



Human Resources



FLORIDA INTERNATIONAL UNIVERSITY 403(B) RETIREMENT PLAN COMMITTEE MEETING MINUTES

LOCATION: Via Zoom as described in the meeting posting

DATE: April 12th, 2023,

Time: 10:30 pm – 12:30 pm ET

Attendees:

Liz Marston, Senior University Counsel Facilitator)

El pagnier Hudson, Senior Vice-President, Human Resources/DEI

Aime Martinez, Interim Chief Financial Officer and Senior Vice President

Carlos A. Flores, Associate Vice President of Operations, Compliance & Systems

Benjamin P. Jarrell, University Treasurer

Carlos Castillo, General Counsel

CAPTRUST Attendees:

Shaun Eskamani, Principal, Financial Advisor

Corey Moore, Client Management Specialist

Michael Webb, Senior Manager | Plan Consulting

Other FIU Attendees:

Crystal Hsu, Associate Director, Benefits

Mariela Varona, Benefits Manager

Prior Business

The Committee reviewed the previous meeting minutes from December 16, 2021. They were approved via motion by the Committee.

New Business

The members of the Committee were introduced as were the members of the CAPTRUST team.

Fiduciary Process

The 5 pillars of a successful 403(b) document were briefly reviewed. These topics include the fiduciary process, plan design, investment management, vendor management and participant engagement.

CAPTRUST discussed the discretionary services overview, which shows the two fiduciary options available to clients: 3(21) non-discretionary advisor service and a 3(38) discretionary investment manager. The differences were reviewed and can be discussed again at a later date should the Committee choose to.

Plan Information Summary Review

CAPTRUST reviewed the Plan Information Summary, noting that the plans with the most assets and participants with a balance are at TIAA, Voya, and Fidelity. Many of the smaller providers have participants in individual annuities that are not mappable to mutual funds or to group annuities. CAPTRUST will check with Voya to see if they are retained as a provider, would any of the assets be able to be mapped to either mutual funds, or into a group annuity.

The Committee asked about vendors with revenue sharing accounts. CAPTRUST discussed ERISA accounts, returning fees to participants and other options that will be reviewed in more detail as a part of the RFP process.

CAPTRUST is hoping to help the plan save on fees as a fiduciary best practice with the vendor consolidation.

Provider Request for Proposal (RFP) and Selection Process

The RFP Process is broken up into 4 phases: Development, Response & Evaluation, Selection, and Implementation.

The first step to get the RFP process going is for CAPTRUST to send the RFP checklist to the vendors, allowing a few weeks for completion. Once CAPTRUST receives the initial data back, CAPTRUST'S internal vendor team, will reach out to the providers for more information and pricing proposals.

The RFP will ask for three separate pricing options from the providers. 1. as a lead recordkeeper (one of three), 2. as a lead recordkeeper (one of two), or 3. as one lead, and only active recordkeeper. The thought is that with the RFP, the Committee would choose a lead recordkeeper, keeping at least two providers and freeze some of the smaller remaining providers.

The Committee approved that CAPTRUST will send out the initial checklist to their current providers and begin the RFP process.

Fiduciary Training

CAPTRUST reviewed the Fiduciary training manual for the Committee. This review includes duty to be prudent, duty of loyalty and impartiality, duty to diversify, duty to monitor and supervise, duty to ensure reasonable plan cost, and duty to avoid prohibited transactions. The fee guidelines were reviewed, in that the RFP will include a question on revenue sharing, the option for a portable ERISA account and the option to return the fees to the participants who created them. Other items discussed were making sure the current plan documents are signed and all providers have the current version, the fidelity bond is up to date, that their fiduciary liability coverage is sufficient and the need to finalize the Committee Charter.

Plan Amendments

The Committee reviewed plan amendments that need to be voted on. The plan currently has a prototype plan provider, which provided an IRS determination letter. The plan document is now out of compliance and needs to be amended in the following fashion.

Section 2.1 Termination of deferral suspension. FIU can no longer suspend a participant's deferrals if the participant takes a hardship distribution. This was a mandatory change.

Section 2.2 Hardship needs/events. This amendment sets forth when the residential casualty loss and new disaster loss provisions are effective.

Section 3.1 Modification of hardship necessity provisions. The participant must provide a certification to the Plan Administrator that the participant has obtained all other currently available distributions under the plan and all other plans (qualified and non-qualified), except hardship withdrawals and has insufficient cash or other liquid assets reasonably available to satisfy the need. This is a mandatory change except this new certification can still require the participant to first obtain a loan or the loan requirement can be eliminated. The Committee voted to not force participants to take a loan before a hardship distribution.

Section 3.2 Residential casualty loss. The Plan already permits a distribution to repair a participant's primary residence due to a casualty loss. The amendment merely clarifies that the casualty loss to the participant's principal residence must qualify for a loss deduction under Code Section 165, but a Federally Declared Disaster does not have to be declared for the participant to obtain a hardship withdrawal for this reason. In other words, the provisions of Code Section 165(h)(5) do not apply. This amendment was a clarification requiring no Committee decision.

Section 4.4 Disaster Losses. This is a new safe harbor hardship that can be added to the Plan. This covers expenses and losses, including loss of income, incurred by a participant due to a Federally Declared Disaster (now defined in the amendment) if the participant's primary residence or principal place of employment at the time is in the area of the Federally Declared Disaster. The Committee voted to include this new safe harbor.

Charter Amendment

The Committee reviewed the Charter and the updates that need to be made to the Committee Structure. The Committee voted unanimously in favor. Liz will update and forward to the Committee for approval. Once the Charter has been approved, the Committee will send a copy to CAPTRUST for their records.

The Committee reviewed the current assets in the Revenue Credit Account and noted that CAPTRUST's quarterly fees are paid out of that account.

Action Items:

- 1) CAPTRUST to draft the meeting minutes for Committee review and approval, then upload to CAPTRUST Direct (online fiduciary portal)
- 2) CAPTRUST find out if the assets at Voya could be mapped if they are retained as a vendor after the RFP
- 3) CAPTRUST to send out the initial checklist to vendors and begin the RFP process

Concluding Remarks and Adjournment

Ms. Martinez concluded the meeting at 12:30 p.m.