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MEMORANDUM

To: San Bernardino County Deferred Compensation Committee

From: Rasch Cousineau, Senior Consultant

RE: Voya Contract Negotiation

Dear Committee Members:

This memo provides an overview of negotiation outcomes between the County's Ad-Hoc Subcommittee, Fiduciary Consulting Group and Voya. The current Voya recordkeeping contract is a five-year term with an optional two-year extension.

The five-year term is set to expire December 31, 2026. At the November 19, 2025 Deferred Compensation Committee ("DCC") meeting, an Ad-hoc Subcommittee was formed by the DCC to negotiate enhancements for the optional two-year extension.

Those improvements include:

1. Potential recordkeeping fee reductions
2. Voya to begin process to transfer Stabilizer Fund and Voya Fixed Account once accounts are more portable.
3. Voya personnel change notification requirements
4. Voya non-solicit commitments
5. RMT service commitments from Voya and Plan's third-party provider, BPAS

After some back and forth with the Voya executive team, the Ad-hoc Subcommittee and Fiduciary Consulting Group received the following offer from Voya for the two-year extension:

1. A 24% reduction of the current Voya recordkeeping fee from 3.6 basis points to 2.75 basis points, resulting in approximately \$182,285 in annual savings for County participants.

Voya has also noted this fee can be reduced effective April 1, 2026, rather than waiting for the current contract expiration in December of 2026 which would result in additional savings (approximately \$15,190 per month).

In addition, effective April 1, 2026, Voya offered to increase the Fixed Fund rate in the RMT from 2.75% to 3.00% resulting in \$262,500 of additional annual savings for participants.

2. Voya agreed to begin the process to transfer the Stabilizer Fund and Voya Fixed Accounts once the funds become more portable (at 99% market to book ratio). The new investment option(s) would ideally have a higher interest rate for participants, competitive expense ratios and allow the County to change recordkeepers in the future without negative impact.
3. Regarding personnel changes, Voya confirmed they will notify the County of any changes at least one quarter ahead of time for factors within Voya's control.
4. Regarding cross-selling, Voya confirmed they will not proactively solicit proprietary products and services to Plan participants.
5. Regarding RMT issues, Voya replied that they will address these concerns in 2026.

Thank you and please let me know if there are any questions.

Regards,

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All data in this document as of September 30, 2025 unless otherwise noted.