MEETING OF THE BOARD OF TRUSTEES OF THE HOSPITALITY INDUSTRY 401(k) PLAN

Held at: UNITE HERE Local 25
901 K Street, N.W., Suite 200
Washington, DC 20001

On: April 13, 2022

Trustees Present:
John Boardman
Solomon Keene

Others Present:

Anne Mayerson, Bredhoff & Kaiser, PLLC, Fund Co-Counsel
Fred Singerman, Seyfarth Shaw LLP, Fund Co-Counsel
Ben Conley, Seyfarth Shaw LLP, Fund Co-Counsel
Anne-Marie Sims, Associated Administrators, LLC
Dawn Welch, Associated Administrators, LLC
Bill Stahl, Prudential Retirement
Henry Jaung, Meketa Investment Group
Paul Schwab, UNITE HERE Local 25

I. Call to Order

The meeting was called to order at 12:40 p.m. John Boardman expressed his appreciation on behalf of the Board to Mr. Singerman for his many years of service.

II. Approval of Minutes of Prior Meeting

The Trustees reviewed the minutes of the Board of Trustees meeting of December 30, 2021 and approved them with no changes.

III. Investment Consultant's Report

Henry Jaung provided the Investment Review for the fourth quarter of 2021. The value of the Plan increased by $0.9 million during the quarter and $1. Million for the year, ending at $46 million on December 31, 3021. He said that investment fund fees remain low, overall, relative to their respective peer groups, and Meketa has no concern with any of the funds in the lineup.

Mr. Jaung reported on the new optional Vanguard program raised at the last meeting that would permit participants to elect to have their retirement glide path end at a more aggressive 50% fixed income/50% equity investment mix as opposed to the current "landing spot" of 70% fixed income/30% equity. Meketa does not recommend that the Trustees adopt this program.

IV. Payroll Auditor Report

Ms. Sims noted that Jackie Coyle of Novak|Francella was unable to attend the meeting and referred the Trustees to Novak|Francella's payroll audit report dated April 8, 2022, which was included in the agenda materials. She noted that the issues discussed at the last meeting with respect to obtaining requested information from the W Hotel in connection with the exit audit had been resolved.

Ms. Sims noted that the owner and operator of the Madison changed effective March 31, 2022 (as will be discussed in the Administrative Manager's Report). She has contacted Ms. Coyle to commence an exit audit.

V. Prudential

Bill Stahl reported that Empower Retirement's acquisition of Prudential became effective April 1, 2022. Participants have been notified of the acquisition, although the only change that will affect them immediately is a logo change on communications. Participant data will be moved to the Empower platform in mid-to-late 2023.

Mr. Stahl reviewed with the Trustees the Plan Summary as of December 31, 2021, including Plan demographics, distributions, and investment option statistics. He reported on the lifetime income illustrations that are required under the SECURE Act to be provided annually to all participants. In accordance with the Department of Labor's interim final rule issued thereunder, Prudential will provide the lifetime income illustrations to participants in July, along with the participant statements for the second quarter. Mr. Stahl provided a legislative and regulatory update, noting that the IRS issued proposed regulations on required minimum distributions in February 2022.

Mr. Stahl confirmed that, as the Trustees had decided at the March meeting, $165,00 of cash was allocated among participants on a pro rata basis based on their account balances as of December 31, 2021. The credits will be reflected in their second quarter 2022 statements.

Mr. Stahl reported that seven employers do not use ACH to fund contributions, increasing delay and the possibility of human error. He said that Prudential would be glad to work with the employers to transition them to using ACH. The Trustees asked Mr. Stahl to send a list of the employers so that they can consider appropriate next steps.

Mr. Stahl noted that one of the seven employers, W Washington National Mall, has not made any contributions since June 2020. Anne Mayerson asked him to circulate an updated list of "last contributions received" from each employer provided at previous meetings.

Ms. Mayerson reminded the Trustees that, as a result of the cyber-attack that has affected Marriott's payroll systems, the Trustees had agreed to extend the due date for affected employers at least through the end of the year and would revisit the issue after the end of the year. Mr. Boardman said that the issue had been resolved during the first quarter of 2022. Ms. Sims noted that no Marriott properties had remitted late for the last quarter of 2021. The Trustees asked her to refer to them any late-paying Marriott properties for the first quarter of 2022 for further action before assessing interest and penalties.

