

**Deferred Compensation Plan  
For  
Employees of  
Nassau Health Care Corporation**

**RFP 2019-009**

**Request for Proposals to Provide**

**Deferred Compensation Services:**

**Investment Management/Advisory Services;**

**And/or**

**Recordkeeping/Administration, Communication/Education**

**And**

**Custodial Trustee Services**

<b>Issue Date:</b>	<b>October 18, 2019</b>
<b>Deadline for Questions:</b>	<b>October 24, 2019</b>
<b>Deadline for Submission:</b>	<b>November 8, 2019</b>

## NOTICE TO PROPOSERS

There may be one or more amendments to this Request for Proposals (“RFP”). If your company desires to receive copies or notices of any such amendments, you must provide the information requested below to Frank Picarelli, Senior Vice President at Segal Marco Advisors via e-mail at [fpicarelli@segalmarco.com](mailto:fpicarelli@segalmarco.com).

All inquiries regarding this RFP must be addressed to the individual listed above. The Deferred Compensation Board along with Segal MarcoAdvisors will issue responses to inquiries and any other corrections or amendments it deems necessary in addenda issued prior to the Proposed Submission Deadline. Proposers should not rely on any representations, statements or explanations other than those made in this RFP or in a formal addendum. It is the proposer’s responsibility to ensure receipt of all addenda.

**Amendments to the RFP will only be sent to those firms that complete and return this form via fax or provide the requested information by e-mail.**

RFP Name Nassau Health Care Corporation Deferred Compensation Plan Services

Company name

Mailing address

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Phone number

Fax number

Contact person

E-mail address

*Send amendments by (check one):*     fax  
   E-mail

Any alterations to this document made by the proposer may be grounds for rejection of the proposal, cancellation of any subsequent award, or any other legal remedies available to the Deferred Compensation Board.

**From the date this RFP is issued until the award of the contract, No communication related to this RFP with members of the Board of the Deferred Compensation Plan For Employees of Nassau Health Care Corporation, officials of Nassau Health Care Corporation, or other Nassau Health Care Corporation personnel is permitted except as may be authorized by the Designated Authorized Plan Contact.**

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# **SECTION 1**

## **Introduction/Overview**

# Section 1: Introduction/Overview

## Purpose/Objective

The Nassau Health Care Corporation Deferred Compensation Plan Board (the “Board”) is seeking competitive proposals from qualified firms to provide investment management/investment advisory services; administration/recordkeeping (including communication/education and investment advisory) services, and custodial trustee services, for the Deferred Compensation Plan For Employees of Nassau Health Care Corporation (the “Plan”.)

## Background

Nassau Health Care Corporation’s (“NHCC”) IRC Section 457 Deferred Compensation Plan (“Plan”) was established in 2001. Participation in the Plan is available to all Nassau Health Care Corporation employees. VALIC is the Plan’s current Administrative Service Agency (ASA) and performs its record-keeping and plan administration services. Plan assets were approximately **\$235 million at June 30 2019 with an average account balance of \$92,165**. The Hospital has approximately **3,400** eligible employees with **2,675** participants maintaining an account balance in the Plan.

The DCP Board has adopted and must follow the New York State Deferred Compensation Board’s Model Plan, and the State Board’s regulations. The State regulations can be found at [www.nysdcp.com](http://www.nysdcp.com) (Click on “Plan Guidelines”, then choose “Information for Employers” and then choose “Rules and Regulations”). The plan document is included after Section 5 to this RFP.

During the term of any contract awarded pursuant to this RFP, the service provider will be required to supply information on a regular basis to the Board, its consultants, attorneys, auditors and other designated agents.

All investment products and deferred compensation services must fully comply with the Plan and with the New York State Deferred Compensation Board’s Rules and Regulations. The services requested in this Request for Proposals (RFP) consist of the following:

## Scope of Services

### *I. Investment Management Services*

The investment offerings have been determined by the Board along with its independent investment advisor Segal Marco Advisors, for purposes of submitting your firm’s proposal you should assume that the investment structure will be as currently structured. The Board has the sole discretion for the selection of the final investment offerings. The Plan is currently using a revenue sharing model to pay for plan administration costs and will be evaluating fee leveling approach.

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In the investment management questionnaire, you will be provided the current options which you will be required to record keep. The only option that will be a part of this bid submissions is the Stable Value Fund. Your proposed Stable Value Fund should be fully diversified, limit credit risk/exposure, provide competitive returns with no benefit payment limitations and provide attractive contract termination conditions such as transfer of book value with no market value adjustments or liquidation penalties. Investment options with any front-end or rear-end loads or other similar fees, charges or penalties will not be considered.

All plan assets, including all fixed income funds, are available for a cash transfer with no market value adjustments or liquidation fees, in accordance with NY State 457 Rules and Regulations. The current Stable Value Fund, which is managed by Invesco, it's a separately managed account with no put notification requirement. You will be requested as part of this rfp process to provide two fee quote one with your proprietary Stable Value Fund and second with maintaining the current Invesco Stable Value Fund . As of June 30<sup>th</sup> there is approximately \$80.7 million in assets in the INVESCO Stable Value Fund. For the purposes of your bid submission you are to quote fees based on book value cash transfer, any positive MVA will be allocated to Stable Value accounts prior to the transition to a new stable value manager the MVA is projected at 101% as of August 30

## *II. Administration and Recordkeeping Services*

All proposers for these services must provide detailed information about their recordkeeping and administrative systems and use of technology. Important factors include the ability to process payroll deductions, monitor compliance, daily processing of participant transactions, and to provide timely and accurate participant statements and financial statements. The service provider selected by the Board must have in place a toll-free customer center, voice response services and internet services that allow participants access to their accounts.

The administration/recordkeeping service provider will be required to assist employees with the completion of enrollment forms, verify the completeness of the forms and coordinate the institution of salary deferrals with NHCC's payroll system.

The administration/recordkeeping service provider must prepare enrollment packages, which must be distributed at group meetings and in response to an employee's request and contain all information in a complete and concise manner so that an employee would be able to enroll in the Plan. The service provider must also provide enrollment counseling to employees who wish to discuss the Plan and the investment offerings in person or over the telephone and accommodate various work schedules. A supply of enrollment packages must also be available at various work locations throughout NHCC's locations.

The administration/recordkeeping service provider will be required to prepare, for the Board approval, an annual education plan. This plan should detail the approach that your organization will take in communicating the program to employees, including the plan for contacting existing participants, by mail/or email, by telephone or in person, to periodically re-evaluate their deferred compensation plan participation and review whether changes should be made. The Board will require a quarterly report from the service provider to monitor plan level activity. This report shall include data on both the Plan and participation level, as well as the status and resolution of any participant problems and developments in the delivery of plan services.

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## *1. Scope of Services*

### *a. Implementation Services*

All proposers must provide a detailed plan transition strategy along with communication materials to explain any new plan changes and enhancements. The potential conversion from the current plan provider to a new provider will require you to provide an explanation of the process, blackout period and reconciliation of plan assets to the individual participant records.

### *b. Employee Communication and Education Services*

All proposers must provide a comprehensive employee communication and investment education program. Communication services are to be supported by customer service representatives and comprehensive internet services that provide participants with interactive financial and retirement planning tools and software. A dual high-touch, high-tech approach will be required to provide the participants with all of the necessary financial information and data to make informed investment decisions related to their elections. An explanation that outlines your firm's capabilities in designing and implementing a communication/education strategy is required for both the initial transition and ongoing process. The goal is to identify a service provider that offers comprehensive communication/education services supported with field representatives to accommodate the needs of the employees located throughout the Hospital and accommodate their work assignments with various shifts of time during their workday. In addition to your core communication services, field service representatives must be available to provide one-on-one counseling and investment advisory services. Their compensation cannot be structured for any bias towards any investment product.

VALIC provides 2 full time field representatives and one part time representative to support the relationship. Your proposal should state the number of field service representatives who will be devoted to this relationship, a detailed description of their compensation structure and ability to provide one-on-one participant level investment advisory services from a single consolidated source.

