



PERA

PERA *SmartSave*

Deferred Compensation Plan 

Investments and Pensions Oversight Committee

Senator George Muñoz, Chair

Representative Patricia Roybal Caballero, Vice Chair

Jackie Kohlasch, PERA Board Chair

Wayne Propst, PERA Executive Director

Dominic Garcia, PERA CIO

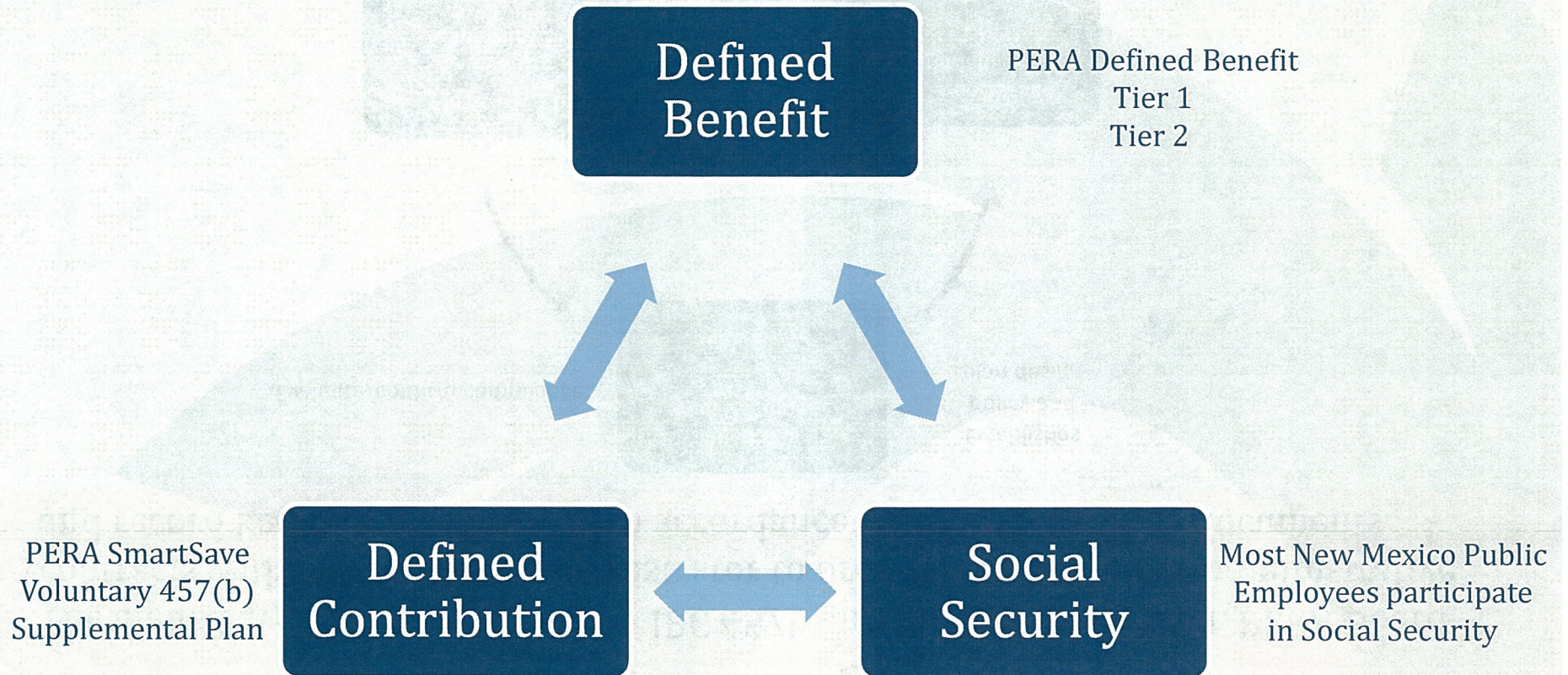
Karyn Lujan, PERA SmartSave Plan Manager

