DEFERRED COMPENSATION PLAN
BOARD MEETING
FEBRUARY 9, 2021

MINUTES

Notice of this meeting has been filed with and prominently posted in the offices of the Secretary of State pursuant to the Open Public Meeting Law. The meeting notice was mailed to the Secretary of State on February 1, 2021 and posted in the Star Ledger and the Trenton Times on December 30, 2020.

DISCLOSURE OF THE OPEN PUBLIC MEETINGS ACT

When necessary, the Board shall adopt this Resolution to go into closed session to consider individuals' appeals of administrative determinations as follows:

In accordance with the provisions of the Open Public Meetings Act, N.J.S.A. 10:4-13, be it resolved that the Board of Trustees go into closed session for purposes of discussing matters pertaining to appeals of administrative determination which may involve material or other content related to personal, medical and financial records, data, reports and recommendations relating to specific individuals, pursuant to N.J.S.A. 10:4-12(3). Those matters are confidential unless expressly waived by the individual involved.

The information recorded during the closed session shall remain confidential until after such time as the Board determines that the need of confidentiality no longer exists and the matters discussed can be disclosed.

Called to Order: 10:34 A.M. Adjourned: 12:24 P.M.

Attendance:

Steven Harris, representing Elizabeth Maher-Muoio, Treasurer, State of New Jersey

Leslie Notor, representing Lynn Azarchi, Acting Director, Office of Management and Budget

Nicole Brown, representing Marlene Caride, Commissioner, Department of Banking and Insurance

Austin Edwards, Deputy Attorney General

Porter Strickler, Deputy Attorney General

Todd Rowohlt, Division of Investment

Michael Kusmierczyk, Plan Manager & Board Secretary

Christine Salvatore, DB & DC Plans Reporting Bureau

Patricia Martin, DB & DC Plans Reporting Bureau

CONTINUED

Attendance Continued:

Prudential Representation

Jada Swinski	Rocco Attanasio	Diane Lewis
Joseph Fein	Bob Rooyakkers	Gabe D'Ulisse

The next scheduled meeting for the Board will be April 13, 2021

OPEN SESSION

Review and Approval of the Minutes from the December 10, 2020 Board Meeting – Steve Harris made a motion to approve the minutes as presented. The motion was seconded by Leslie Notor and was carried unanimously.

Prudential's 4th Quarter 2020 Review – Gabe D'Ulisse introduced topics that will be covered during the meeting. He discussed the various challenging events that occurred during the year 2020 (Covid, elections, and market volatility). Some of the unexpected events seen for the defined contribution plans were people retiring earlier, which was a surprise, increase in distributions due to Covid, and an increase in negative cash flow to the plans (members stopping or decreasing contributions). The Prudential team continues to assist members during this difficult time and educate them as much as possible. He highlighted information provided in the report. Plan assets are at 5.28 billion dollars as of the end of 2020 and continues to grow for 2021. Discussed the plan goals and most were not met in 2020 due to Covid, but our plan did better in certain areas compared to other government plans. Also, provided the projected goals for 2021. Gabe continued going over the data and explained the positives associated with this plan during a difficult year. Michael Kusmierczyk questioned why the report reflects 2 individuals receiving a coronavirus related distribution (CRD) for a total of $18,000, and Prudential believes this was a reporting error since this plan did not adopt this federal regulation.

Bob Rooyakkers gave an update regarding the education unit. He gave an update regarding the Pathways program and states there has been an uptick in interest and attendance. The partnership with the state education unit has been very positive with providing social security seminars and retirement readiness. Posting Prudential's webinar schedule on the State pension website is helping get the word out and creating positive results with attendance. Rocco Attanasio affirmed they will continue to collect data, determine trends, and meet the needs of the members. Leslie Notor stated she was glad to hear the encouraging news regarding Pathways and that we are able to offer more services to the members. Gabe D'Ulisse provided some additional positive feedback and thanked the Board for allowing Prudential to provide this service.

Diane Lewis provided the communication updates recently processed and the plan for the near future. Details were available in the report.

Joseph Fein provided detailed investment updates and performance review for the year. He discussed various data provided in the investment reports. Market is still volatile, but it is still doing very well. Investment results have been very positive. Gabe D'Ulisse provided his closing remarks.

Details of this presented information is stored in audio format in the office of the Plan Administrator.

Unforeseeable Emergency Appeal – Tracy Balascsak

Motion to go into executive session – At 11:39 a.m. Steve Harris made a motion to go into executive session to discuss the appeal of unforeseen emergency withdrawal denial. The motion was seconded by Leslie Notor and was carried unanimously.

The Board questions regarding the case were discussed with the DAG and administrators of the Plan.