## *IV. Trustee/Custodial Services*

The service provider must provide trustee/custodial services for the Plan or arrange for trustee services with an outside party. Any additional costs for trustee/custodial services are to be fully disclosed in the fee section of this Request for Proposal.

## **Proposals**

### *Fees*

Each respondent must fully disclose fees based on the plan information provided in this RFP. Fees are to be quoted under an arrangement whereby all plan assets are available for cash transfers free of any liquidation fees, deferred sales charges, or market value adjustments.

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## *Preparation Costs*

All costs incurred during proposal preparation or in any way associated with the proposal's preparation, response, submission, presentation, or oral interviews shall be the sole responsibility of the proposer and will not be reimbursed by the Plan.

The Board expects each proposer to clearly outline your firm's best and most comprehensive resources, since the Board expects to outsource all services and responsibilities identified in this RFP.

The successful proposer for administrative/recordkeeping will provide extensive capabilities to support employee self-service using a variety of media. As a baseline, the proposer must provide superior Internet, interactive voice response system (VRS), and customer and field service representative capabilities to support the needs of the plan participants. The services must include the following:

- a. Support employee enrollment activities, initial and ongoing.
- b. Answer employee inquiries related to eligibility, plan features, and investment offerings.
- c. Allow employees to model retirement scenarios, request withdrawals from the Plan, change investment mix, change investment rates and percentages, request balances, and other similar activities.
- d. Provide participant investment education materials to make informed investment decisions.
- e. Provide participant investment advisory services.
- f. Provide benefits literature, such as summary plan descriptions, forms, statements, and prospectuses.
- g. Administer hardship distributions and Qualified Domestic Relation Orders including qualification procedures.

The selected provider must assume all data-management responsibilities for the Plan. The selected provider will be required to establish two-way interface capability with all appropriate parties (e.g., NHCC payroll) and will be solely responsible for timely, accurate transmission and, as appropriate, editing and validation of data for processing enrollments and contribution activity.

The initial performance period will be for four years with 4 consecutive one year extensions based on Board approval. The cost/fee structure for plan expenses must be guaranteed for the full four -year term, and apply to the annual one year extensions with favorable renegotiations over the course of the contract.

The Board is not bound by any oral or written information released prior to the issuance of this RFP. Any materials and documents developed during the engagement will become the property



## **Section 1: Introduction/Overview**

of the Board. In submitting a proposal, the selected provider agrees that the Board has access to and the right to examine directly all pertinent documents, papers and records of the contractor and/or any subcontractor as related to any contract and/or sub-contract resulting from this RFP until six years after final payment has been made pursuant to any contract awarded as a result of the Board's acceptance of the provider's proposal. The Board has the exclusive ownership and unlimited rights to use, disclose, or duplicate for any purpose whatsoever, all information, data, designs, work products, and materials developed by the provider under contract.

The Board reserves the right to refuse to do business with any proposer found to be non-responsive by either the Board or NHCC.

The Board reserves the right to postpone, amend, or cancel this RFP and to reject all proposals.

Proposers should specifically identify those portions of the proposal deemed to be confidential, proprietary information or trade secrets and provide justification why NHCC should not disclose such material upon request. Such confidentiality/proprietary information must be easily separable from the non-confidential section of the proposal. The selected provider agrees to observe the confidentiality provisions and prohibitions against disclosure of all applicable federal and State laws and regulations relating to the confidentiality of records and information gathered, obtained, reviewed, or developed in the performance of the resulting agreement; and further agrees to require each of its employees, partners, and agents assigned to the performance of this agreement to observe said provisions. The provider must comply with the requirements of the Civil Rights Act of 1964 and 18 NYCRR Part 357 for safeguarding confidential information, the prohibition against disclosure of confidential information and the civil and criminal consequences of non-compliance.

The Board will not be responsible for errors or omissions made in Proposer's proposal. The Board will withhold proposals submitted under this RFP from disclosure, unless otherwise required by law. Proposers should indicate any information they feel is to be exempted from disclosure under the New York Freedom of Information Law ("FOIL"). In the event that the Board determines that such information is required by applicable law to be disclosed, the Board will notify the vendor in advance of such disclosure to enable the vendor to take such action, as it deems appropriate. Copies of executed contracts are not exempt from FOIL.

If no agreement is reached with a proposer within a period of time considered reasonable by the Board, the Board may terminate negotiations and select another proposer, issue a new RFP, or take any other action consistent with the Plan's best interests. No proposer shall have any rights against the Plan, the Board, or NHCC arising from such negotiations. By issuing this RFP, the Board is not obligated to award a contract. The contract between the Plan, acting through the Board, and the successful proposer shall contain provisions based on the specific requirements of this RFP, the successful proposer's proposal, and general provisions governing all Plan contracts. No elected or appointed member, agent or employee of the Board and/or NHCC shall benefit financially or materially from any contract resulting from this procurement. The Board may terminate any contract resulting from this procurement if gratuities were offered or given by the contractor or his agent to any member, agent or employee of the Board and/or NHCC.

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The selected provider is responsible for the entire contract performance. The provider must indicate in the RFP if it intends to use a subcontractor for any part of the work. If so, the provider shall identify each subcontractor by name, business address and expertise, and must include the name(s) of the principal(s) of the subcontracting entity. A full description of the tasks to be performed by the subcontractor must be included.

The selected provider shall be solely responsible for and shall indemnify and hold harmless the Plan, the Board, NHCC and their officers, employees, and agents from and against any and all liabilities, losses, costs, expenses (including, without limitation, attorney's fees and disbursements) and damages (i.e. Losses), arising out of or in connection with any acts or omissions of the provider or a provider's Agent, regardless of whether taken pursuant to or authorized by this Agreement and regardless of whether due to negligence, fault, or default, including Losses in connection with any threatened investigation, litigation or other proceeding or preparing a defense to or prosecuting the same. The provider shall, upon the Board's demand and at the Board's direction, promptly and diligently defend, at the provider's own risk and expense, any and all suits, actions, or proceedings, which may be brought or instituted against, and the Board, the Plan, or NHCC, and the provider shall pay and satisfy any judgment, decree, loss or settlement in connection therewith. The provider shall, and shall cause provider's Agents to, cooperate with the Board and NHCC in connection with the investigation, defense or prosecution of any action, suit or proceeding. The successful proposer must execute a contract providing the required services in accordance with the Board's requirements.

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## Evaluation and Selection Criteria

### *Minimum Qualifications of Service Provider*

Proposers must meet the following minimum qualifications. Failure to satisfy the minimum qualifications may result in the immediate rejection of the proposal.

1. Proposer must have at least **five (5) years'** experience in providing the proposed services and products to the public sponsor defined contribution marketplace.
2. Proposers for investment management/investment advisory services must have a minimum of **\$3 billion** under investment management for pension or deferred compensation plans.
3. Proposer must have at least ten deferred compensation plan accounts each with more than **5,000** participants. In addition preference for experience in providing deferred compensation services to the health care industry.
4. Proposer must have a Statement of Auditing Standards (SAS) 70 Audit conducted at least annually.
5. Proposers for trust/custodial services must have provided such services to defined contribution plans for at least **five years** and have at least \$3 billion under trust/custody. Trustee services can be provided either through direct services or through a banking arrangement.
6. In accordance with New York State 457 Rules and Regulations there can be no liquidation penalty, contingent deferred sales charges (CDSC), fees or market value adjustment related to the liquidation of any of the Plan's investment products. Traditional insurance company products with contingent sales charges, liquidation penalties and market value adjustments are not allowed.
7. Proposer must provide certification that it is qualified, both as a firm and as to those individuals assigned to this account, to provide administrative services and/or (as applicable) investment products pursuant to Section 457 of the Internal Revenue Code, and all rules and regulations governing New York State 457 Deferred Compensation Plans.
8. Field Service Representatives that provide enrollment, education and participant advisory services may not have commission-based compensation or any financial incentives to promote any investment product or service. A salary-based compensation structure is required for all field service representatives allocated to this relationship.

