

NOTICE OF PUBLIC MEETING

NEVADA PUBLIC EMPLOYEES' DEFERRED COMPENSATION COMMITTEE

Thursday, September 6, 2018
8:30 a.m.

Note: Persons may attend the meeting and provide testimony in person or through a conference call conducted at the following location. If you would like to participate in the meeting by conference call, please email deferredcomp@defcomp.nv.gov for the phone number and access code.

Capitol Building
Old Assembly Chambers
101 N. Carson St.
Carson City, Nevada 89701

Below is an agenda of all items to be considered. All items which are potential action items are noted as such. Items on the agenda may be taken out of order, combined for consideration, or removed from the agenda at any time at the discretion of the Committee.

AGENDA

1. Call to Order/Roll Call and establish Quorum
2. *Public comment is welcomed by the Committee. Public comment will be limited to five minutes per person and comments based on viewpoint will not be restricted. A public comment time will be available prior to any action items on the agenda and on any matter not specifically included on the agenda prior to adjournment of the meeting. At the discretion of the Chair, additional public comment may be heard when that item is reached. The Chair may allow additional time to be given a speaker as time allows and at his/her sole discretion. (NRS 241.020, NRS 241.030) Prior to the commencement and conclusion of a contested case or a quasi-judicial proceeding that may affect the due process rights of an individual, the Committee may refuse to consider public comment. (NRS 233B.126).*
3. For Possible Action- Receive, review, and discuss 2014 Recordkeeping Services Request for Proposal (RFP). Discuss parameters, components, services, service guarantees, and desired Administrative Services that the Committee desires for the State of Nevada Public Employees' Deferred Compensation (NDC) Administrative Staff, Investment Consultant, and State of Nevada Purchasing Division to build into the 2019 Recordkeeping Services RFP to include but not limited to the following items, topics, and/or other provisions the Committee desires:
 - a. Stable Value Investment Option
 - i. Proposing and bundling a proprietary product versus selecting a standalone Investment manager;

- ii. General Account (Fixed or spread product) versus a Separate Account Product as the investment vehicle, or Propose on both.
 - iii. Book to Value Distribution with twelve-month **PUT** "*Put Up For Sale*" provision versus Market Value Adjustments (MVA) or other liquidation clauses
- b. Federal Insurance Contributions Act (FICA) Program/Section 3121 Plan Administration and Recordkeeping:
 - i. Discuss and consider continuing to bundle the State of Nevada's FICA Alternative Program/Section 3121 Plan, or unbundle the recordkeeping Services of this plan as a standalone contract.
- c. Delegated and Bundled Administrative Services:
 - i. Discuss the decision to continue to utilize Enrollment and Service Representatives employed by the contracted recordkeeper versus;
 - ii. Unbundling this component out of the contract and employing State of Nevada Full-Time Employees (FTE) as in-house Enrollment and Service Representatives.
 - iii. Unforeseeable Emergencies (UE), Qualified Domestic Relations Orders (QDRO), Loan administration.
- d. Service Guarantees:
 - i. Discuss and potentially decide contractual Service Guarantees and decide on what should be included in the RFP.
- e. Transition Responsibilities Upon Termination:
 - i. Transfer of Participant Records including beneficiary data and records.
- f. Administrative Funding:
 - i. Revenue sharing funding
 - ii. Administrative Fees-
 - 1. Per account flat fee
 - 2. Asset based charge (with or without carve outs or thresholds)
 - 3. Hybrid model
 - iii. One-time cost of conducting RFP-
 - 1. Expense passed onto successful Proposer or paid with existing projected Revenues.
- g. Custodial or Trustee Services:
 - i. Bundled and provided by Proposer
 - ii. Unbundled and contracted separately
- h. Minimum Qualifications:
 - i. Years of service providing products and services in the public sponsor 457(b) Deferred Compensation marketplace.
 - ii. Minimum number of governmental 457(b) Deferred Compensation of at least \$400 million in assets being administered.
 - iii. Proposer must be willing to execute a 5 year contract with favorable fee negotiation of Plan level expenses in the fourth and fifth year at the discretion of the NDC given Plan Assets increasing over the course of the contract.
 - iv. Proposers willing to execute and adhere to sole responsibility for processing errors of the recordkeeper or its agents with Service guarantees and penalties paid by the recordkeeper for violations.
 - v. Ability to offer Self Directed Brokerage services, ROTH administration, and Loan Administration.

- vi. Accept 90 day notification on the part of the State to discontinue service relationship with no penalties. The State will not enter into a contract with any penalty or liquidation charges for terminating the relationship.
 - i. 2019 Recordkeeping Services RFP Timeline.
 - j. Review of Proposer Questionnaire.
 - i. Discussion regarding having question in the RFP regarding beneficiary administration process from the Proposer.
 - ii. Review, discuss, and propose any additional questions Committee would desire Proposers to answer.
 - k. Cost Proposal parameters with associated fee schedule for each determined scenario selected.
 - i. Discuss and decide on the number of pricing scenarios the Committee desires to see from Proposers
 - l. Discuss and potentially decide on any further Plan Design Changes that need to be made for upcoming RFP.
4. Committee Members comments
 5. Update from Investment Consultant
 6. Update from Recordkeeper
 7. Administrative Staff/Department of Administration Updates
 8. *Public comment is welcomed by the Committee. Public comment will be limited to five minutes per person and comments based on viewpoint will not be restricted. A public comment time will be available prior to any action items on the agenda and on any matter not specifically included on the agenda prior to adjournment of the meeting. At the discretion of the Chair, additional public comment may be heard when that item is reached. The Chair may allow additional time to be given a speaker as time allows and at his/her sole discretion. (NRS 241.020, NRS 241.030) Prior to the commencement and conclusion of a contested case or a quasi-judicial proceeding that may affect the due process rights of an individual, the Committee may refuse to consider public comment. (NRS 233B.126).*
 9. Adjournment

Meeting agendas are available for download at the NDC website: <http://defcomp.nv.gov/>, and Nevada Public Notice Website: <https://notice.nv.gov>. Anyone desiring the agenda or supporting materials regarding any NDC Committee meeting is invited to call or email Micah Salerno at 775-684-3398 or deferredcomp@defcomp.nv.gov. The agenda and supporting materials may also be picked up in person at the following office location: 100 N. Stewart Street, Suite 100, Carson City, Nevada, 89701.

Notice of this meeting was posted at the following locations in Carson City, Nevada:
 Nevada State Library and Archives, 100 Stewart Street
 Blasdel Building, 209 E. Musser Street
 Capitol Building, 101 N. Carson Street
 Legislative Building, 401 S. Carson Street

Notice of this meeting was posted at the following locations in Las Vegas, Nevada:
 Grant Sawyer State Office Building, 555 E. Washington Avenue
 Fax to Capitol Police – (702) 486-2012

This Notice of Public Meeting and Agenda have been sent to all members of the Committee and other interested persons who have requested a notice and agenda from the Committee. Persons who wish to continue to receive notice of meetings must renew the request every six months after the first request is made because “[a] request for notice lapses 6 months after it is made.” NRS 241.020(3)(c).

We are pleased to make reasonable accommodations for members of the public who are disabled and would like to attend the meeting. If special arrangements for the meeting are required, please notify the Deferred Compensation Administrative office at 100 North Stewart Street, Suite 100, Carson City, Nevada, at least one week before the meeting or call (775) 684-3398 or 3397, or you can fax your request to (775) 684-3399.

The RFP Process...Checks and Balances

INTRODUCTION

The focus of this paper is to provide an outline of best practices a Plan Sponsor can utilize to undertake a Request for Proposal (RFP) process for 457(b), 401(a), 403(b), grandfathered 401(k), or any combination thereof. The information outlined in this document will apply to Plan Sponsors of all sizes; from the smaller end of the market (sub-\$20M in plan assets) to jumbo with assets in excess of \$1 billion.

Many in the public defined contribution market have a dedicated procurement department to drive and assist with any RFP process. While procurement plays an important role, the RFP process for defined contribution plans can be so specialized. The best practices outlined in this document can supplement the efforts of procurement and help Plan Sponsors conduct a thorough and defensible process.

We have divided the paper into six overriding activities that are considered most critical to an RFP process. These include:

1. **Establishing Goals and Objectives**
2. **Composition of the Questionnaire**
3. **Pricing Guidelines**
4. **Evaluation of the Responses**
5. **Finals Presentations and Site Visits**
6. **Implementation of Changes**

These are listed chronologically for the reader's benefit, however, they are not considered sequential. For example, if a potential change in a current Recordkeeper is expected, a Plan Sponsor would not wait until the decision is made to change Recordkeepers before initiating steps to manage employee expectations. Ultimately, any RFP process

that results in a change of Recordkeepers will be focused on the employees' best interests whether it is improved pricing, enhanced services, or some combination thereof. Furthermore, any potential change needs to be communicated to employees early in the process so they feel they are included in the actual process.

ESTABLISHING GOALS AND OBJECTIVES

The prime reason for Plan Sponsors to initiate an RFP process is to ensure their plan is in compliance, and as such, the entire process needs to be documented. A large percentage of all public Plan Sponsors have established procedures to review their plan(s), typically with the assistance of a third party consultant or advisor. If one does not already exist, consultants/advisors will typically recommend the formation of a defined contribution/benefits committee to oversee and review all aspects of the plan(s). Most committees convene quarterly, however, convening less or more frequently (no less than annually) is acceptable. A typical committee is composed of key administrative staff and representatives of employee groups. This is the group, or a subgroup thereof, that will both review the RFP submissions and/or make recommendations to the full committee.

RFP Timeline and Submission Requirements

When Plan Sponsors initially release their RFP to the market, the timeline of critical dates should be identified early in the RFP and explicit with respect to the release date, when potential bidder questions can be submitted, when they will be answered, and when RFP responses are due. If applicable, the timeline should also include a deadline for letter-of-intent to bid, dates for finals presentations, and site visits. It is generally understood that specified dates can be modified at the Plan Sponsors discretion. It is acceptable to specify certain dates as TBD, e.g. new recordkeeping contract effective date.

Once the RFP is released, best practices suggest Plan Sponsors allow potential bidders at least one week (for more complex jumbo RFPs - more time is appreciated by vendors to understand the scope of services) for review and submission of questions. Depending on the complexity of the RFP, some Plan Sponsors, in conjunction with their procurement division and staff, will host a Pre-Bidders Conference in person and/or by conference call to ensure that questions can be answered. Questions and corresponding answers will be circulated to all potential bidders. The deadline to submit an RFP response should be no sooner than four weeks after the RFP is released. With larger and/or more complex plans, it is recommended that at least five to six weeks be permitted to ensure bidders have sufficient time to provide thoughtful, quality responses.

Regardless of size, Plan Sponsors should take into consideration employee and/or labor groups that may have differing needs and priorities. It's important for Plan Sponsors to establish and convey clear expectations up front to prospective bidders. Plan Sponsors should specify minimum requirements and consider identifying up to six examples. Whenever possible, Plan Sponsors should also provide an overview of current service levels and historical data along with perceived gaps with goals and expectations for the future. As noted above, the opportunity for potential bidders to submit clarification questions is a key element of the timeline. Though few questions

are considered inappropriate, Plan Sponsors can reserve the right to not respond or disclose certain information. For example, a request to disclose current pricing may be considered proprietary to the Plan Sponsor.

Again, a week for bidders to submit clarification questions to Plan Sponsors is considered best practice. A deadline for the Plan Sponsor to provide all potential bidders with a summary of submitted questions and corresponding answers should also be conveyed in the timeline. Plan Sponsors should also post the document on their website to ensure equal access to the information.

For many Plan Sponsors, especially those with Procurement Departments, the adoption of a bidder's registration process is required. This assures that potential bidders receive the RFP upon its release, any subsequent questions/answers, and other required or relevant documents.

Background and Scope of Services

One key to a successful outcome is ensuring that the plan background discusses the origin of the plan, date of inception, changes in Recordkeepers over time, and insight about employee contentment with plan features and current service levels can help bidders make key distinctions that are conducive to providing clear and meaningful responses.

Citing minimum qualifications can allow for the most appropriate amount of bidders without eliminating those new to the market. Using terms such as defined contribution as opposed to specific IRC categories allows for experience of "like plans" to be used as qualifiers for potential bidders. For example, all prospective bidders should understand the differences between 457(b) and 401(k), 403(b), and 401(a). However, they should still have the appropriate recordkeeping and administration experience with plans of similar size to that of the Plan Sponsor. In other words, prospective bidders should have scale and related experience.

A summary or bullet points that highlight the Plan Sponsors four or five key or focus items is also helpful to potential bidders as they assess their qualifications to bid.

Reasonable timelines and process specifications should be included. A sample contract, terms of agreement, and/or the entity's executed Plan Document are all helpful to prospective bidders.

It is worth mentioning that when Plan Sponsors utilize a Request for Information (RFI) instead of an RFP, the assumption of some potential bidders is that the process is primarily a market check. However, it is reasonable that an RFI is being utilized as a preliminary market testing tool to qualify firms for a subsequent full RFP. If it is an open solicitation it will potentially cast a wider net on the market, so minimum qualifications need to be specific to eliminate prospective bidders that would be deemed non-qualified. Plan Sponsors or a contracted third party Investment Consultant/ Advisor can determine appropriate firms to distribute RFP/RFI based on specific qualifying criteria or to firms that have expressed prior interest to either party.

As a precursor, Plan Sponsors will sometimes conduct participant surveys to assess what is important to them and their comfort level should there be a change in Recordkeepers. If surveys have been conducted, it would be helpful to prospective bidders to be aware. A Plan Sponsor can provide a high level summary of survey results or work with their consultant/advisor, if applicable, to craft specific RFP questions that correlate with survey results. Most of these surveys are conducted ahead of, and can be highlighted in, the RFP.