October 7, 2019

PERA SmartSave Deferred Compensation Plan

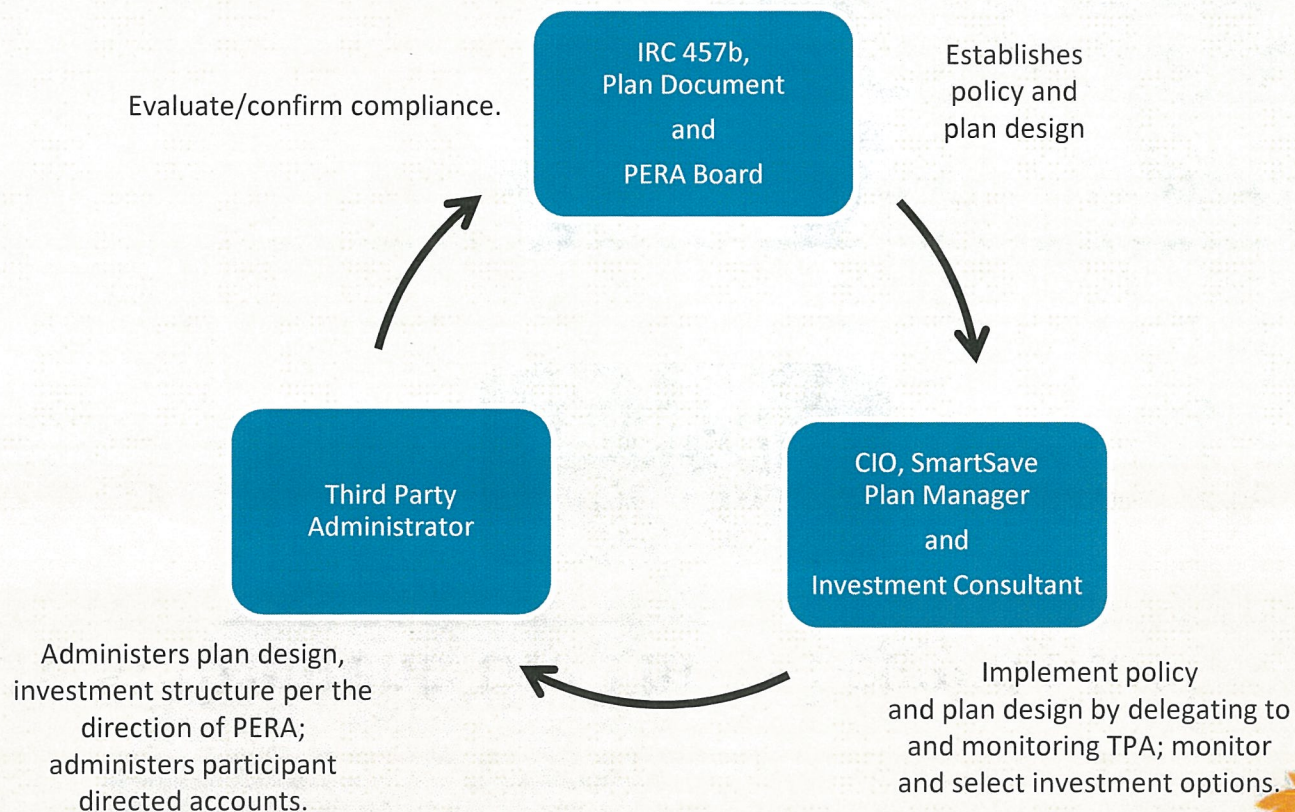
- The PERA SmartSave Deferred Compensation Plan is a voluntary 457b retirement plan
- A *defined contribution* plan; 100% participant directed and participant funded
- Intended to span over one's career for optimal investment results to complement the default PERA defined benefit plan
- The PERA Board acts as a fiduciary of the Plan

A Secure Retirement: the Three-Legged Stool



Overview –Policy and Plan Design

The SmartSave Plan is governed by IRC 457b and the Plan Document. PERA Board contracts with a third party administrator to provide custody bank, administrative and record keeping services – all in accordance with the governing documents.