### *Additional Contract Requirements*

1. All Plan level expenses are paid by the Plan and are not to be a part of your recordkeeping fees
2. The selected vendor for administrative/recordkeeping services must provide 1099R Forms for beneficiary distributions and provide administration under Section 401(a) (9) and 457, required and minimum distributions.
3. The selected vendor for administrative/recordkeeping and/or for investment management/investment advisory services must provide dedicated resources to support the on-going consultation to the Board and all plan participants located throughout Nassau Health Care Corporations and facilities. This includes the availability of customer and field service

## Section 1: Introduction/Overview

representatives to support employee meetings and new employee orientation programs. The selected vendor must have field service support available to commence the new plan roll out. The proposer must have a program in place to provide individual participant advisory services supported by customer service representatives.

4. The selected vendor for administrative/recordkeeping services must maintain and distribute Summary Plan Descriptions to plan participants.
5. The selected vendor for administrative/recordkeeping services is to pay for the cost of printing, labels and postage for the mailing of any Deferred Compensation Board communications to plan participants as may be required during the course of the year.
6. The selected vendor for administrative/recordkeeping services must process payroll data and post participant contributions with each bi-weekly pay date. The contribution payroll file is sent one day prior to the actual bi-weekly pay date and on the next day the contribution wire is sent to fund the contributions. All payroll data and reporting is consolidated by NHCC's centralized payroll department. The service provider must be able to maintain and track participant deduction changes and report a feedback file with updated information to payroll so that they can in turn update their deductions records.
7. The selected vendor must provide a representative who will provide a single point of contact, seamless administration and accountability, and meet on a regular basis, with the Deferred Compensation Board.
8. The contract term will be three years with up to four one -year annual extensions for potential relationship for up to seven years at the sole discretion of the Board and based upon favorable fee negotiations and an evaluation of past performance.
9. The selected provider is solely liable and responsible for any processing errors of the provider or its agents. In the event of a participant's loss of interest and/or dividend and/or principal due to an error by the selected provider or its agent in processing transactions on behalf of the participant, the selected provider agrees to adjust the participant's account to the same position as if the processing error had not occurred.
10. The selected vendor for administrative/recordkeeping services must provide complete administrative services related to the administration of both hardship distributions and Qualified Domestic Relations Orders (QDRO).
11. The selected vendor must provide the Board within 30 days after receiving notification of the award with a fidelity bond in an amount not less than the required amount in the New York State 457 Plan Rules.

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## Information Regarding the Plan

**Plan Name:** Deferred Compensation Plan For The Employees of Nassau Health Care Corporation

**Payroll System:** NHCC maintains a single payroll center, which provides the recordkeeper one consolidated input file. Contribution data and remittance is reported based on a bi-weekly pay schedule.

**Administrator:** VALIC

**Plan Type** New York State 457 Deferred Compensation Model Plan

**Eligible Employees:** There are approximately 3,400 employees of NHCC who are eligible for participation.

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## Highlights of the Deferred Compensation Plan

Plan features are as follows:

<b>Eligibility:</b>	All NHCC employees are eligible to participate.
<b>Rollovers:</b>	Rollover contributions from other eligible plans are allowed.
<b>Investments:</b>	Participants offered a diverse array of investment products offered by VALIC.
<b>Expenses:</b>	All fees related to this plan are charged to the participants' accounts.
<b>Plan Year:</b>	January 1 to December 31
<b>Cash Flow:</b>	The current estimated annual contribution is <b>\$ 12 million per year.</b>

<b>Benefit Payment Events</b>	The plan allows for withdrawals for the following events: <ul style="list-style-type: none"><li>▪ Termination of employment</li><li>▪ Retirement</li><li>▪ Death</li><li>▪ Financial Hardship</li></ul>
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<b>In-Service Withdrawals</b>	Participants may withdraw their contributions plus interest for the following reason: <ul style="list-style-type: none"><li>▪ Financial hardship as approved by the Board.</li></ul>
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<b>Form of Distribution</b>	<ol style="list-style-type: none"><li>1. Lump Sum</li><li>2. Payment in equal amounts for period designated by participants</li><li>3. Systematic Withdrawal Option</li></ol>
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<b>Loans</b>	No
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<b>Self-Directed Brokerage Accounts</b>	No
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<b>Catch-up Contributions</b>	As permitted by law
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<b>Purchase of Service Credit</b>	No
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Roth Feature

# Section 1: Introduction/Overview

## Demographic

1. Frequency of contributions (weekly/bi-weekly/monthly)	Semi-Monthly	
2. Medium used to remit contributions files (electronic, disk, magnet tape, etc.)	Electronic via Retirement Manager	
3. Funding method (check, wire, ACH)	Wire	
4. Number of payroll locations	8	
5. Number of payroll files	28	

<b>Participation Breakdown</b>					
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	
Total Active	1,436	1,490	1,459	1,446	
Total Inactive	1,132	1,055	1,035	1,036	
Total Accounts	2,568	2,545	2,494	2,482	
For 2019 - YTD TO 6/30/2019					

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<b>Total Plan Cash Flow</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Contributions	\$6,251,004	\$11,343,371	\$11,271,345	\$11,058,672
Withdrawals	-\$8,401,383	-\$14,861,050	-\$13,431,304	-\$15,859,210
<b>Net Cash Flow</b>	<b>-\$2,150,379</b>	<b>-\$3,517,680</b>	<b>-\$2,159,959</b>	<b>-\$4,800,539</b>

<b>Stable Value Cash Flow</b>					
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	
Contributions	\$1,610,616	\$2,630,351	\$2,745,323	\$2,894,943	
Withdrawals	-\$4,212,257	-\$8,015,828	-\$6,231,341	-\$9,939,854	
<b>Net Cash Flow</b>	<b>-\$2,601,641</b>	<b>-\$5,385,477</b>	<b>-\$3,486,018</b>	<b>-\$7,044,911</b>	



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<b>Stable Value Participant</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Under age 25	9	7	7	3
Age 26 - 35	60	63	39	41
Age 36 - 45	99	114	104	110
Age 46 - 55	428	446	458	463
Age 56 - 64	602	609	594	591
Age 65 - 70.5	289	285	263	257
Age 71 - 80	156	162	148	142
Age 80+	45	41	39	34

### Participant Info

	<b>As of 6/30/2019</b>
Number of participants active and contributing	1,255
Number of participants active, not contributing	808
Number of terminated participants w/balances	482
Number of terminated participants w/balances less than \$5,000	130
Number of participants suspended due to hardship	n/a
Total account balances - participants active and contributing	\$127,464,122
Total account balances - terminated participants w/balances	\$1,847,830
Total account balances - suspended due to hardship	n/a
Total account balances – participants with loans	n/a
Average account balance	\$92,165
Managed account balance	\$235,389,586
Managed account participants	2,554

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## Transaction Activity

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Number of new participants	89	152	108	137
Number of new loans	n/a	n/a	n/a	n/a
Number of outstanding loans	n/a	n/a	n/a	n/a
Number of hardship withdrawals	n/a	n/a	n/a	n/a
Number of in-service withdrawals not due to financial hardship	18	31	18	4
Number of lump sum distributions	85	145	160	148
Number of recordkeeper IRAs opened	8	7	5	12
Number of minimum required distributions	107	274	242	218
Number of QDROs	0	0	1	1
Number of rollovers <i>into</i> the plan	1	1	3	2

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### Cash In

	2019	2018	2017	2016
Employee Pre-tax (excluding catch-up contributions)	\$6,233,474	\$11,286,841	\$11,249,345	\$11,055,672
Catch-up contributions	\$17,529.87	\$56,529.36	\$22,000	\$3,000
Roth	\$0	\$0	\$0	\$0
After-Tax	\$0	\$0	\$0	\$0
Employer Match	\$0	\$0	\$0	\$0
Employer Discretionary	\$0	\$0	\$0	\$0
Rollover Contributions	\$0	\$0	\$0	\$0
Loan repayments	N/A	N/A	N/A	N/A

### Cash - Out

	2019	2018	2017	2016
Lump sum distributions – cash	-\$1,346,846	- \$2,511,853	- \$1,813,204	- \$1,981,603
Lump sum distributions – rollover	\$0	\$0	\$0	\$0
De Minimum payments (less than \$5,000)	-\$148,266	-\$243,898	-\$265,715	-\$247,699
Installment payments	-\$230,571	-\$277,298	-\$283,610	-\$305,821
Unforeseeable/Hardship withdrawals	-\$171,126	\$358,345	-\$526,643	-\$299,970
Inservice withdrawals (excluding hardship withdrawals)	-\$24,575	-\$135,938	-\$66,134	-\$108,324

# Section 1: Introduction/Overview

## Investment Structure

The Board is seeking a service provider that has a comprehensive fund alliance program to support a best in class, open architecture fund offerings. The Board upon selection of the service provider has the complete discretion for the finalization of the Plan's investment offerings.