Plan Sponsors may request a letter-of-intent to bid as a prerequisite to submitting an RFP response. A cover letter with specific stipulations and acceptances may also be required, e.g. terms, contract language, RFP purpose statement, as well as a means to allow bidders to indicate key items of differentiation, if any. It's recommended that a cover letter be restricted to no more than two pages in length. Additionally, an Executive Summary provides prospective bidders with an overview of key service and/or product items. It also allows the Plan Sponsor and its reviewing committee a condensed, reader-friendly summary to review and compare.

Before the RFP is released, a Plan Sponsor should ensure sufficient review has been undertaken to ensure the timing included in its RFP is accurate. In addition, the questions posed should cover all appropriate topics while allowing for concise, subjective responses by prospective bidders.

COMPOSITION OF THE QUESTIONNAIRE

The basis of a questionnaire is the need for a high-level summary and background of the Plan Sponsor's plan(s). The total plan assets, annual flow including withdrawals/distributions, and number of participants is essential. Furthermore, historical data for the last two - three years should be provided if available, along with the asset breakdown of investment funds and ticker symbols if applicable. The more insight and data a Plan Sponsor is able and willing to provide, the more able bidders are to evaluate and reflect on plan specific trends. In addition, it will reduce the number of questions to which the plan sponsor will need to respond. Besides the Background section, other topics that should be included are Plan Sponsor Services, Participant Services, Technology, Implementation, and Investments (if applicable).

As much as the process can involve submissions from a significant number of bidders, brevity is important for comparison purposes. Most questions can be closed ended and provide only for "Yes" and "No" responses. In some cases, expansion of a "Yes" or "No" will require additional clarification. Plan Sponsors can specify a single paragraph to ensure context and concise answers. In addition, a Plan Sponsor should provide an overview of services currently available to both

Plan Sponsor and participants. It is also a section that allows a Plan Sponsor, in conjunction with its consultant/advisor, to provide a listing of potential services that they may wish to offer that may have been previously unavailable.

The Plan Sponsor can include specific measurement questions around the key service items and utilize NAGDCA and other peer organizations to establish expectations. For example, categories might include telephone representative response times as a key measurement for the participant experience. Web reliability is important for participants who frequently access their account so the stability of the bidder's managed platform is critical.

Additionally, it is very important to include questions about the existing plan data conversion. Ask questions about how much historical transactional data will be converted, if images will be converted, and especially how existing beneficiary information will be handled and transferred. Ascertain if there will be situations that require going back to the past provider for information; such as administering qualified domestic relations orders.

Furthermore, essay questions designed to highlight and describe critical services of importance to the Plan Sponsor should be limited to 250 words or less. Additional services included in the description and accepted by the Plan Sponsor should ultimately be provided for in the contract.

As part of any evaluation process, Plan Sponsors need to ensure that everything contained in the RFP response is accurate and representative of what they could expect were they to change vendors. The most credible way to confirm information is to request references from prospective bidders. References from "like" plans is generally recommended with categories that include current clients, clients who transitioned to the bidder organization within the last one to three years, and clients who have terminated their contract within the previous three to five years. Though contract termination is not always tied

to administrative or service deficiencies, speaking with terminated clients can provide valuable insight about a plan sponsor's experience with a particular bidder company.

Evaluation of the Responses

Defined Contribution (DC) plan services are complex and there are a variety of specific components including recordkeeping processes, information technology, data security, call centers and voice response systems to consider. All require a great deal of data that needs to be considered and, most importantly, evaluated.

The typical first step is to determine whether the proposal "qualifies" for evaluation. This qualification process can be very high level, i.e. if a proposal is submitted, it qualifies. However, most Plan Sponsors apply a little more rigor to this process. Given that many RFPs have 50 to 200 questions, evaluation of proposals is a significant undertaking. A two-step process is common:

Step 1: Determine that all procedural requirements have been met. As one would expect, there may be a great deal of variation among bidders, and the requirements may be dictated by procurement policies that govern the Plan Sponsor. To the extent possible, Plan Sponsors should not discourage capable and qualified bidders from responding nor should specifications and qualifications be overly onerous or unnecessarily complex.

Step 2: Evaluate the satisfaction of minimum qualifications that bidders must meet in order to bid. Usually these are qualitative and "provable" such as, "has provided DC recordkeeping services for X years" to "at least Y public sector DC plans with more than Z participants." If minimum qualifications are set, it is prudent to require an affirmative statement from the bidder or documentary proof that the bidder meets the requirements. Minimum qualifications serve an important role – to screen out

bidders that do not have the experience or capacity to provide the services. However, minimum qualifications should not be used simply to reduce the potential number of respondents. It is prudent to review proposals from all interested vendors that have the ability to provide requested services.

Once these critical hurdles are cleared, submitted bids are ready for evaluation. The two most common approaches are contracting with an investment consultant/advisor or outside expert to review the responses or, have an internal evaluation committee in place to review the responses. If applicable, either can be in conjunction with and under the direction of the entity's established procurement division.

Evaluation committees can be formal or informal in nature. An informal group is typically composed of individuals working in the department responsible for overseeing the plan...such as Human Resources/Benefits. They are generally on the small side with two to four members. A formal group is usually larger with five to ten members who utilize evaluators from multiple internal departments such as Finance and IT. Sometimes evaluators include union members, employee group representatives, or individuals from outside the organization with subject-matter knowledge of experience such as deferred compensation board or committee members, retired plan members, or employees from nearby similar government Plan Sponsors. Regardless of the formality of the group, members are usually actively involved with deferred compensation or are individuals with specific expertise.

In evaluating responses, the first step is to group the information into a manageable number of categories for rating/scoring purposes. While terminology differs and there are many sub-categories within each category, some common ones are:

- **Organization and History:** This typically includes financial stability, relevant experience, and references.

- **Recordkeeping and Administration:** This covers Plan Sponsor services, web capabilities/technology, quality assurance, reporting, trust/custody, implementation systems capability and security.
- **Participant services:** Communication and education, call center and voice response systems, participant internet, advisory and field services.
- **Investments:** Given the prevalence of open architecture, this area has increasingly focused on flexibility, proprietary fund requirements and stable value management.
- **Fees:** This is discussed in more detail in the next section.

Generally, bidders' responses to RFP questions along with other information and materials submitted such as communication samples, a demo website or modeling tool, financial statements and system and security practices audits are grouped under each category and reviewed by each evaluator in order to score each bidder. As the word implies, the e"value"ation process looks at multiple factors, considers strengths and weaknesses of bidders, and attempts to evaluate "rate" each against the others. In addition, a systematic methodology to compare the information and make qualitative value judgments about respondents is essential. Such methodology should, of course, be compliant with applicable procurement rules and guidelines.

The next step is to use a uniform process to weight and score the responses. While every RFP process is different, there are some common aspects such as deciding how much weight or significance to apply to each category. Care should be taken in determining the weight and corresponding importance of each major evaluation category. This weight is then multiplied by each bidder's score. Since individual evaluators do the scoring, it is typical to use an easy to understand approach such as scoring on a numerical scale, e.g. 1 to 5, or providing "grades" of A, B, C, D and F. Evaluators should be encouraged to apply rigor to the process and look for areas in which firms differentiate themselves. A growing trend is to have certain questions in which respondents discuss their

philosophy or approach to important services such as participant education or retirement readiness.

The evaluation process should also consider potential bumps in the road such as situations where one or more respondents misunderstood a key point. Evaluators should review all information including appendixes. In addition, while it is tempting, boilerplate language and typos do occur, and evaluators should not be unduly punitive.

PRICING GUIDELINES

Pricing is, as one would expect, a critical aspect of the overall RFP process; however, it should be considered as part of the “bigger picture.” Pricing is arguably not important in and of itself -- what matters is value. The lowest bid from a bidder that does not have the capability to provide the services requested is not a good deal for the Plan Sponsor and, more importantly, participants. On the other hand, paying more than a market rate based on Plan assets or required services does not make sense either and may create fiduciary risk.

While Plan Sponsors need to beware of bidders that are “buying” business, they also should not pay more for services unless there is additional value being provided for that cost. For example, if an incumbent provider is not priced competitively after all Best and Final Offers (BAFOs) and fee negotiations, the Plan Sponsor will need to weigh the additional value the incumbent provides. This could include, but is not limited to, the bidder’s experience and familiarity with the plan and its operations as well as the risk and cost of making

a change in Recordkeepers. This additional value would then be evaluated against the pricing determination in making the final decision.

While price is important and may appear straightforward, it is actually the most complex part of the RFP process. Why? In most cases, Plan Sponsors are requesting a fee (asset-based, fee per participant, transaction- or service-based or combinations of these) that’s assured for a contract term that is usually between three and seven years in duration. Not only are long-term projections needed, but evaluators also need to consider what drives revenue for the service provider, and how the possible long-term projections will influence the revenue received by the service provider(s) and ultimately, the cost of the plan.

In preparing its fee proposal a bidder will:

- Make projections of their cost against the potential revenue that is expected to be generated by the proposed fee structure. Cost is driven by the level of services needed. Services include a wide range of components including postage and printing costs associated with plan communication material, staffing a call center, maintenance of participant and Plan Sponsor websites, the level of on-site education required, and providing daily recordkeeping. Each bidder will have a slightly different approach to estimating the level and types of services needed to service the plan as well as how the cost of each plan activity is calculated. Bidders also vary greatly on how granular they are in the pricing process and there are a variety of factors that can affect the final price that is quoted in the submitted proposal. For example, a bidder who is interested in entering a new market or aggressively trying to expand market share for strategic purposes may price more aggressively than might otherwise be the case.

- Bidders will also project the variables that drive fee revenue. True revenue and how it is calculated is the subject of a great deal of debate and controversy. This is often a result of “revenue sharing” which is included in many investment options used in defined contribution plans.
- In its simplest form, pricing can be obtained with a fee-for-service approach. This means that services are priced without consideration to the investments that may be offered in the plan.
 - For an **asset based** fee estimate, the bidder will project cash flow which is both money in – contributions – and money out (loans, withdrawals, distribution and benefit payments including RMDs and installment payments). In addition, the bidder must make an assumption for account growth due to potential investment gains (or losses). This is more an art than a science – consider how significantly the total investment return of a plan is affected by the overall asset allocation of the total plan, which, in turn, is decided by participants.
 - For a **per-participant** fee estimate, the range of possible variations in estimating the number of participants is usually smaller and more gradual (nothing like 2008 when the equity component of the investment market dropped on average 34%), but still can have a large impact, especially when there are large reductions in force or through early retirement incentives.
 - **Transaction-based** fees are also important and can add significantly to the total cost of the plan. Typically paid by participants who utilize certain plan features and services, the most common are loan initiation and/or maintenance fees, annual self-directed brokerage window fees, and advice and managed account fees.

While the bidder is typically responsible for the up- and down-side risk in making its offer, it is important for Plan Sponsors to understand the assumptions that each bidder has made. If a bidder makes unduly rosy projections, it increases the possibility of future requests for fee increases or can lead to the service provider looking for ways to improve the financials of an “underwater” plan. It is prudent to have bidders disclose the assumptions they have made regarding assets and participants as well as services that drive costs and revenue such as loans, use of managed accounts, etc. and consider this information when evaluating the price proposal.

FINALS PRESENTATION AND SITE VISITS

The Plan Sponsor, whether operating exclusively with its own procurement department and/or a third party consultants/advisors, needs to provide clear guidelines and expectations for the finalist vendors. This would include identifying the appropriate weighting associated with the finalist’s presentation as well as any potential site visit. A formatted schedule that identifies key presentation components or topics along with points/scoring information should be provided to each finalist. The finalist presentation start and end time is also relevant.

Similarly, for most consultant/advisor assisted site visits, there is generally an additional level of scoring associated with that event. Best practices suggest that any interaction of a prospective bidder warrants a scoring process to ensure equitable evaluation. The site visit itself can represent somewhere between 10-15% of total overall scoring.

Importantly, the Plan Sponsor must provide specific guidelines that state that no contact is permitted outside of the process and site visit to ensure equality in the process. Finally, the site visit provides a hands-on opportunity to review recordkeeping, services, etc.

From a review standpoint, the weighting of key

topics provides a high level summary of potential scoring to bidders. Process confidentiality and integrity is crucial so a designated Procurement/Contracts Manager should be appointed and involved in collecting scores and/or monitoring the evaluation process to ensure consistency. As mentioned earlier, consistent scoring and weighting is important. Thus, the rules should be explicit in order to minimize discussion between committee/sub-committee members and potential bias for or against any prospective bidders. For many larger programs, the involvement of a procurement administrator or third party consultant/advisor can prove particularly valuable to ensuring best practices and full compliance.

Performance standards and guarantees need to be explicit and consistent. As such, reasonable dollar figures or percentages of revenue for non-performance can be assigned to each.

The Plan Sponsor and/or its consultant should consider identifying overview topics for any required presentation. The topics can be the same for each finalist or include differentiating topics to help in the overall decision making process. To ensure an optimal use of time, it is often helpful to provide questions that must be answered during the finalists meeting ahead of time. This allows for maximizing the substance for the evaluating committee. Bidders should be informed of reasonable expectations during the process

Effectively, plan sponsor and employee/participant services will always be a key element of any offer. Plan administration that assures minimal transactional errors, e.g. contribution and distribution processing, is critical. For Plan Sponsors who decide to change Recordkeepers, the ability to successfully complete the transition within a specified time, and with minimal inconvenience to participants, is extremely important. It is imperative to ask for a conversion plan, and detail about what data will be converted in the RFP process and finals presentation. If you can participate in a site visit, you can learn more about the conversion process. The Plan Sponsor, in conjunction with its consultant/

advisors, should provide the evaluation committee/sub-committee members with questions that can be asked of prospective bidders. These questions often allow for clarification of topics that may not have been completely clear in the RFP response. The process should also allow for questions that address topics of interest to specific committee members. For example, perhaps the public safety group is accustomed to a higher than expected level of individual service. The ability to continue current service levels is likely to be of importance to their committee representative when evaluating bidders.

