



**CONNECTICUT RETIREMENT SECURITY PROGRAM BOARD  
OF DIRECTORS MEETING**

FRIDAY, DECEMBER 19, 2025

**DRAFT**

**Board Meeting Board Members in Attendance:** Sean Scanlon; Edward Zelinsky; Ryan Leichsenring; Sean Thomas; Thomas Sennett; Manisha Srivastava; Alex Knopp; Grant Livingston; Sherry Coelho; Patrick Flaherty; Jennifer Putetti

**Others in Attendance:** Jessica Muirhead, OSC; Lisa Kidder, OSC; Lily Smith, OSC; Madison Sztaba, OSC; Andrea Feirstein, AKF Consulting; Vanessa Vargas, Segal Marco Advisors; Michael Smolinsky, BNY Mellon Advisors; Andrew Armstrong, BNY Mellon Advisors; Erin Whitman, Vestwell State Savings; Amber DeLeo, Vestwell State Savings; Angela Antonelli, Georgetown University CRI; Addison Spencer, Davis Harman; John Scott, Pew Trusts; Kim Olson, Pew Trusts; Russell Anderson, Pullman & Comley

1. CALL TO ORDER
  - a. A quorum was declared and the meeting called to order at 10:01 AM.
2. MEETING MINUTES
  - a. Alex Knopp made a motion to approve the minutes of September 19, 2025, seconded by Thomas Sennett. There was no further discussion and the motion passed by unanimous voice vote.
3. PUBLIC COMMENT
  - a. There was no public comment.
4. CHAIR'S REPORT
  - a. Comptroller Scanlon deferred his report until further in the agenda under program updates.
5. ANNUAL REPORT
  - a. Ms. Muirhead noted that the program's annual report for fiscal year 2025, which gives an update of the previous fiscal year's (July 1, 2024 to June, 30

2025) activities, accomplishments, and finances, was sent to the Board and gave an overview of the contents. The report was opened for discussion and there was no further comment.

#### 6. 2026 BOARD MEETING DATES

- a. Mr. Sennett made a motion to approve the 2026 Board Meeting Dates seconded by Sherry Coelho. There was no further discussion and the motion passed by unanimous voice vote.

#### 7. THIRD QUARTER INVESTMENT REPORTS

- a. Andrew Armstrong presented the third quarter investment report, providing an update on market conditions and portfolio performance. Mr. Armstrong reported that economic conditions had stabilized, unemployment remained largely unchanged, and inflation remained above the Federal Reserve's 2 percent target at approximately 3 percent. Mr. Armstrong noted that economic growth in 2025 was expected to be modest and that the likelihood of a recession remains low. Mr. Armstrong stated that the Federal Reserve is expected to continue cutting interest rates into 2026, with overall market risk remaining neutral and positive scenarios outweighing negative ones.
  - i. Manisha Srivastava asked whether the probability of a recession was low. Mr. Armstrong confirmed that while some risk remains, the probability is currently considered relatively low.
- b. Ms. Muirhead read into the record comments on behalf of Board member Jon Wu. Mr. Wu stated that the investment report was good and requested notification of any significant changes between quarterly reports. Mr. Wu also emphasized the importance of investor education on long-term retirement savings.
- c. Vanessa Vargas from Segal Marco gave a brief overview of the third quarter investment report and the November flash report through November 30 data. Ms. Vargas reported that market performance had been strong, with international and emerging market equities leading returns, followed by U.S. equities. Ms. Vargas noted that large-cap stocks outperformed mid- and small-cap stocks, though all capitalization segments posted positive returns. Fixed income also performed well. Ms. Vargas explained that Federal Reserve rate cuts have been driven by cooling labor market conditions, with inflation remaining persistent. Ms. Vargas noted that the investment committee is taking a cautious approach to future rate cuts in 2026. Ms. Vargas reviewed fund performance, stating that risk-based and target-date funds generally met or exceeded benchmarks, with higher equity allocations producing stronger returns, while income-focused and capital preservation portfolios posted lower but positive returns.

- i. Sean Thomas asked how often target-date and managed funds are rebalanced. Ms. Vargas responded that rebalancing occurs quarterly, with BNY conducting an annual comprehensive review of the portfolios and making recommendations for changes as needed.