### Investment Structure

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Stable Value Fund

Core Fixed Income Fund

Equity Funds:

Large Cap Value

Large Cap Core Active

Large Cap Growth

S&P 500 Index

Mid Cap Value

Mid Cap Core Active

Mid Cap Growth

Small Cap Value

Small Cap Core Active

Small Cap Growth

Emerging Market Fund

International Equity Fund

Socially Responsible Equity Fund

Lifestyle/Lifecycle Funds

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As of June 30, 2019

	Category	TICKER	Asset Totals by Plan	Expense ratio	Total Fee	Tot Reim	Tot Reim
AMERICAN BEACON LG CP VAL Y	Large Value	ABLYX	\$8,951,072.47	0.68	\$ 60,867.29	0.10	\$ 8,951.07
COLUMBIA SM CP VALUE II Z	Small Value	NSVAX	\$4,015,509.56	1.02	\$ 40,958.20	0.15	\$ 6,023.26
T.ROWE PRICE RET FUND 2010 INV	Target Date 2000-2010	TRRAX	\$1,084,244.98	0.54	\$ 5,854.92	0.15	\$ 1,626.37
T.ROWE PRICE RET FUND 2020 INV	Target Date 2016-2020	TRRBX	\$3,356,401.46	0.61	\$ 20,474.05	0.15	\$ 5,034.60
T.ROWE PRCE RET FUND 2030 INV	Target Date 2026-2030	TRRCX	\$1,270,760.30	0.67	\$ 8,514.09	0.15	\$ 1,906.14
T.ROWE PRCE RET FUND 2040 INV	Target Date 2036-2040	TRRDX	\$3,234,142.48	0.72	\$ 23,285.83	0.15	\$ 4,851.21
T.ROWE PRICE RET INC FUND INV	Retirement Income	TRRIX	\$924,327.68	0.52	\$ 4,806.50	0.15	\$ 1,386.49
AMERICAN FUNDS BOND FUND R5	Intermediate-Term Bond	RBFFX	\$17,920,977.42	0.31	\$ 55,555.03	0.05	\$ 8,960.49
T. ROWE PRICE NEW HORIZONS	Small Growth	PRNHX	\$8,423,194.16	0.78	\$ 65,700.91	0.15	\$ 12,634.79
INVESCO MID CAP GROWTH	Mid-Cap Growth	VGRJX	\$4,558,117.01	0.82	\$ 37,376.56	0.35	\$ 15,953.41
BLACKROCK MD-CP VAL OPP I	Mid-Cap Blend	MARFX	\$6,093,914.98	0.85	\$ 51,798.28	0.25	\$ 15,234.79
INVESCO STABLE VALUE FUND	Stable Value	INVSV	\$80,627,419.51	0.35	\$ 282,195.97	0.25	\$ 201,568.55
OPPENHEIMER MAIN ST SM Y	Small Blend	OPMYX	\$6,355,572.64	0.84	\$ 53,386.81	0.25	\$ 15,888.93
VANGUARD SELECTED VALUE	Mid-Cap Value	VASVX	\$3,387,898.02	0.36	\$ 12,196.43	0.10	\$ 3,387.90
SSGA INTL STOCK SELECTION	Foreign Large Blend	SSAIX	\$14,403,376.52	1.00	\$ 144,033.77	0.25	\$ 36,008.44
VANGUARD FTSE SOC IDX INV	Large Growth	VFTSX	\$1,926,013.19	0.18	\$ 3,466.82	0.00	\$ -
VANGUARD INSTITUTIONAL INDEX	Large Blend	VINIX	\$37,172,736.28	0.04	\$ 14,869.09	0.00	\$ -
MFS EMERGING MARKETS EQUITY R4	Diversified Emerging Mkts	MEMHX	\$6,743,413.62	1.19	\$ 80,246.62	0.10	\$ 6,743.41
WELLS FARGO LARGE CAP GROWTH	Large Growth	STDFX	\$24,940,493.61	0.95	\$ 236,934.69	0.35	\$ 87,291.73
<b>Total</b>			<b>\$235,389,585.89</b>	<b>0.51%</b>	<b>\$ 1,202,521.87</b>	<b>0.18%</b>	<b>\$ 433,451.59</b>

# Section 1: Introduction/Overview

## Vendor Selection Process

The selection process will include the following phases:

### 1. Analysis of RFP Responses

Following submission of responses to this RFP, the Board will review and analyze the proposals and identify the finalists who will be invited to make a presentation to the Deferred Compensation Board.

### 2. Finalist Presentations

Finalists will make a presentation that will give them an opportunity to explain the functional, technical and investment capabilities of their organizations. Vendors should also be prepared to answer detailed questions regarding their proposals.

### 3. Selection of Service Provider

It is expected that the successful candidate(s) will be notified shortly after final presentations. The actual award of the engagement is contingent upon finalizing an agreement with regard to the service contract, service standards and fees.

## Pre-Bid Vendor Questions

Submission of questions related to this Request for Proposal must be made via email to Frank Picarelli at [fpicarelli@segalmarcoadvisors.com](mailto:fpicarelli@segalmarcoadvisors.com) by **5:00 p.m. Eastern Standard Time, October 24, 2019**. Written responses to each vendor's questions will be distributed back to all prospective proposers via email by **October 31, 2019**.

# Section 1: Introduction/Overview

## Format of RFP Responses

Vendors must provide their proposal in the following format:

### 1. Transmittal Letter

A letter of transmittal shall accompany each proposal. Such letter must be signed by a person authorized to contractually obligate the vendor to the scope, terms, specifications, and pricing contained in the response. This letter should also clearly indicate the name, address, phone number and facsimile number of one contact person for the proposal.

The letter of transmittal should be no longer than two pages and should include the following:

- A. Certification that the proposer meets all of the applicable minimum service qualifications as described on page 8 and 9. Reference to completion of certification of compliance with terms and conditions of the RFP. (See Appendix)
- B. A brief statement of the services to be provided.
- C. A statement of commitment to provide the services requested within the times and manner specified.
- D. A brief summary of the vendor's qualifications to perform this type of engagement.
- E. A statement confirming that this proposal shall remain valid for six (6) months after the closing date for receipt of proposals.
- F. Certification that the individual signing this proposal has the authority to bind the proposer to the terms and conditions set out in the proposal document.

Name of Company

Signature

Position

Date    /    /

### 2. Table of Contents

The table of contents should include clear and complete identification of the materials submitted by section and page number.

# Section 1: Introduction/Overview

## 3. Format Requirements

Responses must comply with the following:

- A. All questions in Sections 2, 3 and 4 (as applicable based on the services being proposed) must be answered in the manner and area stipulated after each question. Each RFP question must be restated before your response. If printed matter is supplied as supplemental information, please make sure that the supplemental information is appropriately marked with the corresponding question to which it applies.
- B. Please respond to every question in each applicable section of the RFP. Failure to respond to all questions may lead to your elimination from consideration.
- C. All questions must be answered in the order asked.
- D. Neither, Segal nor the Board will be bound by oral explanations or instructions given at any time during the request for proposal process or after the award of the contract.