For site visits, understanding the culture of the hosting vendor is critical from a comfort standpoint. Committee members should be encouraged to evaluate the vendor's behind the scenes staff, and in particular team members who will be taking care of your program and employees. Plan Sponsors should encourage committee members to interact with representatives who members will interact with to learn if the culture painted concurs with that represented in the RFP response. As such, the Plan Sponsor can request specific service team members be part of the presentation team. During this stage of the process, open-ended questions that minimize "yes" and "no" answers and encourage conversation are often useful for gathering helpful insight and knowledge about the firm.

IMPLEMENTATION OF CHANGES

Regardless of the Plan Sponsor's criteria in evaluating the "Best and Final" presentations of an RFP, an Evaluation Committee will eventually need to narrow the process down to a single vendor that they will recommend to begin contract negotiations with. It is essential that Plan Sponsors be prepared and establish a process that addresses the following:

1. Potential protests from unsuccessful vendors and participant base;
2. Having and/or knowing the established process in place to begin contract negotiations with the successful and recommended bidder;

3. Process to implement the new successfully negotiated contract;
4. Development of an effective communication strategy and timeline to notify plan participants
5. Development and execution of the plan transition process including awareness of the data that will be converted; and
6. Marketing strategy and future plan success measures.



Handling Protests

The RFP process is in place to afford the Plan Sponsor and more importantly, plan participants, the best opportunity to attain the best pricing structure, rate guarantees, and service guarantees possible based on plan asset size, structure, and demographics. It is inevitable that bidders will not be selected or chosen and, in the event that an unsuccessful bidder is a current incumbent company, there are likely to be participants within the program who disagree with the Plan Sponsor's decision to change vendors. Plan Sponsors should be prepared to address such concerns.

As mentioned earlier, many larger Plan Sponsors may have a Purchasing/Procurement Division and/or utilize a contracted Investment Consultant/Advisor to assist with the creation and execution of the vendor RFP, and they usually have an established process, backed by established law or regulations, that outlines a specific procedure that

unsuccessful bidders and participants must follow in order to move forward with the protest process. For unsuccessful bidders, it may require execution of a formal legal action outlining that company's argument with the process. Additionally, many Plan Sponsor procurement guidelines may require the posting of a surety bond of a certain percentage or amount to ensure that if the protest or appeal is unsuccessful, the Plan Sponsor may recover legal or other expenses.

Smaller Plan Sponsors can and should develop a similar process. They are encouraged to seek the counsel of a qualified Investment Consultant/Advisor to help in the establishment of this process, reach out to other neighboring Plan Sponsors for modeling their developed process, and/or confer with other Plan Sponsors via the NAGDCA Network, for similar assistance.

With regard to participant protests, it is virtually impossible to make everyone happy, and people inherently resist change. Plan Sponsors should develop and execute program marketing and communications that prepares participants in advance of potential changes, informs them of the criteria that led to the contract award, and ensures that each is informed of the process and what to expect with contract implementation. This can be accomplished through newsletter, electronic, and written communications. The key is to make sure participants are well informed so when the changes take place, Plan Sponsors can minimize the potential of protests and establish that full due diligence was exercised to reach a good faith decision deemed to be in the best interest of participants.

Contract Negotiations

Industry professionals understand that in the procurement process- developing and delivering a competitive proposal, along with being selected as the top bidder, an established RFP is just the first step in being able to attain business. Industry professionals also understand that, if they are the winning bidder for a successful RFP, they will be expected to negotiate a mutually agreeable contract

that highlights and includes all of the promises and declarations presented by the bidder both in the initial proposal and through the Best and Final Offer (BAFO). It is important for Plan Sponsors to create a contract that highlights and includes every proposed parameter of the initial proposal and the BAFO to include clear dates of execution and termination, the overall price structure or offering, and additional administrative fees, representations, marketing, and other service guarantees, for example. One key point to acknowledge is that the vendor is not obligated to uphold the item or service if it is not in the contract. For this reason, many Plan Sponsors incorporate the RFP and Cost Proposal as amendments to the final contract.

Contract Implementation

Once a contract is successfully negotiated, the Plan Sponsor should have a plan in place to transition and implement the contract. Many factors come into consideration when implementing and executing a new contract whether it be with a Recordkeeper, Investment Consultant/Advisor, or Auditor, for example. It is vital to be familiar with the procurement laws and contracting guidelines of your State, City, County, Utility District, Special District, Public University, K-12 District, or Agency, and to seek guidance from purchasing professionals who may be employed by the Plan Sponsor. Additionally, if your plan contracts with an outside Investment Consultant/Advisor, they can be vital in the process of outlining negotiated terms, conditions, performance standards and benchmarks that should be present and itemized in the contract. They can also identify other required incorporated documents or attachments that identify the scope of work and are usually listed in the highest order of precedence. Plan Sponsors need to identify all parties, required under their respective statute or regulation, who have appropriate signature authority to execute the contract. Additionally, the Plan Sponsor's legal counsel should be involved in the review and consideration.

Some Government Plan Sponsors have adopted a specific process in statute for contract approval, implementation, and execution. It's imperative that

this process be known and followed. As a final point of consideration for the success of a contract or a specific contractor, it is important to replace the attitude of, *"It's their (the vendor's) contract, and it's their problem"*, with the knowledge that the Plan Sponsor's success is highly dependent upon the contractors' success.

Participant Notification

Participant notification does not begin when a contract is negotiated. A separate marketing/ notification plan should be organized and implemented at various benchmark dates allowing participants to understand the following:

1. **What is taking place:** A change in the contracted Recordkeeper, Investment Consultant/Advisor, etc.
2. **Why the process is necessary:** Is your plan bound by statute to go out to bid for a particular contract every three, five, seven, or ten years? Is the RFP being solicited as a result of a significant growth in assets with the hopes to negotiate a better pricing structure and/or service guarantees or standards? Is the current contractor not performing to the Plan Sponsor's standards?
3. **When participants can expect changes:** Develop an itemized timeline of expected events throughout the process, and effective communication pieces to notify, educate, and prepare participants for the changes.
4. **Where participants can go to obtain information regarding the transition or newly executed contract:** Plan Sponsor Website, successful bidder's website specific to the transition, Plan Sponsor newsletter, and/or individual HTML (electronic) pieces highlighting specific benchmarks in the process, etc.
5. **What benefits participants are expected to receive with the new contract:** Most important to highlight better pricing structure, increased guaranteed interest rates on stable value options, better service guarantees, etc.

Rest assured that consistent regular communication with participants, prior to implementation of a new contract, will establish buy-in to the changes, and implementation of the contract will be easier to market when the new contract begins. The communication to participants should be a gradual and informative process that addresses concerns as they arise. Successful transitions involve addressing concerns and challenges head-on as they happen.

Transition and Communication into the Future



It is imperative that the Transition Plan is developed, executed, and followed before, during, and after a contract is implemented. As a Plan Sponsor, establishing a good and ethical working relationship with your successful bidder is crucial in ensuring the success of your program. One thing for the Plan Sponsor to consider is the execution of a Contract Start-up Conference to ensure that the contract “gets off on the right foot”. Planned, organized, and structured discussion between key representatives from your entity, agency, board/committee, and/or the Recordkeeper allows the Plan Sponsor to document and resolve any oversight, minimize misunderstandings of requirements, and most importantly, address and hopefully prevent any potential problems. An in-person conference is highly recommended so all parties can identify each other. It can also involve written correspondence, teleconferencing, conference calling, or other

methods that engage parties. This conference is a great time to establish the levels of authority of the contract manager as well as that granted the contractor by the Plan Sponsor or governing authority. Additionally, the conference is helpful to familiarize the successful bidder with the Plan Sponsor’s organizational chart, payment or billing terms and procedures, reporting expectations and requirements, administrative procedures, and contractor performance evaluation criteria.

As noted above, a Contract Administration Plan should be developed that identifies the following items and performance expectations for both the vendor and Plan Sponsor:

- Contract number or identifier
- Statement of Work Summary
- Roles and Responsibilities of the Contract Manager and/or Plan Sponsor
- Reporting requirements
- Critical milestones or benchmarks that pertain to the contract terms
- An established Communication and Education Plan
- Payment or billing procedures
- Problem resolution procedures
- Performance Measurements and Monitoring
- Vendor Performance Evaluations
- Contract Close-out Process

Assisting the contractor with developing and implementing an Annual Marketing Plan is an essential component to the ongoing success of both the contractor and Program. Plan Sponsors should also consider collaborating with the contractor to develop an Annual Administrative Plan that outlines goals and objectives for the year. Often included within the Administrative Plan is a Communication and Education Plan to guide and assist the contractor and Plan Sponsor in accomplishing established goals and objectives.

Inclusion of benchmark data can also be helpful to the ongoing evaluation of program successes, etc. Finally, a schedule of regular conference calls or meetings is recommended so Plan Sponsors and contractors can mutually track in-process and completed work and tasks, highlight successes, address potential problems or concerns, review program marketing, and discuss ongoing vendor performance.

Neither NAGDCA, nor its employees or agents, nor members of its Executive Board, provide tax, financial, accounting or legal advice. This memorandum should not be construed as tax, financial, accounting or legal advice; it is provided solely for informational purposes. NAGDCA members, both government and industry, are urged to consult with their own attorneys and/or tax advisors about the issues addressed herein.

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State of Nevada
Department of Administration

Purchasing Division

515 E. Musser Street, Suite 300
Carson City, NV 89701



Brian Sandoval
Governor

Jeff Mohlenkamp
Director

Greg Smith
Administrator

State of Nevada
Purchasing Division
Request for Proposal 3119
For
457(b) Record Keeper Services

Release Date: March 26, 2014

Deadline for Submission and Opening Date and Time: May 2, 2014 @ 2:00 p.m.

Refer to the RFP Timeline for the complete RFP schedule

For additional information, please contact:

Kim Perondi, Assistant Chief Procurement Officer

State of Nevada, Purchasing Division

515 E. Musser Street, Suite 300

Carson City, NV 89701

Phone: 775-684-0190

Email address: kperondi@admin.nv.gov

(TTY for Deaf and Hard of Hearing: 1-800-326-6868

Ask the relay agent to dial: 1-775-684-0190/V.)

Refer to Section 8 for instructions on submitting proposals

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A Request for Proposal (RFP) process is different from an Invitation to Bid. The State expects proposers to submit creative, competitive solutions to the agency's stated problem or need, as specified below. Proposers' technical exceptions and/or assumptions should be clearly stated in *Attachment C, Technical Proposal Certification of Compliance with Terms and Conditions of RFP*. Proposers' cost exceptions and/or assumptions should be clearly stated in *Attachment F, Cost Proposal Certification of Compliance with Terms and Conditions of RFP*. Exceptions and/or assumptions will be considered during the evaluation process; however, proposers must be specific. Nonspecific exceptions or assumptions may not be considered. The State reserves the right to limit the Scope of Work prior to award, if deemed in the best interest of the State per NRS 333.350(1).

Prospective vendors are advised to review Nevada's ethical standards requirements, including but not limited to, NRS 281A and the Governor's Proclamation, which can be found on the Purchasing Division's website (<http://purchasing.state.nv.us>).

1. PROJECT OVERVIEW

- 1.1** The State of Nevada's Purchasing Division, on behalf of Nevada Public Employees' Deferred Compensation Program (NDC), is seeking proposals from qualified firms to provide plan administration and record keeping services, participant on-site support, communication and education services for the State's 457 Deferred Compensation Plan and FICA Alternative Plan (Programs). In addition, the scope of services is to evaluate providers proposed stable value investment products.
- 1.2** Listed below are the primary objectives of this review and selection process:
 - Reduce the current fee structure by lowering participant and plan expenses through a nationwide competitive bidding process;
 - Transition the plan to a single Record Keeper service relationship with a simplified investment menu;
 - Provide an attractive Stable Value Investment Product and support an open architecture of investments per the plan's investment policy statement and guidelines;
 - Enhance participant services through plan branding, marketing to political sub divisions that are eligible for the State's plan, and increased utilization of technology and social media to increase participation and contribution levels;
 - Outsource program administrative functions as appropriate; and
 - Provide for an orderly and timely transition of records and assets to a single Record Keeper offering.
- 1.3** NRS 287.250 et seq. provides an Internal Revenue Code Section 457(b) non-qualified Deferred Compensation Program to the State's Nevada System of Higher Education (NSHE) employees. The Program is administered by a Program Coordinator under the governance and direction of a five-member committee appointed by the Governor. The program is currently serviced under a dual provider arrangement with Mass Mutual and ING. As of December 31, 2013, total plan assets were valued at \$687.4 million. Mass Mutual maintains \$538.7 million in the 457 Plan and \$19.7 million in the FICA Plan. ING maintains \$125.1 million in the 457 Plan and \$3.9 million in the FICA Plan. Political subdivisions of the State (a city, county or other local unit) may adopt the terms of the program through an joinder agreement. The assets of the 44 participating local government groups total \$139.3 million and are included in the above asset total.

- 1.4** Nevada has approximately 17,725 government employees throughout the State. All regular full-time and part-time employees are eligible to participate. NDC also is made available to all employees of the Nevada System of Higher Education (NSHE). An additional 14,290 employees in this group potentially have the option of participating. In addition, the local governments have approximately 6,867 eligible employees. Currently, the plan has approximately 12,950 participants in the full-time program, of which 300 have an account with both providers, including 9,400 who are actively contributing.
- 1.5** A FICA Alternative Plan is offered to those part-time, temporary and seasonal employees who are not eligible for the public employees' defined benefit retirement program. This plan is administered by Mass Mutual with grandfathered accounts with ING. Total FICA Plan assets as of December 31, 2013 were \$23.6 million, with Mass Mutual maintaining \$19.7 million of those assets and ING with \$3.9 million. All assets in this plan are invested in the service provider's Stable Value Fund and are fully liquid at the end of the current contract term. This amount is in addition to the 457(b) Plan assets noted above.

