



Janet T. Mills
Governor

STATE OF MAINE
Deferred Compensation Advisory Council
61 State House Station
Augusta, ME 04333-0061

Vacant
Labor Member, Co-Chair

Michael Dunn
Management Member, Co-Chair

DEFERRED COMPENSATION ADVISORY COUNCIL MEETING
Thursday, December 04, 2025, @ 9:00 am
Microsoft Teams Meeting
Burton M. Cross Building
111 Sewall Street
4th Floor, Room 400
Augusta, ME 04330

Council members in attendance: Michael Dunn, Christopher Ginchereau, Rebekah Koroski, David Parent, Shonna Poulin-Gutierrez, Mark Roberts, and Stuart Turney.
(Total = 7)

Council members absent: Kristopher Kennedy.
(*Council seat 5 vacant*)

Others Present:

CAPTRUST: Michael Pratico and Jen Stevens.

VOYA: Greg Miller and Jennifer George.

Empower: Brenden Walsh and David Hanson.

Corebridge: Anthony Durak and Matthew Golizio.

Employee Health, Wellness, and Workers' Compensation: Devon French, Charles Luce, Roberta DuPont, and Emma-Lee St. Germain.

Agenda Item	Discussion	Action/Next Steps
I. Call to Order (9:01 am)	Management Member, Shonna Poulin-Gutierrez, called the meeting to order.	
II. Introductions		
III. Approval of Minutes (August 28, 2025)	Discussion highlights below: No questions or comments were brought to the commission.	Labor Member Mark Roberts made a motion to accept the August 28, 2025, minutes, seconded by Labor Member David Parent . The motion passed.



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<p>IV. Plan Management and Investment Report</p> <p>a. Quarter 3 - 2025 Performance - CAPTRUST</p>	<p>Information contained in a written report. Discussion highlights below:</p> <ul style="list-style-type: none"> • <u>Total Plan Assets</u>: Total plan assets for Q3 2025 increased from \$628.8M in Q2 2025 to \$644.9M. It's been a great year for asset growth. • <u>Total Participants</u>: During Q3, 6,200 participants had a balance greater than \$0, 3,436 participants were actively deferring, and 2,764 participants terminated with a balance. The average balance was \$104K, up from the previous quarter. 	
<p>b. Vendor Updates</p>	<p>Information contained in a written report. Discussion highlights below:</p> <ul style="list-style-type: none"> • <u>Empower Plan Activity Update - Brenden Walsh</u>: During Q3, 2025, the average member balance exceeded \$115K, an increase of 5.8%, with 1,601 participants actively deferring (58%). The provider balance as of 09/30/2025 was over \$318M, up 3.4% from the previous year. There are 2,749 participants with a balance greater than \$0 and 1,167 participants with a terminated balance. <p>In Q3, there were 225 members in retirement planning, and 6 with a deferral increase. There were 37 newly enrolled members, with 194 making fund allocations. The participant balance for this period was \$318M, with 2,749 participants carrying a balance. The average balance was \$115K, and 90.8% of members used a do-it-yourself strategy.</p> <ul style="list-style-type: none"> • <u>Corebridge (formerly AIG) Plan Activity Update – Matthew Golizio</u>: In Q3 2025, the average member balance was \$83K, with 787 participants actively deferring. The provider balance as of 09/30/2025 exceeded \$131M. There are 1,586 participants with a balance greater than \$0 and 798 participants with a terminated balance. 	



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	<p>In Q3, 851 active participants completed 85 engagements with Corebridge Financial professionals, and 17 financial plans were completed. They also interacted with the Corebridge Client Care Center 91 times and visited the Corebridge website 573 times, up from Q2.</p> <ul style="list-style-type: none"> • <u>VOYA Plan Activity Update – Greg Miller:</u> During Q3 2025, the average member balance exceeded \$104K, with 1,067 participants actively deferring, down from the previous quarter. As of 09/30/2025, the total balance was over \$195M. There are 1,865 participants with a balance greater than \$0 and 798 participants with a terminated balance. <p>Personal Financial Wellness Messaging reached 1,188 participants during Q3. Of those, 70% engaged with personalized financial wellness emails. Six members completed financial wellness assessments, 36 members saved more or restarted their contributions, 13 members named beneficiaries, and 42 members participated by logging into their accounts.</p>	
<p>c. Retirement Industry & Market Updates</p>	<p>Information contained in a written report. Discussion highlights below:</p> <ul style="list-style-type: none"> • <u>Market Commentary:</u> The current market and economic outlook highlight a growth-oriented market, with all asset classes posting year-to-date gains. Performance was led by the technology sector (up 22%) and large-cap growth (up 17%), while consumer staples remained the weakest sector at 4% growth. While corporate profitability and AI investment remain robust, middle-class sentiment is pressured by "sticky" inflation maintained above 3%. The Federal Reserve saw a recent 25-basis-point interest rate cut, with market expectations of an additional 25-basis-point cut before year-end and continued reductions through 2026. • <u>Headwinds and Tailwinds Q3:</u> Economic headwinds and tailwinds show a "mixed bag" for the current outlook. 	