## 4. Fee Specifications

Fee quotes should be provided in the format outlined in the expense section of the questionnaire beginning on page 2 of Section IV. Pricing offer must be good for six months from the receipt date of the proposal.



# Section 1: Introduction/Overview

## Submission of RFP Responses

Each vendor must submit an electronic copy by **4:00 p.m. Eastern Standard Time, Tuesday November 6 2019 to the Deferred Compensation Board and to Segal Marco Advisors as follows: Electronic copy is to contain the responses to the rfp and related questionnaires and cost proposals marketing materials are to be included in hard copy submission**

Electronic copy

to: Frank Picarelli

Vice President

SegalMarcoAdv

333 West 34 Street

New York, NY 10001 Fifth Floor

[fpicarelli@segalmarcoadvisors.com](mailto:fpicarelli@segalmarcoadvisors.com)

and an electronic copy to John Maher CFO Nassau Health Care Corporation

at [jmaher@numc.edu](mailto:jmaher@numc.edu)

plus one hard copy to:

Nassau Health Care Corporation Deferred Compensation Board

c/o Lynne Kramer

Nassau Health Care Corporation

2201 Hempstead Turnpike

East Meadow, NY 11554

Proposals must be clearly labeled: **Request for Proposals/ Deferred Compensation Plan Services**

In addition, any firm selected as a finalist must be able to provide a copy of the proposal in an electronic format to the email address listed above.

## Submission of Proposal

# Section 1: Introduction/Overview

Proposals received after the deadline are late and will not be considered unless the proposer presents extenuating, exceptional circumstances acceptable to the Board. Proposers are responsible for ensuring that their proposals are received in a timely fashion.

<b>TASK</b>	<b>TARGET DATES</b>
Release of Request for Proposals – RFP	October 18
Receive pre-proposal questions from provider(s)	October 24
<b>Deadline for proposals submission</b>	<b>November 8</b>
Implementation Date	TBD

Please note that successful proposers will be notified as to the actual date and time of their finalist presentation before the Board, and will be provided with instructions regarding the presentation agenda and location.

## Due Diligence

1. The Board shall have the right to inspect any facility or project site where the services performed under the resultant contract are carried out.
2. The Board will monitor the performance of the selected service providers on a quarterly basis to insure compliance with all of the requirements of the contract during the initial year of the contract; subsequent monitoring will be conducted either semi-annually or annually as determined by the Board.

# Section 1: Introduction/Overview

## Evaluation Of The Proposals

The Deferred Compensation Board will first examine proposals to eliminate those that are non-responsive to the stated requirements. Therefore, proposers should exercise particular care in reviewing the proposal format required for this RFP.

Analysis of the proposals submitted will be based on the following criteria (which will vary in weight depending on the services being proposed):

### Service Provider

a. Organization, size, similar experience, references
b. Communication/ Education/ Enrollment/Investment Advisory Services
c. Recordkeeping/Administration
d. Participant Services: Voice Response, Customer Service Center, Internet Services, Field Representatives
e. Investments, Offerings, Flexibility, Management Fees
f. Administrative Fees (cost structure and credit allowances for plan expenses)

The Board reserves the right to contact any and all references to obtain, without limitation, information regarding a proposer's performance on previous projects. A sample of references will be checked for each proposer.

In evaluating the proposals, all aspects of the required services will be fully evaluated. The Board may consider any factors it deems necessary and proper for best value, including but not limited to:

1. Quality and performance of investment offerings and overall investment management services.
2. Commitment to on-site employee enrollment, ongoing communication, customer service, and employee education.
3. Data-management services, including creation and maintenance of employee data, transaction data and history, interfaces with suppliers and Payroll, and other record keeping and administrative functions, including compliance.
4. Overall cost structure and credit allowances for plan level expenses.
5. Size, structure, resources, and experience in providing deferred compensation services to that are similar in size and scope to that of the Deferred Compensation Plan For Employees of Nassau Health Care Corporation.
6. Qualifications of the personnel assigned to execute the services required by the Board.

# Section 1: Introduction/Overview

7. Scope and value of performance guarantees.
8. Investment advisory services.
9. The final award will be subject to the execution of a service contract acceptable to the Board.
10. Vendors that participate with MBW/WBE organizations to provide services for this contract are encouraged to fully disclose such relationships as part of your bid submission. Participation of such organizations will be favorably considered as part of the evaluation process.

## Finalist Presentations

The purpose of the finalist presentations is to give each finalist an opportunity to further explain its qualifications, services, and capabilities.

When final presentations are made to the Board, it is expected that each proposer will bring to the meeting those people who will work directly with the Board, if proposer is successful.

Travel expenses and costs related to the interview will be the responsibility of the proposer.

## Working Relationships

The successful proposer will be required to work closely with the Deferred Compensation Board and their consultants to identify cost savings and improvements to the Plan.

**As stated above, from the date this RFP is issued until the award of the contract, NO communication related to this RFP with members of the Board of the Nassau Health Care Corporation Deferred Compensation Plan, officials of the Nassau Health Care Corporation, or other NHCC personnel is permitted except as may be authorized by the Designated Authorized Plan Contact.**

This RFP, including exhibits and any addenda, will be incorporated into the final contract document.

## Exceptions/Additions

Any language which differs from this RFP that is used or suggested by a proposer will be submitted for clarification only, and shall not affect the proposer's acceptance of the terms and conditions of this RFP and shall not be binding on the Board unless affirmatively accepted by the Board in writing. The Board assumes no obligation to accept, reject, or negotiate proposed replacement terms or conditions with the successful proposer.

Proposers will be required to sign a statement, as part of the proposal that they are in agreement with all of the terms and conditions presented in the RFP, the exhibits, and the addendum to the RFP. (Section 5 –Certification of Compliance)

The proposer is responsible for clarifying any ambiguity, conflict, discrepancy, omission, or other error in the Request for Proposals before submitting the proposal; otherwise, the right to raise such issues shall be waived.

# **SECTION 2**

## **Request for Proposal**

### **Administrative Services Questionnaire**

# Section 2: Administrative Questionnaire

## Organization and History

1. **Respondent Information:** Provide a brief overview of your organization. The narrative shall include the following:
  - a. Date established;
  - b. Ownership (public, partnership, subsidiary, etc.);
  - c. Years active in the public sector market;
  - d. Years active in the public 457(b) market; and years active in the healthcare industry
  - e. Relationships with other entities relevant to or related to this RFP.
2. Provide the following information:
  - a. Total assets under administration
  - b. Total defined contribution assets under administration
  - c. Total deferred compensation assets under administration
  - d. Total public sector 457(b) assets under administration
  - e. Total deferred compensation assets in the health care industry
3. What are your client retention statistics for each of the last three years broken out by year? What percentage left due to issues pertaining to services provided by your organization? Briefly explain those servicing issues.

4.

	Gained			Lost		
Public 457(b) clients	2018	2017	2016	2018	2017	2016
Number						

What is the average client relationship duration? What is the average relationship duration for your deferred compensation plans?

What is the total number of health care organizations for which you provided bundled deferred compensation services? Discuss your onsite services to accommodate the Hospital’s employees various work shifts of time during a workday.

5. 11. Are you currently participating in any alliances or joint marketing

## Section 2: Administrative Questionnaire

6. List the number and total assets of the public 457(b) deferred compensation plans that you currently administer in the following categories:

Number of Participants	Plans		Assets	
	Number	Percent	Amount	Percent
Under 3,000				
3,001 – 7,000				
7,001 – 10,000				
10,000+				
<b>Total</b>				

7. What is the total number of participants in all public sector defined contribution/deferred compensation plans currently being administered by your organization? What is the number specific to public 457(b) plans? What is the number specific to health care organizations
8. Describe your errors/omissions liability insurance and coverage. Describe the various types of insurance coverage and indemnification provided to protect clients.
9. Has your company, or any affiliates, been a party to any litigation during the last three years involving your defined contribution and deferred compensation recordkeeping and administration services? If yes, please provide: 1) the nature of the claim or action 2) the current status of the litigation, 3) any fines, judgments or settlements paid.
10. What is the last date when your organization had a change in its business structure, whether through an acquisition or divestiture or through an alliance arrangement? If applicable, how did this change in business affect the recordkeeping division?
11. Describe any pending or anticipated plans to re-organize your company within itself or as part of the larger organization of which your company is a part.