For more information regarding the State of Nevada's Deferred Compensation Plan, including the Plan Document, Investment Policy Statement and other references, please visit the Program's web site at <http://defcomp.state.nv.us>

- 1.6** This RFP only accounts for assets in the State plan. However, as previously noted, the contract for services resulting from this RFP will also be made available to any political subdivision (a city, county, or other local unit), that adopts the terms of the State Deferred Compensation Plan as its own Deferred Compensation Plan and executes a joinder agreement with approval of the State. The assets of the 44 participating local government groups total \$139 million. There are 2196 participants with an account balance under the State's service arrangement from MassMutual and 228 participants from ING that are part of the political subdivisions of the State. (Some local units offer more than one service provider to their employees.) Each subdivision operates independently with a separate billing group, and data transmission. Each subdivision receives its own employer-level reports and participant statements.
- 1.7** For purposes of addressing questions concerning this RFP, the sole contact will be the Purchasing Division as specified on Page 1 of this RFP. Upon issuance of this RFP, other employees and representatives of the agencies identified in the RFP will not answer questions or otherwise discuss the contents of this RFP with any prospective vendors or their representatives. Failure to observe this restriction may result in disqualification of any subsequent proposal per NAC 333.155(3). This restriction does not preclude discussions between affected parties for the purpose of conducting business unrelated to this procurement.

2. BACKGROUND

2.1 Political Subdivisions - List of local governments that have joined with the State's Deferred Compensation Plan (as of December 31, 2013).

2.1.1 Mass Mutual

Political Sub-Division Name	Total Assets December 31, 2013 (\$)	Total Number of Participant Accounts (#)	Contributing Employees (#)
Douglas County	\$15,613,573.85	305	174
Churchill County Comptrollers	\$5,120,004.43	137	76
Douglas County Sewer District No. 1	\$1,136,507.68	18	7
City of Sparks	\$28,907,232.24	385	237
Henderson District Public Libraries	\$1,436,073.25	25	16
North Lake Tahoe Fire Protection District	\$7,081,096.94	57	22
City of West Wendover	\$554,812.97	21	11
City of Wells	\$45,849.88	6	3
Carson City	\$24,062,703.60	371	208
Lyon County	\$4,066,678.52	114	63
Elko County	\$4,103,733.65	71	33
Reno Sparks Convention and Visitors Center	\$3,021,499.32	54	22
Tahoe Douglas Fire Protection District	\$6,836,836.72	61	32
Humboldt County	\$4,156,661.49	88	48
Nevada Works	\$323,768.82	4	1
Southern Nevada Workforce	\$266,317.36	10	4
Housing Authority of Reno	\$2,661,436.56	39	23
Sierra Fire Protection District	\$2,038,298.04	66	59
City of Fallon	\$2,719,732.42	36	18
Indian Hills General Improvement	\$149,307.86	12	9
City of Winnemucca	\$538,507.89	13	5

Political Sub-Division Name	Total Assets December 31, 2013 (\$)	Total Number of Participant Accounts (#)	Contributing Employees (#)
Storey County	\$1,204,724.47	34	23
Regional Transport Comm of Washoe	\$2,549,058.67	37	19
Reno-Tahoe Airport Auth	\$9,657,941.39	158	105
Eureka County	\$295,523.71	8	6
Mount Grant General Hospital	\$71,439.70	9	5
Minden Gardnerville Sanitation	\$82,986.63	2	0
Truckee Meadows Reg planning	\$108,521.98	3	3
City of Elko	\$1,093,727.84	33	21
Central Lyon County Fire District	\$753,550.86	19	16
Total	\$130,658,108.74	2,196	1,269

2.1.2 ING

Political Sub-Division Name	Total Assets December 31, 2011 (\$)	Total Number of Participant Account (#)	Contributing Employees (#)
Elko County	\$ 1,719,338.79	52	39
Humboldt County	\$ 27,957.51	2	2
Douglas County	\$ 1,747,821.57	47	35
Virgin Valley Water District	\$ 744,342.12	13	9
Board of Cosmetology	\$ 146,380.05	6	3
Board of Pharmacy	\$ 68,062.25	2	2
Euerka Co	\$ 218,766.57	14	11
RTC-Washoe County	\$ 38,455.96	2	1
City of Mesquite	\$ 1,717,219.64	38	24
Mt. Grant Gen Hospital	\$ 357,044.74	7	6
Minden/G'ville Sanitation District	\$ 346,709.44	8	7
Board of Nursing	\$ 742,794.70	10	7
Board of Osteopathic Medicine	\$ 72,371.73	3	3
Carson City	\$ 752,667.22	24	21
Total	\$8,699,932.29	228	170

2.2 Key Plan Statistics as of December 31, 2013

2.2.1 MassMutual

Plan Name	Total Assets December 31, 2013 (\$)	Total Number of Participant Accounts (#)	Contributing Employees (#)
457 Plan	\$538,648,369.46	9,001	6,866
FICA Alternative Plan	\$19,680,903.52	23,165	11,225

Plan Name	2013 Total Deferrals (\$)	2012 Total Deferrals (\$)	2011 Total Deferrals (\$)
457 Plan	\$24,814,098.82	\$25,563,974.22	\$29,074,534.62
FICA Alternative Plan*	\$4,654,695.02	\$4,114,677.98	\$4,030,604.04

Plan Name	2013 Total Roll-ins (\$)	2012 Total Roll-ins (\$)	2011 Total Roll-ins (\$)
457 Plan	\$2,557,060.45	\$3,350,334.53	\$4,905,383.50
FICA Alternative Plan*	\$6,856.60	\$835.57	\$4,603.92

457 PLAN			
Year	Total Withdrawals (\$)	Rollovers Out (\$)	Other Distributions (\$)
2013	\$37,323,963.70	\$15,911,363.07	\$21,412,600.63
2012	\$38,052,321.37	\$14,077,252.38	\$23,975,068.99
2011	\$22,890,026.49	\$13,362,758.81	\$20,527,267.68

FICA ALTERNATIVE PLAN			
Year	Total Withdrawals (\$)	Rollovers Out (\$)	Other Distributions (\$)
2013	\$1,671,699.29	\$355,117.26	\$1,316,582.03
2012	\$1,297,480.13	\$192,674.68	\$1,104,805.45
2011	\$2,017,372.51	\$237,794.96	\$1,779,577.55

Annual Cash Flow			
		2012	2013
MassMutual	Contributions	\$28,914,308.75	\$27,371,159.27
	Distributions	<u>\$38,052,321.37</u>	<u>\$37,323,963.70</u>
	Net Cash Flow	\$-9,138,012.62	\$-9,953,804.43
	Total Net Cash Flow		

Plan Name	Accounts in Distribution (#)	Annuitized (#)
457 Plan	623	0
FICA Alternative Plan	31	0

Plan Name	Unforeseen Emergency Withdrawals Approved (#)	Unforeseen Emergency Withdrawals Denied (#)
457 Plan	78	25

▪ Total participants with an account balance:	9,053
▪ Total number actively contributing	6,866
▪ Total number inactive	2,135
▪ Average Account Balance:	\$59,506.01
▪ Average Deferral Rate:	\$189.28
▪ Number of self-directed brokerage account	55
▪ Self directed brokerage assets	\$2,236,676.21
▪ Provider	Charles Schwab & Co.

MassMutual – Distribution by Account Size among Active Participants	
Account Size	Participants as of December 31, 2013
Under \$10,000	2,913
\$ 10,000 to 24,999	1,593
\$ 25,000 to 49,999	1,434
\$ 50,000 to 99,999	1,366
\$100,000 to 149,999	660
\$150,000 to 199,999	351
\$200,000 to 249,999	259
\$250,000 to 299,999	165
Over \$300,000	270
TOTAL	9,011

Type of Transactions	MassMutual
Number of Rollovers (Contributions to the Plan)	94
Number of Systematic Withdrawals	3,493
Number of Unforeseeable Emergency Withdrawals	78
Number of Lump Sum Distribution checks	277
Number of systematic withdrawal options	654
QDRO's	5

2.2.2 ING

Plan Name	Total Assets December 31, 2013 (\$)	Total Number of Participant Accounts (#)	Contributing Employees (#)
457 Plan	\$125,146,947	3,897	2,534
FICA Alternative Plan	\$3,908,123	2,161	435

Plan Name	2013 Total Deferrals (\$)	2012 Total Deferrals (\$)	2011 Total Deferrals (\$)
457 Plan	\$9,973,442	\$9,653,201	\$10,405,060
FICA Alternative Plan	\$245,962	\$306,889	\$400,776

Plan Name	2013 Total Roll-ins (\$)	2012 Total Roll-ins (\$)	2011 Total Roll-ins (\$)
457 Plan*	\$1,884,037	\$4,543,543	\$1,772,115
FICA Alternative Plan*	\$0	\$394	\$0

457 PLAN			
Year	Total Withdrawals (\$)	Rollovers Out (\$)	Other Distributions (\$)
2013	\$14,599,798	\$7,925,666	\$6,674,132
2012	\$9,233,579	\$2,404,271	\$6,829,308
2011	\$12,406,801	\$4,548,806	\$7,857,995

FICA ALTERNATIVE PLAN			
Year	Total Withdrawals (\$)	Rollovers Out (\$)	Other Distributions (\$)
2013	\$360,738	\$15,189	\$345,549
2012	\$263,939	\$17,329	\$246,610
2011	\$1,182,788	\$5,060	\$1,177,728

Plan Name	Unforeseen Emergency Withdrawals Approved (#)	Unforeseen Emergency Withdrawals Denied (#)
457 Plan	78	35

Annual Cash Flow			
		2012	2013
ING	Contributions	\$14,197,531	\$11,860,324
	Distributions	\$9,233,579	\$14,599,798
	Net Cash Flow	\$4,963,952	(\$2,739,474)
	Total Net Cash Flow		

Plan Name	Unforeseen Emergency Withdrawals Approved (#)	Unforeseen Emergency Withdrawals Denied (#)
457 Plan	106	4

Plan Name	Accounts in Distribution (#)*	Annuitized (#)*
457 Plan	33	0
FICA Alternative Plan	0	0

▪ Total participants with an account balance:	3,897
▪ Total number actively contributing	2,534
▪ Total number inactive	1,363
▪ Average Account Balance:	\$32,114
▪ Average Deferral Rate:	\$150.65
▪ Number of self-directed brokerage account	14
▪ Self directed brokerage assets	\$388,719
▪ Provider	TD Ameritrade

ING - Distribution by Account Size among Active Participants	
Account Size	Participants as of December 31, 2013
Under \$10,000	1,846
\$ 10,000 to 24,999	781
\$ 25,000 to 49,999	584
\$ 50,000 to 99,999	371
\$100,000 to 149,999	142
\$150,000 to 199,999	68
\$200,000 to 249,999	39
\$250,000 to 299,999	33
Over \$300,000	33
TOTAL	3,897

Type of Transactions	ING
Number of Rollovers (Contributions to the Plan)	52
Number of Systematic Withdrawals	33
Number of Unforeseeable Emergency Withdrawals	106
Number of Lump Sum Distribution checks	155
Number of systematic withdrawal options	33
QDRO's	1

2.2.3 Representatives Dedicated to the State of Nevada

Under the current service relationship with the plan's service provider, the following staff has been allocated to the State:

MassMutual	ING
3 Full-Time Account Representatives	1 In-House Representative/Office Manager
1 Manager	2 Field Representatives
3 Sales Support Associates	
1 Account Relationship Representative	

2.2.4 Approximate Number of State Employees, By Region

Location	Number of Employees
Northern Nevada	7,397
Southern Nevada	7,025
Rural Nevada	1,937

2.2.5 Approximate Number of State Employees, By Location

Location	Number of Employees
ALAMO	3
AUSTIN	2
BAKER	2
BOULDER CITY	199
BATTLE MOUNTAIN	10
CARSON CITY	6,107
CALIENTE	90
CARMICHAEL	1
CARLIN	29
COLD SPRINGS	20
DAYTON	2
DESOTO	1
ELKO	482
ELY	483
EUREKA	4
FALLON	117
FERNLEY	25
GARDNERVILLE	15
GENOA	1
GLENDALE	8
HAWTHORNE	12
HENDERSON	457
HIKO	1
INDIAN SPRINGS	980
INCLINE VILLAGE	7
JEAN	31
JACKPOT	2
LAUGHLIN	22
LOVELOCK	293
LATHROP	1
LUND	2
LAS VEGAS	5,434
NORTH LAS VEGAS	1
MOUNT CHARLESTON	12
MESQUITE	14
MOUND HOUSE	4
MINDEN	9
NORTH LAS VEGAS	213
OVERTON	25
PAHRUMP	66
PIOCHE	41
PANACA	6
RENO	1,164
RUBY VALLEY	4
SPRING CREEK	21
STONE MOUNTAIN	1
SPARKS	943
SILVER SPRINGS	11
TONOPAH	99

TUSTIN	1
VIRGINIA CITY	11
VERDI	1
VENTURA	1
W BABYLON	1
WELLS	29
WINNEMUCCA	161
WEST JORDAN	1
WESTMONT	1
WENDOVER	4
YERINGTON	37
Total	17,725

2.2.6 State of Nevada OBRA Deferred Compensation Plan/ State of Nevada FICA Alternative Plan

	MassMutual		ING	
	Assets	# of Accounts	Assets	# of Accounts
State	1,507,813.12	1,599	\$251,727	339
Higher Ed. System	18,173,090.40	21,638	\$3,656,396	1,822
	19,680,903.52		\$3,908,123.00	

2.2.7 OBRA Deferred Compensation Plan/ State of Nevada FICA Alternative Plan - Cash Flow

		2013	2012
MassMutual	Contributions	\$4,661,551.62	\$4,115,513.55
	Distributions	<u>\$1,671,699.29</u>	<u>\$1,297,480.13</u>
	Net Cash Flow	\$2,989,852.33	\$2,818,033.42
ING	Contributions	\$245,962	\$307,179
	Distributions	<u>\$360,738</u>	<u>\$263,939</u>
	Net Cash Flow	(\$114,776)	\$43,240

2.2.8 Withdrawal Restrictions For OBRA Plan

MassMutual – There is no Market Value Adjustments, but MassMutual does have the right to pay the General Account balance at discontinuance in six (6) equal installments, plus any interest due, annually over a period of five (5) years. Also, please note, that State of Nevada has the ability to elect a “12 month Put.”

