

Deferred Compensation Committee

Erie County, New York

Request for Proposals

Retirement Plan Record Keeping Services

Provider Questions and Responses

September 30, 2022

Thank you for your interest in responding to this Request for Proposal. We have included every question, request for clarification, and request for confirmation received from potential bidders by the deadline stated in the RFP document. We changed the text of some of the questions and/or requests so they read better and/or to fix typographical errors.

It is also vital to note that the RFP is looking for an annual revenue requirement in Section H. This will be the revenue collected by the winning firm. Exactly **how** the winning firm collects it will be separate from this. In other words, the revenue requirement will not be a function of the number of accounts that are more than or less than an arbitrary amount as conveyed by the Committee. Once the annual revenue requirement is established, all the Committee is looking for is if your firm is able to mirror the current fee collection structure.

1. Can you please provide the product name and CUSIP for the current Stable Value/Fixed Interest Option fund used by the plan as well as the exit provisions and current market to book value?
 - The Fixed-Interest Option does not have a CUSIP. The exit provisions include a 90-day written notification from the Committee which is required for termination. The current market to book value is not available and not relevant for this bid.
2. Can you please provide the Plan Document?
 - Please see attached.
3. Can you please provide the average annual employee turnover percentage?
 - The County does not maintain this data.
4. Can you please confirm if participant email addresses are provided on the payroll file? If not, can you please confirm the County has any intention of doing this in the future?
 - Participant email addresses are not currently provided in the payroll file. The decision to provide email addresses in the future would be made by the County. To date the parties have elected not to provide that information, but this can change.
5. Can you please confirm all available company and personal email addresses will be transferred by the prior recordkeeper at conversion?

- Confirmed. AIG's suite of reports provided for employer-directed plan transfers can include email addresses of the participant (work or personal).
6. Can you please provide details of e-delivery utilization for required notices and statements?
 - Approximately 26% of participants use electronic services, while 56% of plan participants currently elect to receive an electronic version of their statements.
 7. Can you please provide the total number of participants that have a balance under \$2,000 and the number of participants with a balance over \$200,000?
 - There are currently 736 participants with a balance less than \$2,000 and 362 participants with a balance above \$200,000.
 8. Is Erie County willing to reduce or eliminate the required minimum qualification requirements?
 - No.
 9. Will the Plan Document be provided for review?
 - Please see Question 2.
 10. Distributions have exceeded contributions for the last three years. Are you able to provide a reason as to why this is?
 - As this is a governmental plan, there are a number of reasons: normal retirement, early retirement, terminations/employee turnover, recent adoption of the age 59½ in-service distribution provision under the SECURE Act.
 11. What is the total number of active participants with an account balance, whether they are contributing or not?
 - 5,239 participants with an account balance as of August 31, 2022.
 12. Is the County using mostly paper or electronic communications?
 - The County uses a combination of both. Since the County currently does not allow for AIG to broadly email the employees directly, a combination of electronic and paper communications and materials are provided to the County for distribution.
 13. What percent of participants are currently utilizing electronic services?
 - Please see Question 6.
 14. If the County desires e-delivery going forward, can County e-mail addresses be provided at conversion?
 - Yes, the County will provide County email addresses for those enrolled in the Plan.
 15. Will the consultant be providing all initial and ongoing investment/consulting services?

- In its fiduciary duty, the Committee regularly reviews the fund lineup with the assistance of an outside consultant. However, any decision to use a consultant in the future has not been made. The Committee may elect to keep a consultant if that is in the best interest of participants.

16. Are there any unique provisions requiring manual intervention with the administration of the Plan?

- Currently, Erie County’s internal Payroll Department must manually review documents from our vendor to ensure proper deposits into catch-up and super catch-up accounts.

17. Could you provide a copy of the RFP document converted to Word?

- The Questionnaire portion in Word is attached.

18. Please provide a Plan Document.

- Please see Question 2.

19. What is currently being offered for education and communication? Please describe. 1:1, group meetings, in person, virtual, etc.