### References

1. Please provide references for three current public 457(b) clients that have similar plan demographics (*i.e.*, size and plan design). If available, at least one of the three should have converted within the last year. For each reference, please provide client name, contact name, address, phone number, services provided, and year they became a client.
2. Please provide references for three former public 457(b) clients who had similar plan demographics (*i.e.*, size and plan design). At least one of the three should have left within the last year. Please provide former client name, contact name, address, phone number, services provided, year they ceased to be a client and the reason(s) for leaving.

# Section 2: Administrative Questionnaire

## Client Service/Quality Assurance

1. How many of your employees work on DC plans? Is there staff dedicated specifically to public sector DC plans? If so, please provide the numbers in addition to completing the chart below on the number of full-time equivalent employees working on defined contribution plans:

Personnel Type	Number
Management	
Call Center Mgmt./Supervisors	
Customer Service Reps	
Field Reps	
Systems Management	
Systems Staff: Development & Operating/Maintenance	
Website	
Other	

2. What is the average tenure (in years) of the following positions?
- a. Plan Administrator
  - b. Client Relationship Manager
  - c. Field Service Representatives
  - d. Conversion Project Manager
  - e. 800 Customer Service Center Representatives
3. Do you currently have staff located in New York ? If yes, where is your office located? If no, where is the closest office?
4. Describe the team that would deal directly with the NHCC on an ongoing basis. Indicate size, roles, experience, and turnover rates. In addition, provide a brief resume for each individual.
5. What location(s) would provide the services described in this RFP?
6. Briefly describe the training program and licensing requirements for your field service representatives. What are the licensing requirements?
7. Briefly describe the training program and licensing requirements for your 800 customer service representatives. What are the licensing requirements?
8. Will you need to hire any additional staff in order to service this account?



## Section 2: Administrative Questionnaire

9. Describe your service standards and turnaround time for the completion of the following:

Transaction	Turnaround Time	Penalty (\$) for Not Meeting Standard
Implementation		
Issuance of Participant Statements		
Transaction Confirmation Statements		
Hard Copy Plan Level Administrative Reports		
Processing Payroll Contributions		
Hardship/Unforeseen Emergency Withdrawals		
Termination/Rollovers/Direct Transfers for Distribution		
Fund Balance Transfers		
Investment Election Requests		
Error corrections and adjustments		
Contribution Percentage Elections/Changes		
QDRO Processing		
Setting an appointment with an onsite representative		

10. What is the total, annual amount you are willing to put at risk?

11. How frequently do you conduct client and participant satisfaction surveys of your services and performance?

## Section 2: Administrative Questionnaire

### Recordkeeping/Administration

1. What portion of your organization's expenses relates to recordkeeping and system technology development?
2. Briefly describe the level of customization available to the Plan on the electronic administrative forms used by Plan participants. Will the State have input on content and not just look?
3. Indicate how many of your current public plan clients have implemented auto enrollment and/or auto escalation.
4. Can you accept manual edits, adjustments, and indicative data changes to the contribution input file? Briefly describe any limitations or qualifications that apply.
5. Can you handle negative data from the payroll files? Briefly describe any limitations or qualifications that apply.
6. Describe how your payroll contribution reports identify participants contributing up to the current maximum contribution, and identify participants in catch-up status.
7. Are you able to fully administer hardship/unforeseeable emergency distribution requests? Are you able to handle first level appeals? Briefly describe any limitations or qualifications that apply.
8. Are you able to fully qualify and process Qualified Domestic Relations Orders (QDROs) with the attorneys representing the parties? What, if any, role would the State be required to play?
9. Briefly describe your process for searching for participants.
10. Briefly describe your standard procedures for uncashed checks.
11. List any limits imposed on any participant initiated transactions (i.e., mix changes, contribution rate changes, etc.).
12. Describe the process you use to track and maintain employee beneficiary data.
13. Confirm your ability to accept and maintain primary and secondary beneficiary information online.

## Section 2: Administrative Questionnaire

### Systems Capabilities and Hardware

1. What system do you use to recordkeep and administer deferred compensation plans?
2. Was the software developed internally, leased, or purchased from another provider? Who has the ultimate responsibility/authority to make sure the software remains current to laws, regulations, client needs, etc.?
3. How long have you used these systems for recordkeeping?
4. Are you planning any major change in the software or hardware supporting your recordkeeping system in the next 24 months? If yes, please describe.
5. Describe your documented disaster recovery plan. How often do you test your recovery system?
6. How often is data backed-up?
  - a. Describe any system outages within the last three years and how have they been handled.
  - b. Has any liability resulted from these outages and are there any pending claims related to these outages?
7. Describe in detail your procedures and safeguards used to guarantee:
  - a. Security for your hardware and facility;
  - b. Authorized access to data;
  - c. Confidentiality of data;
  - d. Security for any hard copy of plan-related data or documents; and
  - e. Explain your process in the event that participant data is compromised.
8. Provide a current SSAE18 audit of your recordkeeping system, or any other audit you have performed. Who completes the audit and how frequently?
9. Do you test IT security as part of the SSAE18 or separately? If separately, who performs and how frequently.
10. Will you be having your auditor conduct a review and certify your compliance with the new SPARK standards? (Yes/No)

### Custodial Trustee

1. For the custody/trustee services you propose, what is the name of the trust company, the total number of years that they have been in operation, and the assets the company holds as of June 30, 2019?
2. What are the total public sector defined contribution/deferred compensation assets currently held by the custodian?

## Section 2: Administrative Questionnaire

3. Are there any restrictions by investment type that pertain to your custodial services? If yes, describe them in detail.
4. Confirm that you will offer trustee services for outside investment funds.
5. Do you have a limit on the number of checks/wires available to participants?
6. Do you have an electronic link with the investment managers for updating participants' accounts on the recordkeeping system?
7. Will the hospital be required to execute a custodial agreement with your custodial trustee or will it be part of the contract with NHCC?

### Regulatory/Compliance Service

1. Describe how you monitor Code Section 401(a)(9) required minimum distributions including:
  - a. Identification of individuals;
  - b. Determination of the amount of the minimum required payment; and
  - c. Payment within required deadlines.
2. Describe your capabilities and timeframes for monitoring maximum deferral limits and the catch-up provisions.
3. What resources do you have to obtain legal opinions, interpretations of laws, regulations, and other matters on issues pertaining to deferred compensation plans?
4. How do you ensure that your recordkeeping system is in compliance with all applicable rules and regulations?
5. How quickly are changes in the law reflected in the system?
6. Should the NHCC choose to provide notices consistent with those required by ERISA Section 408(b)(2) and related regulations, will you provide 408(b)(2) disclosures to the NHCC and regulatory disclosures to participants? If yes, is there an additional cost for either?

### Communication & Education

1. Fully describe the educational services that you will provide to the Plan. Describe separately your initial and on-going communication and education program (including printed material, visits, training, etc.). Be sure to identify the key elements provided as part of your proposed communication and education program package including the types marketing medium (e.g. print, e-mail, onsite, etc.). Provide sample materials for enrollment, transition and on-going communication and education.

## Section 2: Administrative Questionnaire

2. Describe the initial enrollment process/methods.
3. Describe the communication and education process that you provide for non-active participants (i.e., retirees and terminated employees with account balances).
4. Describe the education your firm delivers in providing distribution counseling to participants (active and inactive) of the potential benefits of leaving the account balance in the Plan.
5. Will you provide participants with onsite, group education, and retirement planning sessions or financial/pre-retirement seminars on an on-going basis? If yes, list the titles of the subjects that are covered in your program with a brief description.
6. Describe the Committee's role in the communication, education, and enrollment processes.
7. To what extent can the Hospital customize communication and investment education materials (e.g., plan name, logos)? Is the Committee able to edit content? Describe any additional charges for customizing or editing communication materials or, if none, so state.
8. Briefly describe how you measure the success of your education/communication programs.