ING – There is no Market Value Adjustments on the ING Fixed account within this Plan.

2.2.9 Mass Mutual Stable Value Fund (General Account)

Per NDC’s contract with Mass Mutual, the Hartford General Account assets require a 90-day notice for 100% liquidation of assets without a market value adjustment. Proper notice has been provided to Mass Mutual, which will allow for 100% of general account assets to be eligible to transfer to a new administrator effective December 31, 2014, if applicable.

Total Market Value 457	\$296,970,816.47
Total Market Value FICA Alternative Plan	\$19,680,903
2013 Interest Rate	3.00%
Product Type	Group Funding Agreement
Total number of participants w/accounts	28,622
Total number of participants 100% invested in the fund	25,396

Annual	2012	2013
Contributions	\$19,507,444.18	\$17,854,627.62
Distributions	\$39,349,801.50	\$38,995,662.99
Net	(\$19,842,357.32)	(\$21,141,035.37)

2.2.10 ING Stable Value Fund

The ING Stable Value fund requires a 12-month Put option. NDC provided ING with a 12-month notice regarding the liquidation of assets effective December 31, 2013; therefore, 100% of stable value funds will be eligible to be transferred to a new administrator, if applicable.

2012 Annualized Yield as of 9.30.11	1.22%
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Total Market Value 457	\$27,820,302
Total Market Value FICA Alternative Plan	\$3,908,122
2013 Interest Rate	N/A
Product Type	Collective Investment Trust
Total number of participants w/accounts	1,081
Total number of participants 100% invested in the fund	451

Annual	2012	2013
Contributions	\$3,760,348	\$1,874,709
Distributions	(\$4,951,127)	(\$4,818,931)
Net	(\$1,190,779)	(\$2,944,222)

2.2.11 MassMutual – Market Values as of December 31, 2013

Asset Class	Fund	Ticker	Assets	% of Assets
Stable Value	<i>General Account</i>	n/a	\$ 277,289,913	51.48%
Fixed Income	<i>SSgA US Bond Market INLS</i>	n/a	\$ 8,109,461	1.51%
Balanced	<i>Invesco Equity and Income Y</i>	IEIFX	\$ 33,982,587	6.31%
Large Cap Value	<i>American Beacon Lg Cap Value Inv</i>	AADEX	\$ 13,533,854	2.51%
S&P 500	<i>Vanguard Institutional Index I</i>	VINIX	\$ 18,597,393	3.45%
Large Cap Core	<i>Victory Diversified Stock I</i>	VDSIX	\$ 30,260,147	5.62%
Socially Responsible	<i>Neuberger Berman Socially Resp Inv</i>	NBSLX	\$ 5,378,684	1.00%
Large Cap Growth	<i>T. Rowe Price Growth Stock</i>	PRGFX	\$ 27,616,452	5.13%
Mid Cap	<i>Hartford MidCap HLS IA</i>	HIMCX	\$ 43,196,196	8.02%
Mid Cap Growth	<i>Munder Mid-Cap Core Growth Y</i>	MGOSX	\$ 2,476,149	0.46%
SMID Cap	<i>Vanguard Extended Market Idx I</i>	VIEIX	\$ 6,606,283	1.23%
SMID Cap	<i>Lord Abbett Value Opportunities I</i>	LVOYX	\$ 11,711,283	2.17%
SMID Cap	<i>Oppenheimer Main Street Sm & Mid Cap Y</i>	OPMYX	\$ 9,806,948	1.82%
Small Cap Growth	<i>Hartford Small Company HLS IA</i>	HIASX	\$ 6,301,667	1.17%
Small Cap Core	<i>Vanguard Small Cap Index</i>		\$ 1,023,301	0.19%
International	<i>American Beacon Intl Eq Index Inst</i>	AIIIX	\$ 10,059,932	1.87%
Global	<i>Mutual Global Discovery Z</i>	TEDIX	\$ 11,939,353	2.22%
Lifecycle	<i>Vanguard Target Retirement Income Inv</i>	VTINX	\$ 3,346,828	0.62%
Lifecycle	<i>Vanguard Target Retirement 2015 Inv</i>	VTXVX	\$ 4,017,733	0.75%
Lifecycle	<i>Vanguard Target Retirement 2025 Inv</i>	VTTVX	\$ 4,999,850	0.93%
Lifecycle	<i>Vanguard Target Retirement 2035 Inv</i>	VTTHX	\$ 3,445,408	0.64%
Lifecycle	<i>Vanguard Target Retirement 2045 Inv</i>	VTIVX	\$ 2,712,271	0.50%
Brokerage	<i>457(b) Record Keeper Services</i>	<i>Schwab SDBA</i>	<i>RFP 3119</i>	<i>n/a</i>
			\$ 2,241,036	0.42%
Total			\$ 538,652,729	100.00%

2.2.12 ING – Market Values as of December 31, 2013

Asset Class	Fund	Ticker	Assets	% of Assets
Stable Value	<i>ING Stable Value Fund</i>	n/a	\$ 27,820,303	22.23%
Fixed Income	<i>Vanguard Total Bond Market Index I</i>	VBPIX	\$ 4,358,014	3.48%
Balanced	<i>ING T. Rowe Price Cap Apprec Port I</i>	ITRIX	\$ 4,786,165	3.82%
Large Cap Value	<i>Allianz NFJ Dividend Value Instl</i>	NFJEX	\$ 3,918,135	3.13%
S&P 500	<i>Vanguard Institutional Index I</i>	VINIX	\$ 6,292,837	5.03%
Socially Responsible	<i>Parnassus Equity Income - Inv</i>	PRBLX	\$ 1,303,384	1.04%
Large Cap Growth	<i>American Funds Growth Fund of Amer R3</i>	RGACX	\$ 7,065,954	5.65%
Large Cap Growth	<i>Fidelity Contrafund</i>	FCNTX	\$ 2,767,471	2.21%
Mid Cap	<i>Hartford Mid Cap HLS</i>	HBMCX	\$ 1,461,158	1.17%
Mid Cap Growth	<i>Baron Growth Retail</i>	BGRFX	\$ 2,383,988	1.90%
SMID Cap	<i>Lord Abbett Value Opportunities I</i>	LVOYX	\$ 4,356,822	3.48%
SMID Cap	<i>Vanguard Extended Market Idx I</i>	VIEIX	\$ 4,267,729	3.41%
SMID Cap Growth	<i>Columbia Acorn A</i>	LACAX	\$ 2,507,154	2.00%
Small Cap Core	<i>Keeley Small Cap Value A</i>	KSCVX	\$ 791,078	0.63%
International	<i>Vanguard Developed Markets Index Admiral</i>	VDMAX	\$ 912,075	0.73%
International	<i>Dodge & Cox International Stock</i>	DODFX	\$ 4,869,349	3.89%
Global	<i>American Funds Capital World G/I R3</i>	RWICX	\$ 1,768,546	1.41%
Lifecycle	<i>Vanguard Target Retirement Income Inv</i>	VTINX	\$ 3,548,636	2.84%
Lifecycle	<i>Vanguard Target Retirement 2015 Inv</i>	VTTVX	\$ 18,496,371	14.78%
Lifecycle	<i>Vanguard Target Retirement 2025 Inv</i>	VTTVX	\$ 4,219,012	3.37%
Lifecycle	<i>Vanguard Target Retirement 2035 Inv</i>	VTTHX	\$ 16,146,564	12.90%
Lifecycle	<i>Vanguard Target Retirement 2045 Inv</i>	VTIVX	\$ 716,498	0.57%
Brokerage	<i>TD Ameritrade SDBA</i>	n/a	\$ 388,718	0.31%
Total			\$ 125,145,961	100.00%

3. ACRONYMS/DEFINITIONS

For the purposes of this RFP, the following acronyms/definitions will be used:

Acronym	Description
<i>Assumption</i>	An idea or belief that something will happen or occur without proof. An idea or belief taken for granted without proof of occurrence.
<i>Awarded Vendor/Record Keeper</i>	The organization/individual that is awarded and has an approved contract with the State of Nevada for the services identified in this RFP.
<i>BOE</i>	State of Nevada Board of Examiners
<i>Confidential Information</i>	Any information relating to the amount or source of any income, profits, losses or expenditures of a person, including data relating to cost or price submitted in support of a bid or proposal. The term does not include the amount of a bid or proposal. Refer NRS 333.020(5) (b).
<i>Contract Approval Date</i>	The date the State of Nevada Board of Examiners officially approves and accepts all contract language, terms and conditions as negotiated between the State and the successful proposer.
<i>Contract Award Date</i>	The date when proposers are notified that a contract has been successfully negotiated, executed and is awaiting approval of the Board of Examiners.
<i>Contractor/Record Keeper</i>	The company or organization that has an approved contract with the State of Nevada for services identified in this RFP. The contractor has full responsibility for coordinating and controlling all aspects of the contract, including support to be provided by any subcontractor(s). The contractor will be the sole point of contact with the State relative to contract performance.
<i>Cross Reference</i>	A reference from one document/section to another document/section containing related material.
<i>Division/Agency</i>	The Division/Agency requesting services as identified in this RFP.
<i>Evaluation Committee</i>	An independent committee comprised of a majority of State officers or employees established to evaluate and score proposals submitted in response to the RFP pursuant to NRS 333.335.
<i>Exception</i>	A formal objection taken to any statement/requirement identified within the RFP.
<i>Key Personnel</i>	Contractor staff responsible for oversight of work during the life of the project and for deliverables.
<i>LCB</i>	Legislative Counsel Bureau

Acronym	Description
<i>LOI</i>	Letter of Intent - notification of the State's intent to award a contract to a Record Keeper, pending successful negotiations; all information remains confidential until the issuance of the formal notice of award.
<i>May</i>	Indicates something that is recommended but not mandatory. If the proposer fails to provide recommended information, the State may, at its sole option, ask the proposer to provide the information or evaluate the proposal without the information.
<i>Must</i>	Indicates a mandatory requirement. Failure to meet a mandatory requirement may result in the rejection of a proposal as non-responsive.
<i>NAC</i>	Nevada Administrative Code –All applicable NAC documentation may be reviewed via the internet at: www.leg.state.nv.us .
<i>NDC</i>	Nevada Public Employees' Deferred Compensation Program
<i>NOA</i>	Notice of Award – formal notification of the State's decision to award a contract, pending Board of Examiners' approval of said contract, any non-confidential information becomes available upon written request.
<i>NRS</i>	Nevada Revised Statutes – All applicable NRS documentation may be reviewed via the internet at: www.leg.state.nv.us .
<i>NSHE</i>	Nevada System of Higher Education
<i>Pacific Time (PT)</i>	Unless otherwise stated, all references to time in this RFP and any subsequent contract are understood to be Pacific Time.
<i>Proposer/Vendor</i>	Organization/individual submitting a proposal in response to this RFP.
<i>Proprietary Information</i>	Any trade secret or confidential business information that is contained in a bid or proposal submitted on a particular contract. (Refer to NRS 333.020 (5) (a).
<i>Public Record</i>	All books and public records of a governmental entity, the contents of which are not otherwise declared by law to be confidential must be open to inspection by any person and may be fully copied or an abstract or memorandum may be prepared from those public books and public records. (Refer to NRS 333.333 and NRS 600A.030 [5]).
<i>QDRO</i>	Qualified Domestic Relations Orders
<i>Redacted</i>	The process of removing confidential or proprietary information from a document prior to release of information to others.
<i>RFP</i>	Request for Proposal - a written statement which sets forth the requirements and specifications of a contract to be awarded by competitive selection as defined in NRS 333.020(8).

Acronym	Description
<i>Shall</i>	Indicates a mandatory requirement. Failure to meet a mandatory requirement may result in the rejection of a proposal as non-responsive.
<i>Should</i>	Indicates something that is recommended but not mandatory. If the proposer fails to provide recommended information, the State may, at its sole option, ask the proposer to provide the information or evaluate the proposal without the information.
<i>State</i>	The State of Nevada and any agency identified herein.
<i>Subcontractor</i>	Third party, not directly employed by the contractor, who will provide services identified in this RFP. This does not include third parties who provide support or incidental services to the contractor.
<i>Trade Secret</i>	Information, including, without limitation, a formula, pattern, compilation, program, device, method, technique, product, system, process, design, prototype, procedure, computer programming instruction or code that: derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by the public or any other person who can obtain commercial or economic value from its disclosure or use; and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.
<i>Will</i>	Indicates a mandatory requirement. Failure to meet a mandatory requirement may result in the rejection of a proposal as non-responsive.

