



## CONNECTICUT RETIREMENT SECURITY PROGRAM BOARD OF DIRECTORS MEETING

FRIDAY, SEPTEMBER 18, 2026

**DRAFT**

**Board Meeting Board Members in Attendance:** Cesar Garcia; Thomas Sennett; Jon Wu; Sean Thomas; Alex Knopp; Manisha Srivastava; Patrick Flaherty; Jennifer Putetti; Edward Zelinsky; Grant Livingston;

**Others in Attendance:** Lily Smith, OSC; Jessica Muirhead, OSC; Lisa Kidder, OSC; Michael Smolinsky, BNY Mellon Advisors (BNYMA); Erin Whitman, Vestwell State Savings; Addison Spencer, Davis Harman; Andrea Feirstein, AKF Consulting; Andrew; Stephanie Wille, NY State Government; Yamuna Manon, OSC; Vanessa Vargas, Segal Marco Advisors;

1. CALL TO ORDER
  - a. A quorum was declared and the meeting called to order at 10:04 AM.
2. MEETING MINUTES
  - a. Patrick Flaherty made a motion to approve the minutes of the June 12, 2026, meeting, seconded by Alex Knopp. There was no further discussion and the motion passed unanimously by voice vote.
3. PUBLIC COMMENT
  - a. There was no public comment.
4. CHAIR'S REPORT
  - a. Vice Chair Thomas Sennet deferred the chair's report to the executive director Jessica Muirhead who explained further updates would be covered later in the agenda under program updates.
5. 2027 BOARD MEETING DATES

- a. Sean Thomas made a motion to approve the 2027 Board Meeting Dates, seconded by Mr. Knopp. There was no further discussion and the motion passed by voice vote.

## 6. SECOND QUARTER INVESTMENT REPORTS

- a. Michael Smolinsky from BNY Mellon Advisors (BNYMA) gave an overview of the market performance from the end of quarter 2 2026. Mr. Smolinsky noted that economic growth remained positive supported by a strong labor market. Inflation remained higher than the Federal Reserve would like and was proving to be more complicated than expected. Mr. Smolinsky reported that the Federal Reserve had raised rates by 25 basis points to a range of 3.75% to 4.0% and indicated the possibility of two more in December and March. Markets had not shown a pullback in growth. Mr. Smolinsky added that credit spreads remained narrow despite interest rates, indicating that market participants did not see defaults, and that was a positive factor. Mr. Smolinsky reviewed the portfolio performance, which was in line with expectations, noting that after the modest turndown in the first quarter due to the Iran War, equities had rebounded in the second quarter. Target-date portfolios with higher equity allocations returned approximately 13% for the quarter; returns declined for portfolios closer to the retirement date, within expectations. The portfolios slightly underperformed their benchmarks for the quarter and slightly outperformed year to date, which Mr. Smolinsky attributed to timing differences in how international and emerging markets mutual funds and their indexes were priced. Mr. Smolinsky noted that the new target date portfolio launched in July and that the July third-quarter report would reflect updated benchmarks following the increase in equity allocations to most of the portfolios that was approved by the Board previously. Mr. Smolinsky added that returns had continued to improve through August 31, and that the index funds carried very low expense ratios, and that the two actively managed funds, high yield and emerging markets bonds, performed close to their benchmarks.
- b. Vanessa Vargas from Segal Marco Advisors provided an overview of the second quarter and monthly August flash report from Segal Marco Advisors and concurred with BNYMA's outlook, while noting a more conservative view that continued inflation could lead to more than the two rate hikes the Federal Reserve had mentioned. Ms. Vargas provided performance through September, noting that it had been a negative month following the rate increase, with only short fixed income, high yield, and emerging markets debt in positive territory. Ms. Vargas reported that the risk based and target

date portfolios were tracking closely to their benchmarks with positive year-to-date returns.

- i. Jon Wu asked about the concentration of tech stocks in portfolios. Ms. Vargas explained that since portfolios were passively managed, the concentration reflected underlying indices, though some indices were rebalanced twice a year while certain market funds were now called undiversified funds since some large companies made up more than 5% of a fund. Ms. Vargas stated she would follow up with specific concentration figures for each portfolio.
- ii. Manisha Srivastava asked how energy shocks could change the outlook, with some concerns about U.S. energy reserves drying up. Ms. Vargas explained that inflation could remain elevated until related conflicts ended, with effects felt in transportation costs and heating. Ms. Vargas also mentioned that there could be some price shocks, but diversified portfolios were the best protection for participants.