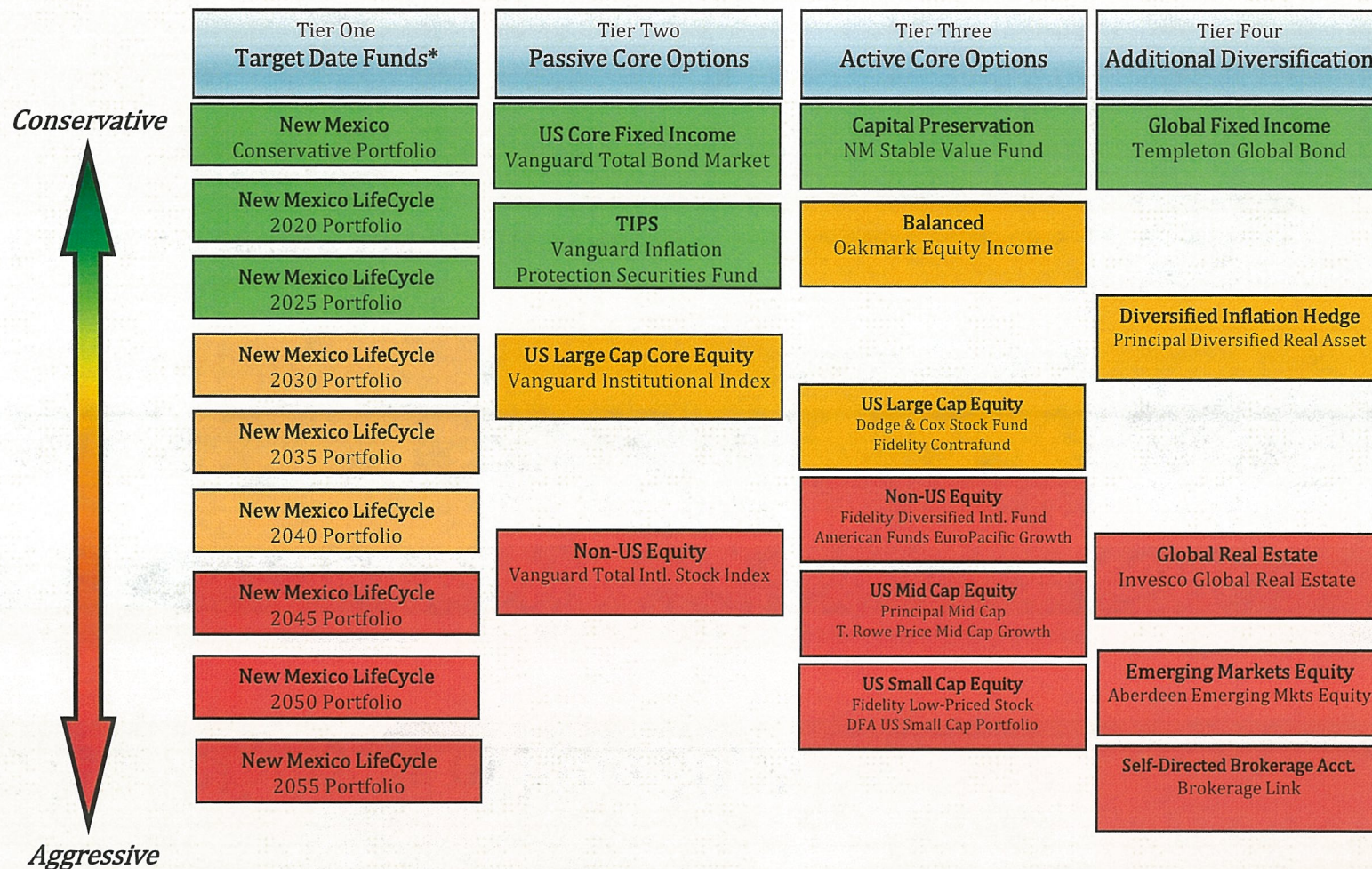
Plan Activity as of June 30, 2019

Total Assets Under Management: \$643,558,643

\$38,781,044 in New Assets for FY19

	As of June 30, 2019	FY19 additions
Participants	22,865	1,173
Participating Employers (city, state, county and public schools)	154 local public bodies 115 state agencies	1

Investment Structure – Four Tiered Structure

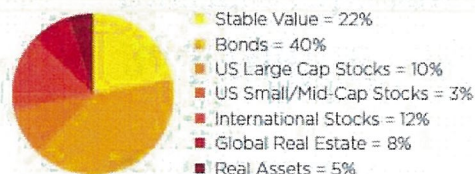


*Target Date Funds are built with most of the funds in Tiers 2-4. Slide 6

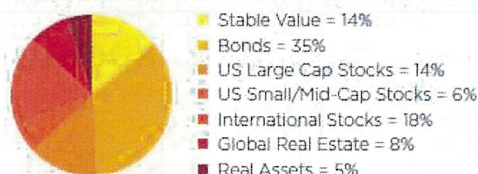
NM LifeCycle Portfolios

A pre-designed portfolio with the appropriate asset allocation and diversification for a *target year*.