4. SCOPE OF WORK

4.1 Record Keeper Services

- 4.1.1 The NDC is looking for a Record Keeper that can support an open architecture of investment offerings has an attractive fund alliance program to accommodate a variety of fund families and related products. The final investment line-up will be determined by the NDC in its sole discretion; for purposes of submitting your firm's proposal, you should assume that any revenue sharing generated by the new investment line up will be designed to support the program's administration fees and plan level expenses.
- 4.1.2 However, the NDC is open to looking at different Stable Value options. The 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. A 12 month Put provision will be considered to accommodate a book value distribution. The evaluation committee would fully evaluate the features and rates of either a general account product or separate account product as the investment vehicle for its Stable Value Fund category. The NDC is requesting that you propose your general account and your separate account offerings so as to conduct a comparable comparison of all costs.
- 4.1.3 The Record Keeper must have a single point of contact and attend the NDC's quarterly meetings and also attend the annual planning meeting each year.
- 4.1.4 The Record Keeper must be able to deal directly with approximately 17,500 eligible employees located within and around State of Nevada.
- 4.1.5 The Record Keeper must provide necessary changes to the plan as needed resulting from State and/or Federal legislation without additional cost to participants under the terms of the current contract.

4.2 Implementation Services

- 4.2.1 Proposers must provide a detailed plan transition strategy along with communication materials to explain any new plan changes and enhancements. This will include the consolidation from two Record Keepers to a single Record Keeper and the related mapping strategy. The transition from the current plan Record Keepers to a single Record Keeper will require you to provide an explanation of the process, blackout period, and reconciliation of plan assets to the individual participant records.

4.3 Administration and Record Keeping Services

- 4.3.1 Proposers are required to provide detailed information about their record keeping and administrative systems and use of technology. Important factors include ability to integrate multiple payroll centers and systems, monitor compliance, process participant transactions, provide timely and accurate participant statements and

financial statements for the plan sponsor. The selected Record Keeper must have in place a toll-free customer service center, automated voice response system, and internet service that allow participants access to their accounts.

4.3.2 Record Keepers will provide extensive capabilities to support employee self-service using a variety of media. As a baseline, the Record Keeper 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:

- Support employee enrollment activities, initial and ongoing;
- Answer employee inquiries related to eligibility, plan features, and investment offerings;
- 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;
- Provide participant investment education materials to make informed investment decisions;
- Provide participant investment advisory services;
- Provide benefits literature, such as summary plan descriptions, forms, statements, and prospectuses; and
- Administer loan provision and qualify unforeseen emergency withdrawals and Domestic Relation Orders.

4.3.3 The selected Record Keeper shall approve all unforeseeable emergency withdrawal requests and provide a first-level appeal of that determination. The State or its designee shall conduct all second-level appeals of unforeseeable emergency requests.

4.3.4 Subject to a final unforeseeable emergency withdrawal appeal process established by the State, the Record Keeper must provide complete review, approval, and administrative services related to unforeseeable emergency distributions and Qualified Domestic Relations Orders (QDRO).

4.3.5 The NDC expects the successful Record Keeper to assume all data-management responsibilities for the State. The Record Keeper will be required to establish two-way interface capability with all appropriate parties (e.g., State payroll) and be held accountable for timely, accurate transmission and, as appropriate, editing and validation of data for processing enrollments and contribution activity.

4.4 Education, Enrollment and Communication

4.4.1 The Record Keeper will be required to prepare, for NDC approval, an annual enrollment and education plan. This customized plan should detail the approach that the Record Keeper will take in communicating the program to employees for purposes of new enrollments into NDC and for contacting existing participants for assistance, including the various methods which will be utilized (mail, electronic, web-based, in-person, social media, etc.). The Record Keeper will be required to provide a quarterly education report to NDC.

- 4.4.2 All materials developed by the Record Keeper must be submitted to NDC for final review and editing. Materials must present an unbiased approach to the investment information and educate participants about all aspects of the plan, including, but not limited to; retirement planning, investment options offered, investment performance, risk assessment and asset allocation, and distribution selection.
- 4.4.3 The Record Keeper must design and maintain a custom website for the plan and/or assist NDC with its current website material and design.
- 4.4.4 In addition general insurance agents or brokers are not to be employed by a political subdivision. Field Representatives for both the State and political subdivisions must be salary-based employees of the proposer.
- 4.4.5 The Record Keeper 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 the State's payroll system.
- 4.4.6 The Record Keeper 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.

4.5 Record Keeping

- 4.5.1 The Record Keeper must maintain records providing daily information associated with an individual's account, including, but not limited to; investment balances, contributions (before-tax and Roth), distributions, rollovers, Roth rollovers, in-plan Roth rollovers, earnings, administrative fees, employer, beneficiary designations, address, and any other information necessary for proper administration of a participant's account. For retired/terminated participants, additional data regarding distribution method amount must be maintained by the Record Keeper. In addition, the Record Keeper:
 - Must make changes to participant investment elections and effect transfers of existing account balances on a daily basis.
 - Must maintain separate participant accounts for assets that are rolled over into the Plan from a qualified plan (Before-Tax and Roth).
 - Must be able to monitor the annual participant dollar contribution for deferrals and contributions which are near or exceed the IRS annual maximums, including Age 50+ catch-up and the special catch-up provision tracking.
 - Must perform any and all administrative functions necessary to ensure the thorough and accurate financial accounting essential for each party's financial records.
 - Must be able to create customized forms for the program, as requested.

4.6 Contribution Processing

- 4.6.1 The Record Keeper must invest contributions within one business day of receipt. The Record Keeper must be able to receive data via electronic data transmission, and process the participant contribution detail provided, including negative contributions and adjustments, using each participant's current investment allocation.
- 4.6.2 Record Keeper must have the capability to handle multiple payroll locations and transmittal methods for both the State and its participating employers.

4.7 Plan Reporting

- 4.7.1 The Record Keeper must submit monthly or quarterly reports on all activities in the program. Reports must be provided via on-line access or be in a format approved by NDC.
- 4.7.2 The Record Keeper must inform NDC within 60 days of recently enacted federal tax laws and regulations, or other changes in the tax laws which may have an impact upon the administration requirements of the plan.
- 4.7.3 The Record Keeper must inform NDC within 30 days of any change in the firm's credit ratings by any major rating agency (Standard & Poor's, Moody's, A.M. Best, and Fitch).
- 4.7.4 The Record Keeper must maintain and provide all data and documentation requested during the conduct of the annual financial audits by a third-party and biennium compliance audits by a third-party of the program.

4.8 Participant Statements of Account

- 4.8.1 NDC requires the Record Keeper provide a quarterly participant statement of account (annual for FICA-Alternative participants). The Record Keeper must be able to customize the statement for the program and to provide a field for short messages.
- 4.8.2 The Record Keeper must research and resolve, with NDC staff assistance, any participant statement of account not received by the participant but returned to the Record Keeper.

4.9 Distributions

- 4.9.1 The Record Keeper will provide telephone assistance to employees who are taking a distribution under the program. The Record Keeper must advise participants of the payment options available under the program and the implications of choosing one payment over another. This should include the tax implications of lump sum distributions and rollovers to qualified plans.
- 4.9.2 The Record Keeper must also provide an annuity shopping service for participants who wish to receive their distribution as an annuity.

- 4.9.3 The Record Keeper must provide participant federal and state income tax withholding and reporting for each benefit payment from the program. The Record Keeper is solely responsible for any tax penalties and/or interest that may arise due to errors it made in tax reporting or forwarding of funds to the appropriate government authorities.
- 4.9.4 The Record Keeper must ensure that each participant's account complies with the applicable regulations, including, but not limited to, IRC 401(a)(9) minimum distribution requirements and annual maximum contribution limits

4.10 Transition Responsibilities upon Termination

- 4.10.1 Upon termination of its contract, the Record Keeper must fully cooperate with NDC in an orderly transfer of administrative responsibilities and records to the new Record Keeper. In the event that NDC elects not to renew its contract at the end of its term, or otherwise terminates the contract for cause or convenience, the Record Keeper agrees to fully cooperate in the transition to the new Record Keeper.

4.11 Administrative Funding

- 4.11.1 The Record Keeper must provide revenue sharing funding for the administrative costs that NDC incurs in overseeing and maintaining the program. The average administration budget for the past four (4) fiscal years was approximately \$427,000 per year.
- 4.11.2 The Record Keeper shall reimburse the NDC for the cost of conducting the RFP and evaluation process, including the cost of advertising the proposal, any travel expenses, and any related transition costs. This one-time expense is estimated at \$65,000.
- 4.11.3 It is the expectation that the State incur no cost for any internal programming cost associated with the implementation of any service feature to enhance the plan's administration, such as online enrollment. Should such costs occur, the Record Keeper shall reimburse the NDC for such costs.
- 4.11.4 The Record Keeper must accurately and fully disclose all fund expense and revenue sharing arrangements associated with all funds available to the State, including Stable Value products.

4.12 Trustee/Custodial Services

- 4.12.1 The Record Keeper must provide trustee/custodial services for the plan or arrange for trustee services with an outside party.

5. MINIMUM QUALIFICATIONS

The following are the minimum qualifications for proposers to be eligible for consideration of the requested services described in this RFP. **If you are unable to accommodate any one of the minimum qualifications, your proposal will be disqualified from further evaluation.**

- 5.1 Proposers must offer bundled administrative services (i.e., record keeping/administration, communication/education, custodial trustee services, and investment advisory services), as well as investment management services with an open architecture of investment options.
- 5.2 Proposers must have at least ten (10) years of experience in providing the proposed services and products to the public sponsor 457 Deferred Compensation marketplace and must be administering a minimum of three governmental 457 Deferred Compensation Plans with assets of \$400 million.
- 5.3 Proposers must have the ability to administer both the 457 and FICA Alternative Plan. The FICA Alternative Plan will continue to be a single investment option plan using the stable value/fixed income product.
- 5.4 Proposers must provide certification as a qualified firm to provide administrative services and investment products pursuant to Section 457 of the Internal Revenue Code, including all rules and regulations of the State of Nevada.
- 5.5 Proposers must provide dedicated resources to support the on-going consultation to the State and all plan participants located throughout the State of Nevada. This would also include the availability of customer service representatives to support employee meetings and new employee orientation programs. Proposers must provide local offices located in Las Vegas for the Southern Region and either Carson City or Reno for the Northern Region.
- 5.6 Proposer's field service representatives that provide enrollment and education 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 this and to political sub divisions.
- 5.7 Proposers must be willing to sign a contract for a period of 5 years beginning January 1, 2015 through December 31, 2019, with fourth and fifth year favorable fee negotiations at the discretion of the NDC. It is the State's expectation that as the size of the plan assets increase during the term of the contract, the Record Keeper be willing to guarantee or negotiate appropriate fee reductions and related credit allowances allocated for plan level expenses.
- 5.8 Proposers must be liable and solely 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 Record Keeper or its subcontractors in processing transactions on behalf of the participant, the Record Keeper agree to adjust the participant's account to the same position as if the processing error had not occurred.
- 5.9 Proposers must provide the ability to offer self-directed brokerage services, Roth accounts and have the capability to provide loan administration if adopted by the NDC.
- 5.10 Proposers are to accept a 90-day notification on the part of the State to discontinue service relationship with no penalties. The State will not enter into a contract with any penalty or liquidation charges for terminating the relationship.

6. WRITTEN QUESTIONS AND ANSWERS

- 6.1** In lieu of a pre-proposal conference, the Purchasing Division will accept questions and/or comments in writing, received by email regarding this RFP.
- 6.2** The RFP Question Submittal Form is located on the Services RFP/RFQ Opportunities webpage at <http://purchasing.state.nv.us/services/sdocs.htm>. Select this RFP number (3119) and the “Question” link.
- 6.3** The deadline for submitting questions is as specified in the RFP Timeline.
- 6.4** All questions and/or comments will be addressed in writing and responses posted to the website via RFP amendment on or about the date specified in the RFP Timeline.

7. RFP TIMELINE

- 7.1** The following represents the proposed timeline for this project. All times stated are Pacific Time (PT). These dates represent a tentative schedule of events. The State reserves the right to modify these dates at any time.

Task	Date/Time
Deadline for submitting questions	4/4/2014 @ 2:00 PM
Answers posted to website	On or about 4/18/2014
Deadline for submittal of Reference Questionnaires	No later than 5/1/2014
Deadline for submission and opening of Proposals	No later than 5/2/2014 @ 2:00 PM
Evaluation period	5/2/2014 thru 6/12/2014
Proposer Presentations	6/20/2014
Selection of Record Keeper	6/20/2014
Submission of Contract to Board of Examiners	July 2014
Approval of Contract	August 2014

8. PROPOSAL SUBMISSION REQUIREMENTS, FORMAT AND CONTENT

8.1 General Requirements

- 8.1.1** Proposals must be packaged and submitted in counterparts; therefore, proposers must pay close attention to the submission requirements.
- 8.1.2** Proposals will have a Technical Response and a Cost Response. Detailed instructions on proposal submission and packaging follows and proposers must submit their proposals as identified in the following sections. Proposals that do not comply with the following instructions may be deemed non-responsive and rejected at the State’s discretion.

- 8.1.3 Each section within the technical proposal and cost proposal must be separated by clearly marked tabs with the appropriate section number and title as specified.
- 8.1.4 Although it is a public opening, only the names of the companies submitting proposals will be announced per NRS 333.335(6). Technical and cost details about proposals submitted will not be disclosed. Assistance for handicapped, blind or hearing-impaired persons who wish to attend the RFP opening is available. If special arrangements are necessary, please notify the Purchasing Division designee as soon as possible and at least two (2) days in advance of the opening.
- 8.1.5 If discrepancies are found between two (2) or more copies of the proposal, the master copy will provide the basis for resolving such discrepancies. If one (1) copy of the proposal is not clearly marked “MASTER,” the State may reject the proposal. However, the State may at its sole option, select one (1) copy to be used as the master.
- 8.1.6 Proposals are to be prepared in such a way as to provide a straightforward, concise delineation of capabilities to satisfy the requirements of this RFP. Expensive bindings, colored displays, promotional materials, etc., are not necessary or desired. Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to the RFP requirements, and on completeness and clarity of content.
- 8.1.7 Unnecessarily elaborate responses beyond what is sufficient to present a complete and effective response to this RFP are not desired and may be construed as an indication of the proposer’s lack of environmental and cost consciousness. Unless specifically requested in this RFP, elaborate artwork, corporate brochures, lengthy narratives, expensive paper, specialized binding, and other extraneous presentation materials are neither necessary nor desired.
- 8.1.8 If a proposer changes any material RFP language, proposer’s response may be deemed non-responsive per NRS 333.311.