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Significant concerns were raised regarding the labor market, which surpassed 1,000,000 layoffs in 2025, and declining consumer sentiment among the middle class due to inflation remaining above 3%. Potential tariffs and upcoming Supreme Court decisions were also cited as primary uncertainties. The report highlighted strong corporate profitability and significant investment in AI infrastructure is a positive driver.

- Stocks and Bonds Q3: Funds are underperforming showing the S&P 500 Index down from 17.6% in Q2 to 8.1% in Q3. Technology went down from 28.2% in Q2 to 13.2% in Q3. Financials down from 20.7% in Q2 to 3.2% in Q3, and Industrials down from 15.7% in Q2 to 5.0% in Q3. Healthcare increased from -8.0% in Q2 to 3.8% in Q3.
- Fund Line Up: The fund lineup shows that current underperformance is primarily limited to actively managed funds with conservative risk profiles. It was confirmed that the program is utilizing the least expensive institutional share classes available, with the American Funds target-date series remaining the recommended default investment due to its professional management and cost-efficiency. A shift in participant behavior was noted regarding fixed accounts; while they maintain guaranteed rates of 3% to 4%, they have become less attractive as interest rates have risen, leading to increased outflows toward money market and bond funds. Consequently, the report suggested a potential "blank slate" evaluation of the fund lineup and the consideration of a single record-keeper environment to streamline the program moving forward.
- Assets and Holdings: The Committee reviewed the potential transition to a single record-keeper environment to address ongoing negative cash flow and streamline the program. It was noted that fixed accounts with guaranteed rates of 3% and 4% have become less relevant in the current interest rate



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	<p>environment, as money market and bond funds now offer more competitive returns. With total plan assets reaching \$650 M, a formal Request for Proposal (RFP) was recommended to leverage the plan's size to secure better pricing and explore features such as auto-enrollment and auto-escalation.</p> <ul style="list-style-type: none"> • <u>Score Card Snapshot</u>: Review of the score card shows that despite several due diligence markers driven by market volatility, the overall plan remains strong. The American Funds target-date series continues to perform well, with the conservative 2030 fund up 15% and the equity-heavy 2060 fund up 19% year-to-date. All three fixed accounts (Empower, Voya, and Corebridge) remain in good standing with guaranteed rates of 3% to 4%, and passive investments were also confirmed to be in good standing. • <u>Change Recommendation</u>: The Committee discussed the status of funds currently marked "red" for review on the scorecard, specifically those with total scores below 70. A recommendation was made to hold the Neuberger Berman Genesis Fund, along with other underperforming asset classes, for an additional quarter. This deferral is intended to allow for a comprehensive "deep dive" review of the entire fund lineup at the next meeting, ensuring the lineup is fully optimized before potentially transitioning to a single record-keeper. No objections were raised to this strategy, and the Committee reached a consensus to continue monitoring these funds for one additional quarter while exploring opportunities to potentially add or reconstitute asset classes in the future. 	
V. Other Business		
<p>a. Fiduciary Training Video – CAPTRUST</p>	<p>Information contained in a video. Discussion highlights below:</p> <p>No questions were brought to the commission.</p>	