### **Plan Sponsor Reporting (including Annual Plan Audit)**

1. Describe the standard reporting package that you would provide to the State (provide samples with your proposal).
2. Will the hospital be able to generate these reports on-line? If yes, what type of training is provided to staff in the use of the reporting system as well as other aspects of program administration?
3. What is the standard timeframe for providing each plan sponsor report, including investment asset reports, after the reporting period ends?
4. List the types of demographic participant data you will be able to provide.
5. Provide an Internet address and instructions on how to access a demonstration of your plan sponsor website.
6. The Hospital will conduct audit of the 457(b) Plan. For the audit:
  - a. Briefly describe your process for assisting the hospital staff and its auditor.
  - b. Describe your firm's resources dedicated to audit assistance.
  - c. What is the lead time needed to fulfill requests?
  - d. Provide a listing of documentation and reporting included in your standard annual audit package (provide samples with your proposal).
  - e. Do you offer any performance guarantees with respect to delivering information for the annual audit?

## Section 2: Administrative Questionnaire

### Participant Reporting

1. Briefly describe your standard participant statements (provide samples).
2. Briefly describe any differences between your hard copy statements and the statements available online.
3. What time periods are illustrated for a participant's personalized rate-of-return?
4. Describe the Plan's customization capabilities for participant statements and indicate whether they apply to hard copy statements, electronic statements, or both.
5. Are participants able to additionally customize the statements they receive (hard copy or electronic)?
6. Are participants able to elect to receive paper statements on a quarterly basis? If so, describe any associated charges to the participant or the Plan.
7. Can you include other printed information, prepared by the hospital with mailed hard copy statements, electronic statements, or both? Verify that this service is available at no additional cost.
8. List the fees that are disclosed to participants on the quarterly statements.
9. Should the hospital choose to provide disclosures consistent with those required by ERISA 408(b)(2) and related regulations, do your statements comply? What additional fee disclosure, if any, do you provide?

### Participant Services/Automated Voice Response System (VRS)

1. Are there any transactions that cannot be processed through the VRS (i.e., PIN changes, address changes, etc.)?
2. How quickly is the VRS updated after transactions are performed?
3. Is the VRS fully capable of generating all the necessary administrative forms to handle enrollments, hardships, terminations, and beneficiary distribution requests?
4. In the situation whereby a participant calls the VRS but does not properly complete the transaction, is there any follow-up with the participant? Briefly describe.
5. Can participants request contribution deduction changes through the VRS? Can you provide a feedback report back to the State to update its payroll records and contribution changes? How frequently?
6. Does your VRS accommodate non-English speaking participants? What languages?
7. Does it accommodate participants with hearing/speech impairments?
8. Describe how data is secured within the system (i.e., PIN, audit trail, confirmations).

## Section 2: Administrative Questionnaire

- Describe any security breaches that resulted in improper access to one or more participant's accounts within the last three years and the steps you took to remedy the breach.

### Participant Services/1-800 Customer Service Center

- What are the standard hours of operation of your customer service center?
- Where is your customer service center located?
- Where is your back-up customer service center?
- Are there any transactions that cannot be processed? If yes, what?
- If allowed by the Plan, can employees enroll through the customer service center?
- Can participants change their PIN by calling the customer service center? Can PINs be reset and immediately provided to a participant during the call? Can participants who misplace their PIN call the customer service center and have a new PIN sent directly to their home address?
- Provide the following information about your customer service representatives (CSR):
  - Licensing requirements, employment qualifications as well as your training program;
  - Relationship: employees or outside contractors;
    - If contractors or a combination, include the percentage of each & duration of subcontractor agreement;
  - Average tenure;
  - Total CSR agents employed year-round basis;
  - Compensation structure.
- Provide the information below on your service center standards:

	Performance Standard	4 <sup>th</sup> Quarter 2018	1 <sup>st</sup> Quarter 2019	2 <sup>nd</sup> Quarter 2019
Number of calls				
Average length				
Average response time				
Percentage requiring follow-up				
Abandonment rate				
Percentage handled 100% via VRS versus 1-800				

### Participant Services/Internet Services

- Provide an Internet address and instructions on how to access a demonstration of your participant website.
- Briefly highlight your participant website capabilities.

## Section 2: Administrative Questionnaire

3. Specify any transactions that cannot be completed via your Internet site.
4. Do you have a mobile app or mobile optimized website? Are the limitations to the functionality versus the full site? If yes, what?
5. What general and investment education materials and retirement planning tools do you offer participants via the Internet?
6. Do you offer an automated enrollment process through the Internet?
7. Do participants have the ability to implement auto escalation?
8. Can participants e-mail specific questions via the Internet site? If yes, who receives the e-mail, researches the issue, and responds? What is the turnaround time?
9. Can participants live chat via the Internet Site? If yes, who answers the chat and what hours are they available?
10. Does your Internet site have the ability to download participant account information software programs (i.e. Quicken, Mint, etc.)? If yes, which programs?
11. Describe the security through which a participant passes to use your Internet system. What firewalls do you have in place for your Internet services?
12. Describe any security breaches that resulted in improper access to one or more participant's accounts within the last three years and the steps you took to remedy the breach.
13. What improvements to your Internet capabilities are designated to occur in the next two to three years?
14. Are the same improvements being made to your mobile capabilities? If no, briefly describe what is being done to enhance your mobile capabilities.

### Field Service Representatives

1. How many field service representatives would you assign to the Plan? Will they be 100% full-time dedicated? If not, what percentage of their time will be spent on the Plan? Where will they be housed ?
  2. Describe the structure of how the field service representatives would be organized to service this relationship, including:
    - a. Location;
    - b. Staffing (including functions to be performed);
    - c. Standard hours of operation;
    - d. How you would handle pre-scheduled consultations; and
    - e. How you would handle walk-ins.
  3. What is your annual cost associated for each dedicated service representative?
  4. What is the per participant cost for your proposed servicing model?
-



## Section 2: Administrative Questionnaire

5. Confirm the hospital's ability to request a new onsite representative if the individual(s) is not meeting the State's needs.
6. Briefly describe the credentials and related experience of local service representatives who will be assigned to the Plan.
7. If the representative is responsible for additional accounts, how many?
8. Will the representatives assigned to the Plan be employees of your firm? If not, explain the relationship.
9. Detail the compensation structure for the local representative (e.g. 85% salary, 15% bonus). Include an explanation of how any bonuses and incentives are determined. *As indicated, it is a requirement that your field service representatives that provide enrollment and education services are not compensated on a commissioned or incentive basis to promote any investment product or services.*
10. Are field service representatives available to discuss the Plan and investments with participants on a one-on-one basis? If so, how often? Will you provide local annual account reviews for participants?
11. How will these discussions be handled (e.g., in person, via telephone)?
12. Identify the annual number of group meetings and number of one-on-one consultations you have assumed will be provided by the field service representatives. If this number is exceeded, what is the additional cost for onsite meetings?

### Participant Investment Advisory Services

1. Describe the participant investment advisory services you offer (i.e., Morningstar , Financial Engines, etc.), including managed accounts. Note the different levels available.
2. Describe your due diligence process for selecting the vendor and what services are provided.
3. How long have you partnered with your current vendor for each of the services in your advisory program?
4. What are the costs associated with the advisory services? Is it based on total plan level or only charged to participants who elect these services?
5. Describe the difference between your Internet investment education tools and software from your participant investment advisory services.
6. Does your service:
  - a. Produce asset allocation recommendations?
  - b. Provide recommendations of specific funds?
  - c. Include savings rate recommendations?
  - d. Take into account a participant's assets outside the Plan?