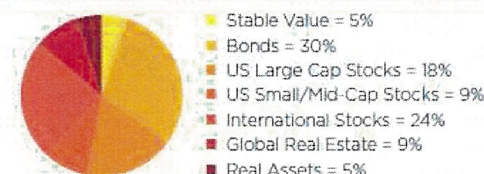
LifeCycle Conservative Portfolio



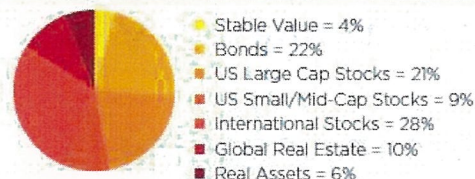
LifeCycle 2020 Portfolio



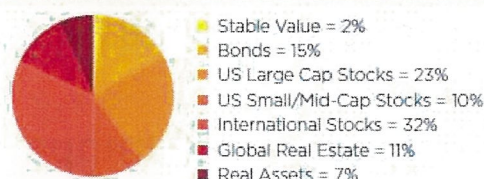
LifeCycle 2025 Portfolio



LifeCycle 2030 Portfolio



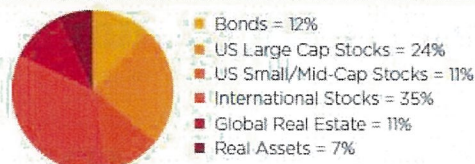
LifeCycle 2035 Portfolio



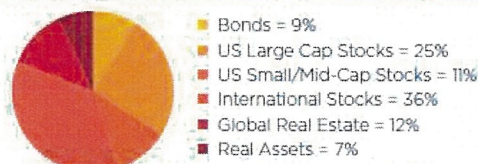
LifeCycle 2040 Portfolio



LifeCycle 2045 Portfolio



LifeCycle 2050 Portfolio



LifeCycle 2055 Portfolio



PERA SmartSave Plan Enhancements – FY19

Addition of a Roth Option

- PERA Board adopted the addition of a Roth feature into the Plan
- A retirement savings vehicle that allows after-tax contributions while qualified investment earnings and distributions in retirement are generally tax free
- Roth feature may have a broader appeal to another cohort of eligible participants, thereby increasing participation the plan
- The Roth feature is considered a common, modern plan design feature in an employer sponsored retirement savings plan

PERA SmartSave Plan Enhancements – FY19

RFP Search for Third Party Administrator (TPA)

- Previous TPA contract with Nationwide term dates were Oct. 1, 2011 to Sept. 30, 2019
- In accordance with PERA Procurement Policies:
 - Maximum term for contracts shall not exceed eight years without being competitively bid through an RFP process
- The PERA Board, on April 29, 2019, approved to award Voya Financial the new TPA contract effective Oct. 1, 2019.

Role of Third Party Administrator

- The third party administrator is responsible for the following:
 - customer service (toll free number and local office)
 - process distributions
 - benefit payments
 - beneficiary payments
 - alternate payee accounts
 - unforeseen emergencies
 - loans
 - refunds/rollovers
 - process incoming contributions/payroll
 - process participant directed investments
 - marketing, communications and outreach

Transition to Voya

- Transition blackout period started on Sept. 23 until the *go-live* date of on or around Oct. 7.

What's Staying the Same?

- Fiduciary oversight of the Plan by PERA Board
- Current investment options, including the Self-Directed Option
- Continued local support from regional outreach Plan representatives

What's New?

- New website capabilities:
 - customer service chat feature
 - enrollment and contribution changes
 - loan modeling and emergency withdrawal requests
 - distribution requests
 - direct deposit changes
- Mobile app
- Advice and professional management
- Roth option
- Automated resources for employers