8.2 PART I A – TECHNICAL PROPOSAL

- 8.2.1 The technical proposal must include:

- One (1) original marked “MASTER”; and
- Seven (7) identical copies

The technical proposal must **not** include confidential technical information or cost and/or pricing information. Cost and/or pricing information contained in the technical proposal may cause the proposal to be rejected.

- 8.2.2 Format and Content

- Tab I – Title Page

The title page must include the following:

Part I A – Technical Proposal	
RFP Title:	457(b) Record Keeper Services
RFP	3119
Proposer Name:	
Address:	
Opening Date:	May 2, 2014
Opening Time:	2:00 PM

- Tab II – Table of Contents

An accurate and updated table of contents must be provided.

- Tab III – Proposer Information Sheet

The Proposer Information Sheet (page 39) completed with an original signature by an individual authorized to bind the organization must be included in this tab.

- Tab IV – State Documents

The State documents tab must include the following:

The signature page from all amendments with an original signature by an individual authorized to bind the organization.

Attachment A – Confidentiality and Certification of Indemnification with an original signature by an individual authorized to bind the organization.

Attachment B – Proposer Certifications with an original signature by an individual authorized to bind the organization.

- Tab V - Attachment C, Technical Proposal Certification of Compliance with Terms and Conditions of RFP

Attachment C with an original signature by an individual authorized to bind the organization must be included in this tab.

If exceptions and/or assumptions require a change in the terms or wording of any section of the RFP, the contract, or any incorporated documents, proposers must provide the specific language that is being proposed on Attachment C.

Only technical exceptions and/or assumptions should be identified on Attachment C.

The State will not accept additional exceptions and/or assumptions if submitted after the proposal submission deadline. If proposers do not specify any exceptions and/or assumptions in detail at time of proposal submission, the State will not consider any additional exceptions and/or assumptions during negotiations.

- Tab VI – Attachment D - Questionnaire

Proposers should place their written response(s) in bold/italics immediately following the applicable question, statement and/or section.

- Tab VII– Attachment E – Business References / Reference Questionnaire

Proposers should identify the companies from whom references were requested. Proposers should follow instructions on providing Reference Questionnaires to business references.

- Tab VIII – Other Informational Material

8.3 PART I B – CONFIDENTIAL TECHNICAL PROPOSAL

Proposers only need to submit Part I B if the proposal includes any confidential technical information. Confidential information should be redacted from Part I A and added to Part I B. Only the confidential information should be in Part I B with both parts cross-referenced to the appropriate section or page.

8.3.1 The confidential technical proposal must include:

- One (1) original marked “MASTER”; and
- Seven (7) identical copies

8.3.2 Format and Content

- Tab I – Title Page

The title page must include the following:

Part I B – Confidential Technical Proposal	
RFP Title:	457(b) Record Keeper Services
RFP	3119
Proposer Name:	
Address:	
Opening Date:	May 2, 2014
Opening Time:	2:00 PM

- Tab II– Confidential Technical

Proposers must have tabs in the confidential technical information that cross reference back to the technical proposal, as applicable.

8.4 PART II – COST PROPOSAL

8.4.1 The cost proposal must include:

- One (1) original marked “MASTER”; and
- Seven (7) identical copies

The cost proposal must not be marked “confidential”. Only information that is deemed proprietary per NRS 333.020(5)(a) may be marked as “confidential”.

8.4.2 Format and Content

- Tab I – Title Page

The title page must include the following:

Part II – Cost Proposal	
RFP Title:	457(b) Record Keeper Services
RFP	3119
Proposer Name:	
Address:	
Opening Date:	May 2, 2014
Opening Time:	2:00 PM

- Tab II – Attachment F, Cost Proposal Certification of Compliance with Terms and Conditions of RFP

Attachment F with an original signature by an individual authorized to bind the organization must be included in this tab.

In order for any cost exceptions and/or assumptions to be considered, proposers must provide the specific language that is being proposed in Attachment F.

Only cost exceptions and/or assumptions should be identified on Attachment F.

Do not restate the technical exceptions and/or assumptions on this form.

The State will not accept additional exceptions and/or assumptions if submitted after the proposal submission deadline. If proposers do not specify any exceptions and/or assumptions in detail at time of proposal submission, the State will not consider any additional exceptions and/or assumptions during negotiations.

- Tab III – Attachment G – Cost Proposal

Proposers should place their written response(s) in the tables provided.

8.5 PUBLIC RECORDS

Proposers must submit One (1) “Public Records CD” which must include the Technical (Part I A only) and Cost proposal (Part II) contents to be used for public records requests.

This CD must **not** contain any confidential or proprietary information.

The electronic files must follow the format and content sections of the technical and cost proposals.

All electronic files must be saved in “PDF” format, with one file named Part IA – Technical Proposal and one (1) file named Part II – Cost Proposal.

The CD must be packaged in a case and clearly labeled as follows:

Public Records CD	
RFP Title:	457(b) Record Keeper Services
RFP	3119
Proposer Name:	
Contents:	Part IA – Technical Proposal for Public Records Part II – Cost Proposal for Public Records

The Public Records submitted on the CD will be posted to the Purchasing Division website upon issuance of a Notice of Award.

It is the proposer’s responsibility to act in protection of the labeled information and agree to defend and indemnify the State of Nevada for honoring such designation.

Failure to label any information that is released by the State shall constitute a complete waiver of any and all claims for damages caused by release of said information.

8.6 CONFIDENTIALITY OF PROPOSALS

As a potential contractor of a public entity, proposers are advised that full disclosure is required by law.

Proposers are required to submit written documentation in accordance with Attachment A, Confidentiality and Certification of Indemnification demonstrating the material within the proposal marked “confidential” conforms to NRS §333.333, which states “Only specific parts of the proposal may be labeled a “trade secret” as defined in NRS §600A.030(5)”. Not conforming to these requirements will cause your proposal to be deemed non-compliant and will not be accepted by the State of Nevada.

Proposers acknowledge that material not marked as “confidential” will become public record upon contract award.

8.7 PROPOSAL PACKAGING

If the separately sealed technical and cost proposals are enclosed in a container for mailing purposes, the outermost container must fully describe the contents of the package and be clearly marked as follows:

Proposers are encouraged to utilize the copy/paste feature of word processing software to replicate these labels for ease and accuracy of proposal packaging.

Kim Perondi State of Nevada, Purchasing Division 515 E. Musser Street, Suite 300 Carson City, NV 89701	
RFP Title:	457(b) Record Keeper Services
RFP:	3119
OPENING DATE:	May 2, 2014
OPENING TIME:	2:00 PM
PROPOSER'S NAME:	

Proposals must be received at the address referenced below no later than the date and time specified in the RFP Timeline. Proposals that do not arrive by proposal opening time and date will not be accepted. Proposers may submit their proposal any time prior to the above stated deadline.

The State will not be held responsible for proposal envelopes mishandled as a result of the envelope not being properly prepared.

Email, facsimile, or telephone proposals will NOT be considered; however, at the State's discretion, the proposal may be submitted all or in part on electronic media, as requested within the RFP document. Proposal may be modified by email, facsimile, or written notice provided such notice is received prior to the opening of the proposals.

9. PROPOSAL EVALUATION AND AWARD PROCESS

9.1 The process by which proposals will be considered under this RFP consists of three (3) distinct stages.

9.1.1 First Stage – Minimum Qualifications

The first stage is a determination of whether or not the proposer meets the minimum qualifications listed in this RFP (See Section 5). If a proposer is determined to not meet any one of the minimum qualifications listed, the proposal in its entirety will not be considered for contract.

9.1.2 **Second Stage** - Scoring

Proposals which meet the Minimum Qualifications shall be consistently evaluated and scored in accordance with NRS 333.335(3) based upon the following criteria:

9.1.2.1 Experience and Financial Stability

9.1.2.2 Record Keeping / Administration

Including, but not limited to:

Client Service/Quality Assurance, Record Keeping/Administration, Reporting, Custodial Trustee Services, Plan Implementation, Systems Capabilities and Hardware.

9.1.2.3 Participant Services

Including, but not limited to:

Communication and Education, Customer Service Call Center, Field Service Representatives, Investment Advisory Services, and Internet Services

9.1.2.4 Overall Response

Including, but not limited to:

Compliance to the RFP and Exceptions

9.1.2.5 Stable Value

9.1.2.6 Cost Structure / Vendor Fee

9.1.3 **Third Stage** - Presentations

9.1.3.1 Pursuant to NAC 333.165, the evaluation committee will select a “short list” of the highest scoring proposers to an in-person interview and discussion of their proposals. Each proposer shall be accorded a fair and equal opportunity to clarify proposal information and submit a best and final offer.

9.2 Proposals shall be kept confidential until a contract is awarded.

9.3 The evaluation committee may also contact the references provided in response to the Section identified as Company Background and References; contact any proposer to clarify any response; contact any current users of a proposer’s services; solicit information from any available source concerning any aspect of a proposal; and seek and review any other information deemed pertinent to the evaluation process. The evaluation committee shall not be obligated to accept the lowest priced proposal, but shall make an award in the best interests of the State of Nevada per NRS 333.335(5).

9.4 Each proposer must include in its proposal a complete disclosure of any alleged significant prior or ongoing contract failures, contract breaches, any civil or criminal litigation or investigations pending which involves the proposer or in which the proposer has been judged guilty or liable. Failure to comply with the terms of this provision may disqualify any proposal. The State reserves the right to reject any proposal based upon the proposer’s prior history with the State or with any other party, which documents, without limitation,

unsatisfactory performance, adversarial or contentious demeanor, significant failure(s) to meet contract milestones or other contractual failures. See generally, NRS 333.335.

- 9.5** Clarification discussions may, at the State's sole option, be conducted with proposers who submit proposals determined to be acceptable and competitive per NAC 333.165. Proposers shall be accorded fair and equal treatment with respect to any opportunity for discussion and/or written revisions of proposals. Such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing proposers. Any modifications made to the original proposal during the best and final negotiations will be included as part of the contract.
- 9.6** A Notification of Intent to Award shall be issued in accordance with NAC 333.170. Any award is contingent upon the successful negotiation of final contract terms and upon approval of the NDC and the Board of Examiners. Negotiations shall be confidential and not subject to disclosure to competing proposers unless and until an agreement is reached. If contract negotiations cannot be concluded successfully, the State upon written notice to all proposers may negotiate a contract with the next highest scoring proposer or withdraw the RFP.
- 9.7** Any contract resulting from this RFP shall not be effective unless and until approved by the Nevada State Board of Examiners (NRS 333.700).

10. TERMS AND CONDITIONS

- 10.1** If proposers have any exceptions and/or assumptions to any of the terms and conditions in this RFP, they **MUST** identify in detail their exceptions and/or assumptions on Attachment C, Technical Proposal Certification of Compliance or Attachment F, Cost Proposal Certification of Compliance. In order for any exceptions and/or assumptions to be considered they **MUST** be documented in the attachments. The State will not accept additional exceptions and/or assumptions if submitted after the proposal submission deadline.
- 10.2** This procurement is being conducted in accordance with NRS Chapter 333 and NAC Chapter 333.
- 10.3** The State reserves the right to alter, amend, or modify any provisions of this RFP, or to withdraw this RFP, at any time prior to the award of a contract pursuant hereto, if it is in the best interest of the State to do so.
- 10.4** The State reserves the right to waive informalities and minor irregularities in proposals received.
- 10.5** Any proposer who believes proposal requirements or specifications are unnecessarily restrictive or limit competition may submit a request for administrative review, in writing, to the Purchasing Division. To be considered, a request for review must be received no later than the deadline for submission of questions. The Purchasing Division shall promptly respond in writing to each written review request, and where appropriate, issue all revisions, substitutions or clarifications through a written amendment to the RFP. Administrative

review of technical or contractual requirements shall include the reason for the request, supported by factual information, and any proposed changes to the requirements.

- 10.6** For ease of responding to the RFP, proposers are encouraged to download the RFP from the Purchasing Division's website at <http://purchasing.state.nv.us>.
- 10.7** The failure to separately package and clearly mark Part I B – which contains confidential information, trade secrets and/or proprietary information, shall constitute a complete waiver of any and all claims for damages caused by release of the information by the State.
- 10.8** Proposals must include any and all proposed terms and conditions, including, without limitation, written warranties, maintenance/service agreements, license agreements and lease purchase agreements. The omission of these documents renders a proposal non-responsive.
- 10.9** The State reserves the right to reject any or all proposals received prior to contract award (NRS 333.350).
- 10.10** The State shall not be obligated to accept the lowest priced proposal, but will make an award in the best interests of the State of Nevada after all factors have been evaluated (NRS 333.335).
- 10.11** Any irregularities or lack of clarity in the RFP should be brought to the Purchasing Division designee's attention as soon as possible so that corrective addenda may be furnished to prospective proposers.
- 10.12** A description of how any and all services and/or equipment will be used to meet the requirements of this RFP shall be given, in detail, along with any additional informational documents that are appropriately marked.
- 10.13** Alterations, modifications or variations to a proposal may not be considered unless authorized by the RFP or by addendum or amendment.
- 10.14** Proposals which appear unrealistic in the terms of technical commitments, lack of technical competence, or are indicative of failure to comprehend the complexity and risk of this contract, may be rejected.
- 10.15** Proposals from employees of the State of Nevada will be considered in as much as they do not conflict with the State Administrative Manual, NRS Chapter 281 and NRS Chapter 284.
- 10.16** Proposals may be withdrawn by written or facsimile notice received prior to the proposal opening time. Withdrawals received after the proposal opening time will not be considered except as authorized by NRS 333.350(3).
- 10.17** Prices offered by proposers in their proposals are an irrevocable offer for the term of the contract and any contract extensions. The awarded Record Keeper agrees to provide the purchased services at the costs, rates and fees as set forth in their proposal in response to this RFP. No other costs, rates or fees shall be payable to the awarded Record Keeper for implementation of their proposal.