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<p>b. PRISM Update - <i>Roberta DuPont</i></p>	<p>Information contained in a written report. Discussion highlights below:</p> <ul style="list-style-type: none"> • PRISM went live on September 8th, with our first payroll deduction taking place on 10/1/25 in PRISM. • There were a few learning curves on the first integration file that was sent to Empower and Voya that we were able to work together to resolve rather quickly. • For Corebridge, there were multiple issues that caused delays, such as testing the newly added Roth option and secure file transfer connection. These issues were resolved at the end of October, and accounts were made whole. • When implementing systems that impact multiple areas, issues are expected. The solution's turnaround time is key. This can be accomplished with timely communication and collaboration. There were many unknowns before the first payroll run in PRISM, and it took some time to identify the tools within PRISM that provided the transparency needed. Employee Health, Wellness, & Workers' Compensation has a system in place every week so we can address any discrepancies that may occur in a timely and efficient manner 	
<p>c. Loan & Roth</p>	<p>Discussion highlights below:</p> <p>In response to earlier inquiries regarding Roth options and potential exceptions for specific employee groups, the plan record keepers are currently reviewing whether certain retirement-age exceptions apply to Roth accounts.</p> <p>This follow-up will include an assessment of how these provisions impact public safety and other employee groups with specialized retirement ages.</p>	<p>Labor Member <i>Mark Roberts</i> asks if we can take distribution before the age of 59.5?</p> <p>Captrust responds by asking <i>Jen Stevens</i> to research that.</p> <p>Management Member <i>Shonna Poulin-Gutierrez</i> asks that the question be extended to all record keepers to determine whether all groups with a special retirement age do so.</p>



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	Further information will be provided at a future meeting once the consulting team has confirmed the applicability of these exceptions across all relevant participant groups.	
<p>d. Single Record Keeper Discussion – Shonna Poulin-Gutierrez</p>	<p>Discussion highlights below:</p> <p>The Committee discussed the potential transition to a single record-keeper environment and recommended initiating a formal Request for Proposal (RFP) process for mid-year 2026.</p> <p>A key concern raised was the guaranteed interest rates of fixed accounts; it was noted that while a single record-keeper could streamline the program, it might result in lower guaranteed rates for new participants than the current 3% and 4% offerings.</p> <p>To address this, the Committee recommended that the RFP explicitly require bidders to cost out a specific range for fixed account percentages to avoid the low rates received in previous bidding cycles.</p> <p>This analysis will help determine if the administrative benefits of a single record-keeper outweigh the potential loss of high-yield fixed investment options.</p> <p>Additionally, there is no set number of members required to move forward with a request for proposal.</p>	<p>Management Member Shonna Poulin-Gutierrez states that we will work on putting some information together for mid-year 2026.</p> <p>Labor Member Rebekah Koroski states that if we are going to make a request for proposal for the record keepers, we should ask what the cost would be for a specific fixed account percentage. In the request for proposal, we need to specify what range we would like to see the fixed account in.</p> <p>Captrust responds that they have noted that.</p>
<p>e. Seat Vacancy Update – Michael Dunn</p>	<p>Discussion highlights below:</p> <p>Management Member Michael Dunn states that the Board reviewed its current composition, noting that while the statute defines a 12-person board consisting of 3 management representatives and 9 labor representatives, several vacancies remain.</p> <p>The existing statute, which specifies 7 union members from major bargaining units, may need to be updated to reflect the current 9 executive branch bargaining units. Efforts are underway to address</p>	



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	<p>these vacancies, including outreach to union leadership to identify potential appointees and stimulate interest in labor-side representation.</p> <p>Devon French states that the Board received an update on upcoming changes to its membership and the anticipated loss of 2 members by the end of the month—one due to resignation and another due to potential lack of attendance. It was reported that one member has already been removed for failing to attend any meetings since their appointment. Currently, one new appointment is pending completion of required paperwork for submission to the Governor’s office before it can be officially finalized and posted to the website.</p>	
<p>f. Open Discussion</p>	<p>Discussion highlights below:</p> <p>Management Member Shonna Poulin-Gutierrez commended Roberta DuPont and her team for their exceptional work during the intensive launch of PRISM. She highlighted the team's efforts in reconciling complex information and providing frequent updates to the Commissioner’s Office, noting that their commitment was instrumental in the successful distribution of deferred compensation information to participants.</p>	
<p>VI. Adjourn (10:47 am)</p>		<p>Labor Member Rebekah Koroski made a motion to adjourn, seconded by Management Member Michael Dunn. The motion passed.</p>

Next Meeting: February 26, 2026