Motion to exit executive session and go into closed session with Tracy – At 11:46 a.m. Leslie Notor made the motion and the motion was seconded by Nicole Brown and was carried unanimously.

Steve informed Tracy $1,750 is being approved to withdrawal for the root canal and the remaining amount is being denied and does not qualify for an unforeseen emergency. Tracy believes the loss of a family member that was assisting with paying bills qualifies and requests the board to reconsider. Leslie Notor informed Tracy the rules for withdrawals is strict. Loss of overtime is not considered as an unforeseen emergency since it is not guaranteed income. Tracy also states the board is required to look at the merit of each individual case and how circumstances involving Covid is not considered an unforeseen event. Tracy questioned the Board that they don't consider a loss of a family member with income as unforeseen event. The Board considered this matter and she had a year to make up for the lost income. Tracy states she is struggling with her bills. Steve Harris asked if she is behind on any bills. Tracy replied she was able to postpone car payments, but she can't continue to do that. Asked if she considered borrowing from her pension account, but that would not assist her since it would reduce her pay since she would have to pay it back. Leslie stated it is limited to what the plan permits the Board can do. Tracy questioned what is the purpose of the appeal if it is cut and dry and the Board can't make an exception. Steve stated she is receiving $1,750, but Tracy continued to plead her case and requesting a reduced amount. Steve confirmed $700 was being contributed by the family member prior to death and Tracy informed the Board he required her care. Tracy confirmed the family member contributing to bills passed away in January 2020. Leslie asked if she has a mortgage. Tracy stated she pays $1,700 in rent per month and she only brings home $2,200 in monthly income. Board confirmed contributions to deferred compensation stopped.

Motion to go into executive session – At 11:55 a.m. Steve Harris made a motion to go into executive session and the motion was seconded by Leslie Notor and was carried unanimously.

Discussions were in regard to clarify if the deceased family member was a dependent or beneficiary and based on information available, the deceased member did not meet this criteria. Confirmed her initial appeal was December 2020 and some time has passed from the date of death. There were discussions of other appeal options and gathering other facts.

Motion to exit executive session and go into closed session with Tracy – At 12:07 p.m. Leslie Notor made the motion and the motion was seconded by Steve Harris and was carried unanimously.

Steve Harris provided the Board's final decision and Tracy was requesting how she can appeal this further. Leslie Notor stated this can no longer be taken any further with the Board and they are limited based on IRS rules. Tracy argued the IRS allows withdrawals, but Leslie stated it was not allowed for this type of plan. Tracy was looking for suggestions from the Board as to what she can do, but the Board cannot make suggestions or are in a position to do it. Tracy requested spelling of full names for certain individuals on the Board, which was provided. Tracy still doesn't understand how a family member that contributes money towards household bills and suddenly dies, does not qualify as an unforeseen emergency. Leslie states he was not a dependent. Board confirm how soon she would get the approved amount.

Steve Harris made a final motion at 12:12 p.m.to issue a withdrawal for $1,750 for the cost incurred for the root canal and deny the remaining request. It was seconded by Leslie Notor. Motion was carried unanimously.

Unforeseeable Emergency Appeal – Roland Ridgeway

Motion to go into executive session – At 12:19 p.m. Steve Harris made a motion to go into executive session to discuss the appeal of unforeseen emergency withdrawal denial. The motion was seconded by Nicole Brown and was carried unanimously.

Board wanted to confirm if there was anything can be approved based on the IRS rules. Board was gathering facts.

Motion to exit executive session and go into closed session with Roland – At 12:24 p.m. Leslie Notor made the motion and the motion was seconded by Nicole Brown and was carried unanimously.

Steve Harris states the Board decided to deny his request. Roland believes it is an emergency since it is an event that can't be predicted and it is totally unexpected, sudden, and an unforeseen event. He claims he has waste water in his backyard and getting worse. Regular maintenance was maintained on the tanks. Board believes the result of the septic tank failing was due to normal wear and tear. It was determined Roland's call dropped. Board made a decision after a few minutes to see if Roland would return on the call.

Leslie Notor made a motion at 12:29 p.m.to uphold the administrative decision and it was seconded by Steve Harris. Motion was carried unanimously.

Motion to exit closed session – At 12:30 p.m. Steve Harris made the motion and the motion was seconded by Leslie Notor and was carried unanimously.

Adjournment – With there being no further matters to discuss, Steve Harris made a motion to adjourn and it was seconded by Nicole Brown. Motion was carried unanimously. The meeting was adjourned at 12:32 p.m.

Respectfully Submitted,

Michael Kusmierczyk

Michael Kusmierczyk
Plan Manager & Board Secretary

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