NEVADA PUBLIC EMPLOYEES'
DEFERRED COMPENSATION COMMITTEE

AGENDA ITEM 4
November 2, 2012

Item: **Discussion and possible approval of contract amendment to The Hartford contract for plan administration and recordkeeping services.**

Recommendation:

That the committee approve extending the contract for an additional two years to allow development of a new Request for Proposal.

Fiscal: None at this time.

Summary:

In November 2007, the NDC entered into a five-year contract with The Hartford Financial Services Group, Inc. That contract is set to expire on December 31, 2012. Due to the lateness of the date, there is not sufficient time to prepare a Request for Proposal and put a new contract into place before the expiration date.

The Hartford has agreed to the following amendments to the contract:

1. The term of the contract will be extended to December 31, 2014.
2. The required revenue from variable funds is 11 basis points.
3. The rate paid on the General Account will be 3.00 percent guaranteed through December 31, 2013, with 2.00 percent lifetime minimum.

4. The rate paid on the FICA Alternative/OBRA Plan will be at 2.75 percent guaranteed through December 31, 2013, with 2.00 percent lifetime minimum.
5. The Hartford will provide an annual reimbursement through quarterly payments to the State of its prorated share of $427,128 of plan operating costs.
6. Hartford Life Insurance Company's (HLIC) General (Declared Rate) Account is subject to HLIC's ability to defer payment of such an amount for a period of up to 12 months.

In all other respects, the contract between the Nevada Deferred Compensation Program and The Hartford will remain the same.

Representatives from The Hartford and Frank Picarelli of Segal Rogerscasey, who negotiated the contract extension, will be available for questions.