

**337**  
Participants  
Receiving Income

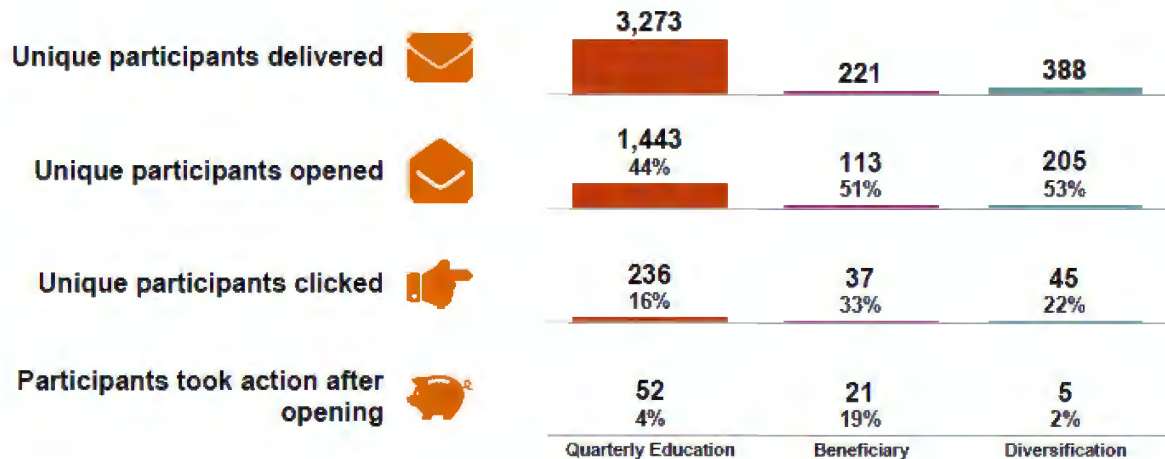
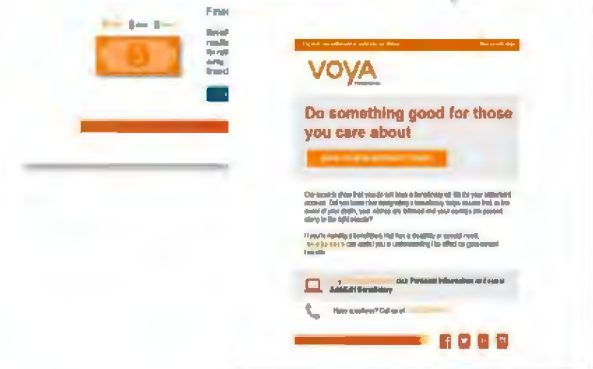
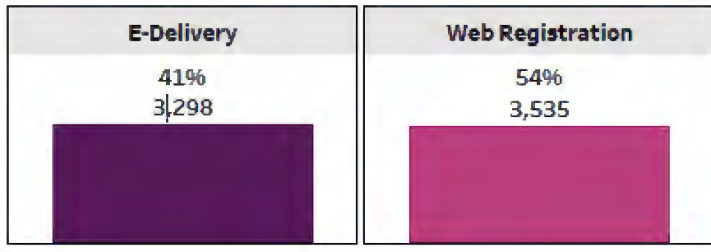
# 2019 Digital Engagement Overview

**46% of plan participants have engaged (used web, mobile, or called) over the past 12 months**  
**43% of plan participants have digitally engaged over the past 12 months**



Unique Participant Activity	Participants
Logged in with access to myOrangeMoney	3,148
Viewed myOrangeMoney	2,486
Engaged and interacted with myOrangeMoney	969

# 2019 Personalized Messaging Overview



# 2019 Financial Wellness Overview

## Your Plan's Financial Wellness Summary Metric



**41%** of participants' pillar scores are green



How do your employees feel about their current financial situation?

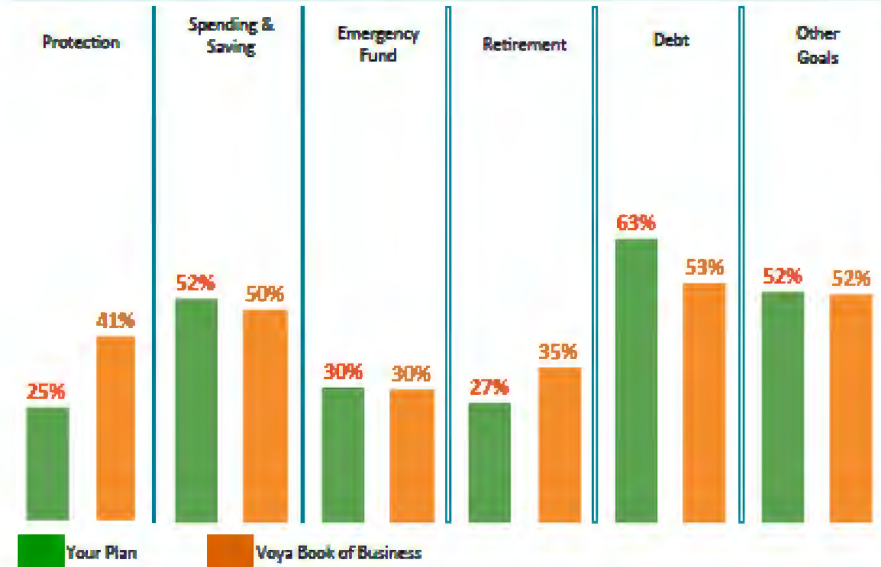
Your employees have an average financial confidence of **6.7**  
(Voya Book of Business: 6.3)



1=not at all confident      10=extremely confident

**62%** have a financial confidence of 7 or more  
(Voya book of business: 53%)

## Percent of Employees On Track by Pillar



\*For Summary Wellness metric and Percent On Track by Pillar, gray scores for Other Goals pillar are counted as green and gray scores for Retirement pillar counted as red.