- See the table below. However, It is important to note that the current educational service model is in large part irrelevant to what the Committee hopes to see as part of the proposals received. We would encourage you to consider what has worked (or not) with your firm and propose an effective model that your firm believes will drive results.

	2022	2021
Virtual Participant Consultation Meeting Days	260	260
Virtual Participant Consultation Meetings	98	572
On-site Participant Consultation Meeting Days	130 through June and 260 annually	80 (returned onsite June 16, 2021 once per week; 4 days starting Aug)
Number of Group Education Meetings	7	14

20. Is our proposal to assume a certain number of onsite and/or virtual education meeting days?

- Please see Question 19.

21. Are there any foreign language needs that should be included in our communications and education offering?

- No.

22. What are the participation rates and average deferral rates for the Plan?

- 35% participation rate and 5.5% deferral rate.

23. Please provide the typical number of rehires on an annual basis.

- The County does not maintain this data.

24. Please describe any administrative complexities or issues regarding rehires.
- Rehires would be required to re-enroll with our provider, and then be run as normal new sign-ups. There are no administrative complexities on behalf of Erie County.
25. Please provide additional information regarding the employer match calculation, is this prepared by the employer or by the recordkeeper?
- N/A.
26. Please provide additional information regarding deferrals for sick, vacation, and back pay. Is this prepared by the employer or by the recordkeeper?
- This is prepared by the County.
27. Based on the RFP documentation, annuities are listed as a distribution option, who facilitates the purchase of the annuity product outside of the Plan?
- When a participant takes a distribution from the Plan, they have the ability to work with a financial professional (if they should choose to do so) to determine the best strategy for their assets. This may include the purchase of an annuity or other financial product. There is not a specific person or entity that facilitates these purchases.
28. Please provide additional information regarding distributions for individual contractors. Is this prepared by the employer or by the recordkeeper?
- Per the Plan Document, independent contractors are not allowed to participate in the Plan.
29. Are there any administrative or operational challenges to be aware of?
- None; however, it is much preferred administratively by the County that all deduction plan types on incoming file should be separated into individual lines, such as Regular (pre and post-tax), Catch Up (pre and post-tax), and Super Catch Up (pre and post-tax).
30. Are there any manual or custom processes?
- Please see Question 16.
31. Do they offer HSA? If so, who is the provider?
- No, a small group of employees are entitled to a Section 105-h plan per their Union contract and we offer an FSA. Those are both handled through P&A.
32. Do they offer student loan repayment services? If so, who is the provider?
- No.
33. Does the plan sponsor desire any changes to the investment menu, or does it prefer to maintain the existing lineup?
- This decision has not been made.
34. Please provide the net cash flow for the employer plan.

- Assuming that this question is referring to the 457 deferred compensation plan, net cash flow as of June 30, 2022 was -\$824,413.

35. Is there a preferred conversion date for the 457 Deferred Compensation Plan?

- The proposed conversion date, if necessary, is listed on page 18 of the RFP document.

36. Please provide the CUSIP for the Fixed Interest Option.

- Please see Question 1.

37. What fixed account is currently being used?

- Please see Question 1.

38. What is the current crediting rate of the fixed account?

- The current crediting rate of the fixed account is in large part irrelevant to what the Committee hopes to see as part of the proposals received. The Committee is hoping to use this formal process to compare proprietary fund characteristics (crediting rate included).

39. What percentage of the contributions are directed into the fixed account?

- Approximately 22% is currently in the fixed account.

40. What is the current amount of onsite education you are receiving? Is this amount sufficient?

- Please see Question 19.

41. Can we assume that the \$75 million of assets in the Guided Portfolio Services will be mapped into Morningstar Managed accounts?

- That decision has not yet been made. As mentioned before, the Committee will continue to review all features of the Plan. If it is in the best interest to map managed account assets to a new provider at conversion, then the Committee will authorize that after a discussion with the new vendor.

42. Out of the 5,037 total account balances, how many participants have a balance below \$2,000 and how many have a balance above \$200,000? Can you provide a list of the asset amounts of these balances that are less than \$2,000 and balances that are more than \$200,000?