## 7. MARKET UPDATE FROM AKF

- a. Andrea Feirstein from AKF Consulting provided a marketplace update presentation on state-run retirement programs, with new programs passing in Mississippi, Utah, and Philadelphia. Ms. Feirstein noted that more sole trustee structures like Connecticut's would be launching, and additional partnership programs were expected later in the year. Ms. Feirstein reported that reported that the Auto-IRA program assets had grown from roughly \$2.3 billion to \$3.2 billion over the past year with around 300,000 accounts added, with California's share of accounts shrinking as other states grew. Connecticut's assets reached \$73 million with \$27 million added between June 2025 and June 2026, attributed in part to the increase in default contribution rates from 3% to 5%.
- b. Ms. Feirstein stated that Connecticut and its partnership remained the only program with customized investment options. Fees had been reduced because of the rebids in Illinois and California and Washington state had recently announced it was in the market for a potential stand-alone or partnership program. Connecticut and several other states and industry leaders such as AKF had joined the National Association of Government Defined Contributions Administrators. Many of the state Auto-IRA programs including Connecticut were working with NAGDCA on a formal comment on the federal Savers Match policy.
  - i. Mr. Wu asked how Connecticut withdrawal rates compared to other states. Ms. Muirhead stated that the majority of withdrawals were voluntarily taken due to financial need. Mr. Flaherty added that

there have been raised concerns from national organizations who advocate for auto IRA programs that there were noticeable increases in withdrawal rates. Ms. Muirhead added that there were conversations underway with research organizations which could redirect participants to resources such as unemployment insurance. Ms. Feirstein also noted that state programs were considering adding emergency savings provisions to their programs to help preserve assets.

- ii. Ms. Srivastava asked about coverage for gig workers. Ms. Feirstein noted that California's program includes employers with one employee that will most likely capture many gig workers. Ms. Muirhead added that in Connecticut gig workers legally fell outside the scope of that MyCT Savings, but informational materials were created for individuals who wanted to sign up on their own.

## 8. PROGRAM UPDATES

### a. Interstate Partnership

- i. Ms. Muirhead shared that the Retirement Alliance Partnership was meeting regularly to assist Rhode Island and Hawai'i with their program launches and rollout. Rhode Island would be moving into its first major deadline in their statute soon. Hawai'i was completing its setup with Vestwell for a launch in late 2026 to early 2027. Ms. Muirhead also noted that the State of Washington had issued a request for information which Connecticut would respond to on behalf of the Retirement Alliance Partnership by the deadline in October.
- ii. Ms. Muirhead provided an update on CRSP Statute implementation, reporting that personal care attendants (PCAs) were incorporated into the program on July 1, and 10,000 new PCA accounts had been added to date. Ms. Muirhead noted that the program issued employee outreach materials for the first time and had been effective, with PCAs opting out at a slightly lower rate than the program's general population. Pre-compliance letters had been effective in increased employer compliance. At the end of the year, the program will see its second automatic escalation which will help Connecticut align with the average default rates of other state auto-IRA programs. The program would be monitoring the development of the Savers Match and was waiting on more information from the Treasury on operational specifics.
- iii. Erin Whitman from Vestwell provided an update on program growth and progress. Ms. Whitman stated that the annual wave deadline passed on August 31, with more than 500 employers either registering or certifying an exemption, a final notice would be sent

out to remaining employers at the end of the upcoming month. Since the July 1 rollout 17,00 PCA accounts had been ingested, with over 10,000 of those accounts funded, with the PCA opt-out-rate of 16% compared to the general 17% to 18%. Ms. Whitman reported that since the last meeting assets had increased by over \$8 million and saver accounts by over 10,000, while the program in its entirety approached \$80 million in assets and 50,000 saver accounts with more than 3,000 employers submitting contributions. To date the average savings rate had risen and was expected to continue rising with the next automatic escalation. Ms. Whitman also reported that Vestwell had added a Paychex360 API integration in June, increasing payroll integration companies to 70, while an additional call center with more Spanish speaking representatives was opening in Arizona. Ms. Whitman noted that Vestwell would support Rhode Island's first annual wave, with communication beginning in November. Vestwell was prepared for the end of year launch of Hawai'i Savers. Lastly Vestwell planned to assist Connecticut response to Washington's request for information as many of the questions require technical information provided from the program administrator.

b. Marketing & Outreach

- i. Lisa Kidder of the MyCT Savings Program provided a marketing and outreach update on the annual enrollment campaign. Ms. Kidder reported increased investment in targeting tactics across social media, digital out of home, streaming, radio, television, and some print. Website traffic increased 78% over past quarters, with 65,700 visits, with 25,000 being first-time visitors, and impressions across all channels being more than 10 million. Ms. Kidder noted new sponsorships with the Connecticut Restaurant Association and chambers within Stamford and Eastern Connecticut, which generated 350 web clicks, more than 100 blog views, and 4,800 opened emails. Ms. Kidder noted that the upcoming quarter would focus on outreach and networking events.

9. ADJOURNMENT

- a. Ms. Srivastava made a motion to adjourn, seconded by Mr. Thomas. The motion passed by unanimous voice vote. The meeting adjourned at 11:28 AM.