## 8. PROGRAM UPDATES

- a. Ms. Muirhead provided an update on the Interstate Partnership. Ms. Muirhead reported that Rhode Island launched its program in October and has begun onboarding employers and opening accounts, with initial assets now starting to flow into the program. Ms. Muirhead noted that while total assets and accounts were currently modest due to the recent launch, activity is progressing as expected. Ms. Muirhead also reported that CRSP is responding to a partnership inquiry from the State of Hawaii and that discussions are ongoing.
  - i. Comptroller Scanlon shared brief remarks noting that the Rhode Island launch represents a significant milestone for the program and thanked staff and partners for their work in bringing the partnership to completion. Comptroller Scanlon emphasized that having an active interstate partner strengthens CRSP's position and makes future partnerships more attainable.
  - ii. Ms. Muirhead added that the addition of Rhode Island had already lowered the asset-based fees and is expected to help Connecticut participants reach the next fee breakpoint more quickly, producing additional benefits for Connecticut participants.
  - iii. Ms. Coelho asked about long-term partnership goals and the number of states that might ultimately join the program. Ms. Muirhead explained that there is no maximum numerical target, as economies of scale improve with each additional partner. Ms. Muirhead noted that approximately 20 states have passed some form of auto-IRA legislation, though additional partnerships depend on states enacting laws that meet program requirements. Ms. Muirhead also discussed potential federal developments that could affect future partnerships.
  - iv. Grant Livingston asked about potential barriers for other states seeking to join a partnership. Ms. Muirhead responded that the primary challenge is states passing sufficiently aligned legislation, particularly mandatory programs with compliance mechanisms. Ms. Muirhead noted that the recent changes to Connecticut law, including auto-escalation provisions, had made the partnership more attractive.

- b. Ms. Muirhead reported on the recent program implementation developments. Ms. Muirhead confirmed that, effective July 1, the default contribution rate for new employees was increased from 3 percent to 5 percent in accordance with the Board's recommendation. While an increase in opt-out rates had been expected, Ms. Muirhead noted that opt-out rates have instead declined by approximately one percentage point since implementation. Ms. Muirhead also reported that automatic escalation notices were sent to eligible participants who had been in the program for at least 180 days. Automatic escalation will take effect in early January for participants who do not opt out, and implementation has proceeded smoothly. Ms. Muirhead further explained that staff are developing a compliance plan, with additional pre-compliance outreach planned for early in the year, followed by more assertive compliance efforts later in the year. Outreach will focus on employer education, direct communication, and data cleanup to ensure accurate employer contact information.
- c. Erin Whitman of Vestwell State Savings provided a program progress update, reporting that notices have been sent to Wave 2025 employers and that payroll webinars have expanded, with two to three sessions offered monthly. Reminder campaigns continue for employers who have not completed registration or added employees. Ms. Whitman reported that more than 20,000 notices were sent to savers eligible for automatic escalation, which will take effect in early January. The program has surpassed \$57 million in assets, with over 7,700 registered employers and nearly 36,000 saver accounts, and average account balances continue to increase. Ms. Whitman also noted accessibility enhancements, including support for 19 additional languages and expanded online portal tools.
- d. Ms. Whitman outlined 2026 objectives, which included driving full employer compliance, expanding awareness of program benefits, and strengthening payroll partnerships. Ms. Whitman reported that the program now has over 50 payroll partners and expects to launch a Paychex Flex 360 API integration in 2026, along with continued integration work related to personal care attendants and expanded employer communications.
- e. Lisa Kidder provided a marketing and outreach update, reporting that nearly 75 outreach events were conducted during the year, with increased focus on targeted industries and cities with higher rates of unregistered employers. Ms. Kidder noted increased social media engagement and direct outreach to savers, with continued efforts planned for 2026.
  - i. Ms. Srivastava asked to clarify the scope of compliance under the new law. Ms. Muirhead explained that compliance includes both employer registration and facilitation of the program, and that

outreach will be made to employers which have not registered, those which have registered but are not facilitating, and those which have stopped making required contributions.

9. ADJOURNMENT

- a. Ms. Srivastava made a motion to adjourn, seconded by Mr. Knopp. The motion passed by unanimous voice vote. The meeting adjourned at 10:49 AM.