- Please see Question 7. We cannot provide a breakdown of individual account balances.

43. Would you be able to provide the Word version of the RFP?

- Please see Question 17.

44. Item H8, page 22 of the RFP asks about plan document preparation. Has the County adopted the NY Model Deferred Compensation Plan developed by the Deferred Compensation Board of the State of New York, and, if so, is the intent of the County to continue to maintain that plan document? Please provide a copy of the current plan document. Please clarify if the request for plan document preparation in Item H8 was meant to be included in the RFP?

- Item H8 talks about the cost of Plan Document preparation and Plan Document maintenance. Currently the Plan utilizes the state's model Plan Document with AIG managing the process of working with outside legal counsel on using that Plan Document to be specific to the County's Plan and Plan features, but that may change in the future. To link the two now would be less than appropriate. The question was meant to be included as we are looking at your firm's cost to prepare and maintain a Plan Document should the Committee utilize your service.

45. Is there a reason for the difference in total deferrals between 2021 and 2022?

- Total deferrals are based on who is actively contributing during the year and therefore can change as people move in and out of the plan and change their contribution amounts.

46. How many local representatives currently service the plan?

- There are currently four financial advisors that service the Plan.

47. Is there a desired number of onsite education days?

- Please see Question 19.

48. Please provide call center utilization data for 2021 (i.e. volume of calls to the toll free number, number of website visits, web chat volume).

- Over the last 12 months, the number of toll-free calls is 2,272, number of web visits is 24,889 and 13,205 visits to the mobile app.

49. Should respondents assume the approximately \$75 million in Guided Portfolio (managed accounts) map into a similar managed account program with the new recordkeeper?

- Please see Question 41.

50. How many participants have an account balance between \$2,000 and up to \$200,000?

- There are currently 3,974 participants with a balance between \$2,000 and up to \$200,000.

51. How many participants have account balances below \$2,000?

- Please see Question 7.

52. How many participants have balances above \$200,000?

- Please see Question 7.

53. What is the current value of assets in relation to participants with balances over \$200,000 that a fee is not currently assessed on? Are all assets held in a group contract and mappable upon conversion? Are there any deferred sales charges?

- There are currently 362 participants with balances above \$200,000. They have assets totaling \$64,792,091 that are not currently assessed a fee based on this criteria. Assets above \$200,000 are not held in a group contract and are fully liquid. No.

54. Please provide the termination provision for the Fixed Interest fund (MVA, spread pay, etc.)?

- Please see Question 1.

55. What is the current interest rate for the Fixed Interest fund?

- Please see Question 38.

56. Does the current recordkeeper use any paper forms? If yes, what type of forms and is this method preferred by the County?

- All new pre and post tax regular enrollment is handled through the provider. The County makes employee payroll deductions based on the electronic file transmitted by the provider. The County does not enroll participants nor does the County accept any forms. Erie County currently hosts a link to online enrollment through the provider's site on the County's Employee Self Service internal website. Currently, the County collects paper forms for Catch Up and Super Catch Up account enrollment, with a paper copy going to the provider. However, these paper applications would be obsolete if the input file delineated plan types. The County would prefer to not use any paper forms.

57. Does the County use a third party payroll vendor or is it conducted in-house? Please provide the name of any applicable software or HRIS systems used and/or requiring integration?

- Erie County payroll is run inhouse using a SAP system. The payroll providers are detailed on page 5 of the RFP document.

58. Are there separate plans for the Erie County employees and the Erie County Medical Center employees? Are there differences in plan design or investments or is the purpose unique to the recordkeeper?

- No.

59. Can you provide a breakdown of County vs ECMC active accounts?

- Not at this time. We will post an amendment shortly.

60. What is the current crediting rate of the Fixed Interest Option?

- Please see Question 38.

61. What is the current level of annual on-site days for participant education?

- Please see Question 19.

62. Can the term "deductible" be removed from part 2?

- The requirements of this Certificate cannot be changed.