VI. Co-Counsel Report

Ms. Mayerson reported that, as directed at the last meeting, she had prepared communications for Associated Administrators to send to the W and Madison inquiring as to why they have made no contributions since June 2020 (in the case of the W) and March 2020 (in the case of the Madison). Ms. Sims advised that she had sent the communications but had not received a response from either employer. She will follow up with Madison and explained that W is being audited by the Fund so any failures to properly deduct and remit contributions will be included in the findings.

Ms. Mayerson reminded the Trustees that the collection policy contemplates two different interest rates to be used for calculating late contributions. Interest on contributions that are less than 90 days late is calculated using the rate determined in accordance with the Department of Labor's Voluntary Fiduciary Correction Program calculator, whereas interest on contributions that are paid 90 days or more late are calculated based on the earnings applicable to the participant's investment choices for the period of failure (the "account reconstruction method"). She presented an amended collection policy memorializing the Trustees' earlier decision to provide for use of the account reconstruction method for contributions less than 90 days late that are paid along with or proximate to contributions that are 90 or more days late. The Trustees approved the amended policy.

Ms. Mayerson reported that the House passed the *Securing a Strong Retirement Act* at the end of March by a vote of 414-5. The legislation is known as "SECURE 2.0" because it builds on 2019's *Setting Up Every Community for Retirement Enhancement* ("SECURE Act"). Specifically, the SECURE Act delayed the date by which participants are required to start taking their benefit increased from age 70-1/2 to age 72; SECURE 2.0 would further delay the "required beginning date" up to age 75 in stages over an 11-year period (that is, age 73 beginning in 2022, age 74 beginning in 2029 and age 75 beginning in 2032). SECURE 2.0 would also increase the limit on "catch-up contributions" that may be made beginning in the year participants reach age 50 but would require all catch-up contributions to be made as after-tax Roth contributions. Finally, Ms. Mayerson noted that SECURE 2.0 would require new 401(k) plans to offer auto-enrollment, but that provision does not apply to existing plans.

VII. Administrative Manager's Report

Ms. Sims presented the Administrative Manager's Report for the fourth quarter 2021 and a balance sheet as of December 31, 2021. She reported on the status of the last two assessments of the administrative contributions in July 2021 and January 2022, respectively, and the status of lost earnings invoiced for 2021. She said that, as requested by the Trustees at the last meeting, she had advised Hyatt Regency that any request for waiver of penalties must be in writing and would not be considered unless the employer has paid all amounts otherwise due.

Ms. Sims and Ms. Mayerson reported on the following owner/operator changes:

- **Madison -** Effective March 31, 2022, the owner and operator of the Madison Hotel has changed. The new owner is GPIF Madison Hotel Owner LLC. The new operator is Merritt Hospitality, LLC.

- **Trump** - Effective on or about April 4, 2022, the owner and operator of the Trump Hotel has changed. The new owner is CGI 1100 OPO Management, LP. The new operator is Waldorf = Astoria Management, LLC (a Hilton affiliate).

Ms. Mayerson explained that there has been some discussion between Local 25 and the Trump Hotel of transferring the account balances of the Trump Hotel's single employer plan to the Plan, but Local 25 has concluded that that is not practicable due in part to outstanding loans. Mr. Boardman said that the transition of former Trump Hotel employees to the Plan is somewhat complicated because there are many outstanding loans.

Ms. Mayerson asked if participant elections transfer automatically to the new operator when there is a change in operators. Mr. Boardman will follow up on this matter and discuss with Ms. Sims.

The Trustees reminded Ms. Sims to include cash-on-hand reports in future meeting materials.

VIII. Next Meeting Date and Adjournment

The next meeting was scheduled to immediately follow the meetings of the related funds on June 21, 2022. There being no further business before the Board of Trustees, the meeting was adjourned at 1:40 p.m.

Approved by the Board of Trustees on ________________________, 2022.

By: ________________________
Anne-Marie Sims