## Section 2: Administrative Questionnaire

7. Describe the generally accepted investment theories that form the basis for the vendor's advice model.
8. Briefly describe the type and level of indemnification you provide to the hospital for the vendor's advisory services.
9. What is disclosed to participants regarding your fiduciary role and the vendor's fiduciary role with respect to these participant investment advisory services?
10. How many of your existing public sector clients have subscribed for each level of service you offer?
11. Do you or the vendor offer specific investment advice to participants on an in-person basis other than through the on-line advice provider? If yes, briefly describe.
12. For in-person investment advice, how do you manage conflicts of interest?
13. Do you receive additional compensation (including to any subsidiaries) from the participant investment advisory service vendor? If yes, describe the arrangement and whether you are willing to rebate a portion of the compensation received from the vendor to the Plan.
14. Briefly describe any additional relationships you have with any other advisory or financial wellness providers.
15. Will the hospital be required to execute a separate contract with your investment advisory service vendor or will it be part of your service contract and agreements?

### Plan Implementation

1. Explain your implementation/conversion process,
2. What involvement will be required from the committee during the implementation process?
3. Do you have any limitations as to the format/media of participant data received from the current recordkeeper?
4. Describe your procedures during the conversion period to communicate with non-active employees (*i.e.* retirees and terminated employees with accounts in the Plan).
5. What assurances/guarantees do you provide with respect to a timely implementation?
6. What is the standard length of your blackout period?
7. Identify comparable plan conversions in which you have been involved. How many conversions and implementations has your company conducted during the past three years involving plans of similar size?

# **SECTION 3**

## **Request for Proposal**

### **Investment Management Services Questionnaire**

## **Section 3: Investment Management Services**

### **Investment Management Services**

1. Provide the number of outside mutual fund family alliances with which you have relationships. Approximately how many investment options does this represent?
2. What is the standard timeframe for making changes to the investment line-up?
3. Are there any existing funds in the Plan's current lineup that you cannot recordkeep?
4. Can you accommodate an in-kind transfer of assets onto your recordkeeping system?

### **Self-Directed Brokerage**

1. Through whom do you offer self-directed brokerage account services?
2. What are any specific program design requirements?
3. What is the annual cost for maintaining an account? Would you be willing to waive the fee or reimburse participants for the cost?
4. Does your self-directed brokerage account require any minimum balance? What happens if minimum balances are not maintained?
5. Can your brokerage account restrict a participant from certain investments?
6. Are there any transfer restrictions for moving money between the core investment line-up and the self-directed brokerage account?
7. Provide information on the website that participants use at the brokerage service provider as well as the telephone support services provided.
8. Do participants receive a detailed account summary of all assets held in the brokerage account?
9. What information from the self-directed brokerage account is reflected and reported on quarterly participant statements?
10. Will the Hospital be required to execute a separate contract for self-directed brokerage?

# Section 3: Investment Management Services

## Stable Value Fund/Fixed Account

You should provide information on 1) a general account/fixed product and 2) a separate account or commingled fund. Group annuity contracts are included in #1.

1. List the stable value/fixed account products available on your platform.
2. Provide your most recent ratings from A.M. Best, Moody's and S&P.
3. What products are you proposing and why?
4. For the proposed products, does old money receive the same rate as new? If not, describe.
5. Complete the following charts for the proposed product as of December 30, 2018:

<b>Manager</b>	
<b>Vehicle</b>	
<b>Fund Name</b>	
<b>Fund Inception</b>	
<b>Fund Assets (\$B)</b>	
<b>Total Firm Stable Value Assets (\$B)</b>	
<b>Effective Duration</b>	
<b>Market-to-Book Value Ratio</b>	
<b>Gross Crediting Rate<sup>1</sup></b>	
<b>Net Crediting Rate</b>	
<b>Crediting Rate Reset Frequency</b>	
<b>Minimum Crediting Rate</b>	
<b>Recommended Benchmark</b>	
<b>Benchmark for Underlying Portfolio</b>	
<b>Expense Ratio</b>	

<b>Book Value Structure</b>	<b>% Allocation</b>
Liquidity Buffer	
Wrap Providers <i>Please list wrap providers below</i>	
<b>Total</b>	<b>100%</b>

<sup>1</sup> Gross of investment management fees, net of wrap fees, sub-advisory fees and other expenses

## Section 3: Investment Management Services

6. Is wrap capacity contingent on affiliated investment management?

	Fees
Investment Management	
Wrap	
Revenue Share	
Other (please specify)	
<b>Total Expense Ratio</b>	

7. Do you anticipate any changes in wrap fees that would impact the total expense ratio? If yes, what is the expected impact?
8. Complete the below charts as requested. If your standard format differs, adapt it to the charts as necessary (be sure to specify anything that is included in “Other”):

Quality Allocation	%
Cash/cash equivalents	
AAA	
AA	
A	
BBB	
Below Inv Grade	
NR	

Sector Allocation	%
Cash/cash equivalents	
U.S. Treasury	
U.S. Govt-Related	
Corporate	
Agency MBS	
Non-agency MBS	
ABS	
CMBS	
Municipal	
Other	

9. Fully describe the withdrawal/transfer restrictions at both the Plan and participant levels.
10. Is your proposed Stable Value product fully compliant with New York States Rules and Regulations for 457 Plans specifically allowing book value cash settlement at contract discontinuance.

# **SECTION 4**

## **Request for Proposal**

### **Fee Questionnaire**

# Section 4: Fees Questionnaire

1. What are the factors you consider in determining future fee reductions ?
2. The Hospital expects favorable fee renegotiations as the Plan’s assets increase during the contract period. How frequently would you be willing to address and implemented any possible favorable fee adjustments ?
3. Provide other alternatives not outlined in this proposal that could result in the lowering of participant fees. Be clear in your response and provide the condition and the result.
4. Your proposed pricing is based on how many dedicated on- site representatives ?
5. For your fees quoted below, provide details on your projected asset levels and participant counts as outlined in the chart:

Contract Year	Assets	Participant Accounts
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		

6. What is the annual dollar amount that your organization will place at risk if in the event they fail to meet any of one of the proposed performance standard. What is the dollar allocation if you fail to transition the Plan on the mutually agreed upon implementation date, it is critical that the selected proposed successfully meets this implementation date.



# Section 4: Fees Questionnaire

## FEE SCHEDULE PROPRIETARY STABLE VALUE

	Flat Dollar Amount	Basis Point Amount	Assumptions underlying the fee
457(b)*			

## FEE SCHEDULE 100% NON-PROPRIETARY

	Flat Dollar Amount	Basis Point Amount	Assumptions underlying the fee
457(b)*			

*\* Fees quoted should be for your services only and should not include any reimbursements or credit allowances.*

# Section 4: Fees Questionnaire

## ADDITIONAL FEES

### Plan Level

Services	Fee	Comments
Plan Set-up/Installation (one-time fee)		
Investment advisory		
Managed accounts		
Plan documents (outside of prototype)		
Check processing		
1099-R forms		
Postage		
Custom website set-up		
Custom website ongoing		
Employee communication & education		
Customized enrollment materials		
Customized communications		
Annual notifications to eligible participants		
Other (be specific)		

### Participant Level

Services	Fee	Comments
Investment advisory		
Managed accounts		
Loan set-up		
Loan maintenance		
Self-directed brokerage		
Hardship Qualifications		
DRO Qualifications		
Wire Fees		
Non-periodic Withdrawals (lump or partial sums)		
Periodic Withdrawal Set-up		
Periodic Withdrawal Maintenance		
Other (be specific)		

# Attachment A

## Deferred Compensation Plan

### CERTIFICATION OF COMPLIANCE WITH MINIMUM QUALIFICATIONS OF RFP

I have read, understand and agree to comply with the minimum requirements specified in this Request for Proposal. Checking “YES” indicates acceptance, while checking “NO” denotes non-acceptance and should be detailed below. Any exceptions **MUST** be documented.

YES            NO            SIGNATURE

EXCEPTIONS: Attach additional sheets if necessary. Please use this format.

#### Exceptions Summary Form

MINIMUM REQUIREMENT NUMBER	EXPLANATION OF NON-ACCEPTANCE

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