- 10.18** The State is not liable for any costs incurred by proposers prior to entering into a formal contract. Costs of developing the proposal or any other such expenses incurred by the proposer in responding to the RFP, are entirely the responsibility of the proposer, and shall not be reimbursed in any manner by the State.
- 10.19** Proposals submitted per proposal submission requirements become the property of the State, selection or rejection does not affect this right; proposals will be returned only at the State's option and at the proposer's request and expense. The masters of the technical proposal, confidential technical proposal, cost proposal and confidential financial information of each response shall be retained for official files.
- 10.20** The Nevada Attorney General will not render any type of legal opinion regarding this transaction.
- 10.21** Any unsuccessful proposer may file an appeal in strict compliance with NRS 333.370 and Chapter 333 of the Nevada Administrative Code.
- 10.22** The awarded Record Keeper will be the sole point of contract responsibility. The State will look solely to the awarded Record Keeper for the performance of all contractual obligations which may result from an award based on this RFP, and the awarded Record Keeper shall not be relieved for the non-performance of any or all subcontractors.
- 10.23** The awarded Record Keeper must maintain, for the duration of its contract, insurance coverages as set forth in the Insurance Schedule of the contract form appended to this RFP. Work on the contract shall not begin until after the awarded Record Keeper has submitted acceptable evidence of the required insurance coverages. Failure to maintain any required insurance coverage or acceptable alternative method of insurance will be deemed a breach of contract.
- 10.24** The State will not be liable for Federal, State, or Local excise taxes per NRS 372.325.
- 10.25** The State reserves the right to negotiate final contract terms with any proposer selected per NAC 333.170. The contract between the parties will consist of the RFP together with any modifications thereto, and the awarded Record Keeper's proposal, together with any modifications and clarifications thereto that are submitted at the request of the State during the evaluation and negotiation process. In the event of any conflict or contradiction between or among these documents, the documents shall control in the following order of precedence: the final executed contract, any modifications and clarifications to the awarded Record Keeper's proposal, the RFP, and the awarded Record Keeper's proposal. Specific exceptions to this general rule may be noted in the final executed contract.
- 10.26** Any person who requests or receives a Federal contract, grant, loan or cooperative agreement shall file with the using agency a certification that the person making the declaration has not made, and will not make, any payment prohibited by subsection (a) of 31 U.S.C. 1352.
- 10.27** Pursuant to NRS Chapter 613 in connection with the performance of work under this contract, the contractor agrees not to unlawfully discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, sexual orientation or age, including, without limitation, with regard to employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of

pay or other forms of compensation, and selection for training, including, without limitation apprenticeship.

- 10.28** The contractor further agrees to insert this provision in all subcontracts, hereunder, except subcontracts for standard commercial supplies or raw materials.

11. SUBMISSION CHECKLIST

This checklist is provided for proposer's convenience only and identifies documents that must be submitted with each package in order to be considered responsive. Any proposals received without these requisite documents may be deemed non-responsive and not considered for contract award. Refer to Section 8.

Part I A– Technical Proposal Submission Requirements		Completed
Required number of Technical Proposals per submission requirements		
Tab I	Title Page	
Tab II	Table of Contents	
Tab III	Proposer Information Sheet	
Tab IV	State Documents – Attachments A & B	
Tab V	Attachment C – Technical Proposal Certification of Compliance with Terms and Conditions of RFP	
Tab VI	Attachment D - Questionnaire	
Tab VII	Attachment E – Business References	
Tab VIII	Other Information Material	
Part I B – Confidential Technical Submission Requirements		
Required number of Confidential Technical Proposals per submission requirements		
Tab I	Title Page	
Tab II	Confidential information redacted from and cross referenced to the Technical Proposal	
Part II – Cost Proposal Submission Requirements		
Required number of Cost Proposals per submission requirements		
Tab I	Title Page	
Tab II	Attachment F - Cost Proposal Certification of Compliance with Terms and Conditions of RFP	
Tab III	Attachment G – Cost Proposal	
CDs Required		
One (1)	Public Records CD with the Technical (Part I A only) and Cost (Part II) proposal contents in pdf format	
Reference Questionnaire Reminders		
Send out Reference Forms for Proposer (with Part A completed)		
Send out Reference Forms for proposed Subcontractors (with Part A and Part B completed, if applicable)		

PROPOSER INFORMATION SHEET FOR RFP 3119

Proposer Must:

- A) Provide all requested information in the space provided next to each numbered question. The information provided in Sections V1 through V6 will be used for development of the contract;
- B) Type or print responses; and
- C) Include this Proposer Information Sheet in Tab III of the Technical Proposal.

V1	Company Name	
----	--------------	--

V2	Street Address	
----	----------------	--

V3	City, State, ZIP	
----	------------------	--

V4	Telephone Number		
	Area Code:	Number:	Extension:

V5	Facsimile Number		
	Area Code:	Number:	Extension:

V6	Toll Free Number		
	Area Code:	Number:	Extension:

V7	<i>Contact Person for Questions / Contract Negotiations, including address if different than above</i>		
	Name:		
	Title:		
	Address:		
	Email Address:		

V8	Telephone Number for Contact Person		
	Area Code:	Number:	Extension:

V9	Facsimile Number for Contact Person		
	Area Code:	Number:	Extension:

V10	<i>Name of Individual Authorized to Bind the Organization</i>	
	Name:	Title:

V11	<i>Signature (Individual must be legally authorized to bind the proposer per NRS 333.337)</i>	
	Signature:	Date:

ATTACHMENT A – CONFIDENTIALITY AND CERTIFICATION OF INDEMNIFICATION

Submitted proposals, which are marked “confidential” in their entirety, or those in which a significant portion of the submitted proposal is marked “confidential” **will not** be accepted by the State of Nevada. Pursuant to NRS 333.333, only specific parts of the proposal may be labeled a “trade secret” as defined in NRS 600A.030(5). All proposals are confidential until the contract is awarded; at which time, both successful and unsuccessful proposers’ technical and cost proposals become public information.

In accordance with the Submittal Instructions of this RFP, proposers are requested to submit confidential information in separate binders marked “**Part I B Confidential Technical**”.

The State will not be responsible for any information contained within the proposal. Should proposers not comply with the labeling and packing requirements, proposals will be released as submitted. In the event a governing board acts as the final authority, there may be public discussion regarding the submitted proposals that will be in an open meeting format, the proposals will remain confidential.

By signing below, I understand it is my responsibility as the proposer to act in protection of the labeled information and agree to defend and indemnify the State of Nevada for honoring such designation. I duly realize failure to so act will constitute a complete waiver and all submitted information will become public information; additionally, failure to label any information that is released by the State shall constitute a complete waiver of any and all claims for damages caused by the release of the information.

This proposal contains Confidential Information, Trade Secrets and/or Proprietary information as defined in *Section 3 “ACRONYMS/DEFINITIONS.”*

Please initial the appropriate response in the boxes below and provide the justification for confidential status.

Part I B – Confidential Technical Information			
YES		NO	
Justification for Confidential Status			

A Public Records CD has been included for the Technical and Cost Proposal			
YES		NO	

Company Name

Signature

Print Name

Date

ATTACHMENT B – PROPOSER CERTIFICATIONS

Proposer agrees and will comply with the following:

- (1) Any and all prices that may be charged under the terms of the contract do not and will not violate any existing federal, State or municipal laws or regulations concerning discrimination and/or price fixing. The proposer agrees to indemnify, exonerate and hold the State harmless from liability for any such violation now and throughout the term of the contract.
- (2) All proposed capabilities can be demonstrated by the proposer.
- (3) The price(s) and amount of this proposal have been arrived at independently and without consultation, communication, agreement or disclosure with or to any other contractor, proposer or potential proposer.
- (4) All proposal terms, including prices, will remain in effect for a minimum of 180 days after the proposal due date. In the case of the awarded Record Keeper, all proposal terms, including prices, will remain in effect throughout the contract negotiation process.
- (5) No attempt has been made at any time to induce any firm or person to refrain from proposing or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal. All proposals must be made in good faith and without collusion.
- (6) All conditions and provisions of this RFP are deemed to be accepted by the proposer and incorporated by reference in the proposal, except such conditions and provisions that the proposer expressly excludes in the proposal. Any exclusion must be in writing and included in the proposal at the time of submission.
- (7) Each proposer must disclose any existing or potential conflict of interest relative to the performance of the contractual services resulting from this RFP. Any such relationship that might be perceived or represented as a conflict should be disclosed. By submitting a proposal in response to this RFP, proposers affirm that they have not given, nor intend to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant or any employee or representative of same, in connection with this procurement. Any attempt to intentionally or unintentionally conceal or obfuscate a conflict of interest will automatically result in the disqualification of a proposer's proposal. An award will not be made where a conflict of interest exists. The State will determine whether a conflict of interest exists and whether it may reflect negatively on the State's selection of a Record Keeper. The State reserves the right to disqualify any proposer on the grounds of actual or apparent conflict of interest.
- (8) All employees assigned to the project are authorized to work in this country and licensed to do business in Nevada.
- (9) The company has a written equal opportunity policy that does not discriminate in employment practices with regard to race, color, national origin, physical condition, creed, religion, age, sex, marital status, sexual orientation, developmental disability or handicap.
- (10) The company has a written policy regarding compliance for maintaining a drug-free workplace.
- (11) Proposer understands and acknowledges that the representations within their proposal are material and important, and will be relied on by the State in evaluation of the proposal. Any proposer misrepresentations shall be treated as fraudulent concealment from the State of the true facts relating to the proposal.
- (12) Proposer must certify that any and all subcontractors comply with Sections 7, 8, 9, and 10, above.
- (13) The proposal must be signed by the individual(s) legally authorized to bind the proposer per NRS 333.337.

Proposer Company Name

Proposer Signature

Print Name

Date

ATTACHMENT C - TECHNICAL PROPOSAL CERTIFICATION OF COMPLIANCE WITH TERMS AND CONDITIONS OF RFP

I have read, understand and agree to comply with ***all*** the terms and conditions specified in this Request for Proposal.

YES _____ I agree to comply with the terms and conditions specified in this RFP.

NO _____ I do not agree to comply with the terms and conditions specified in this RFP.

If the exception and/or assumption require a change in the terms in any section of the RFP, the contract, or any incorporated documents, proposers ***must*** provide the specific language that is being proposed in the tables below. If proposers do not specify in detail any exceptions and/or assumptions at time of proposal submission, the State will not consider any additional exceptions and/or assumptions during negotiations.

Company Name

Signature

Print Name

Date

Proposers MUST use the following format. Attach additional sheets if necessary.

EXCEPTION SUMMARY FORM

EXCEPTION #	RFP SECTION NUMBER	RFP PAGE NUMBER	EXCEPTION (Complete detail regarding exceptions must be identified)

ASSUMPTION SUMMARY FORM

ASSUMPTION #	RFP SECTION NUMBER	RFP PAGE NUMBER	ASSUMPTION (Complete detail regarding assumptions must be identified)

ATTACHMENT D - QUESTIONNAIRE

A. Organization and History

1. Provide a company profile in the table format below.

Question	Response
Company name:	
Ownership (sole proprietor, partnership, etc.):	
State of incorporation:	
Date of incorporation:	
# of years in deferred compensation market:	
# of years in 457 market	
# of years active in public sector deferred compensation plans	
Relationships with other entities relevant to the subject matter of this RFP	
List of top officers:	
Location of company headquarters:	
Location(s) of the company offices:	
Location(s) of the office that will provide the services described in this RFP:	
Number of employees living within state regions with the expertise to support the requirements identified in this RFP:	
Number of employees nationally with the expertise to support the requirements in this RFP:	
Location(s) from which employees will be assigned for this project:	

2. Provide the following information:
- Total assets under administration
 - Total defined contribution assets under administration
 - Total deferred compensation assets under administration
 - Total public deferred compensation assets under administration
 - Total 457 deferred compensation assets under administration
3. What are your client retention statistics for each of the last three years for deferred compensation plans?
4. For those who left, what percentage left due to issues pertaining to services provided by your organization?
5. What is the average client relationship duration?
6. How many 457 deferred compensation clients have you gained in the last three years?
How many have you lost?

7. List the number and total 457 deferred compensation assets that you currently administer in the following categories of 457 plans:

Number of Participants	Plans		Assets	
	Number	Percent	Amount	Percent
Under 5,000				
5,001 – 10,000				
10,001 – 20,000				
20,001-30,000				
Over 30,000				
Total				

8. What is the total number of participants in all defined contribution plans currently being administered by your organization?
9. What is the total number of participants in all public deferred compensation plans currently being administered by your organization?
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 record keeping division?
11. Are there 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) before January 1, 2015? If so, please describe.
12. Please describe all outsourcing arrangements and any contemplated outsourcing arrangements that will be used by you to deliver any of the services you will be providing to the State.

B. Client Service/Quality Assurance

1. How many of your employees work on defined contribution plans? How many specifically work on 457 deferred compensation plans? Provide a breakdown of the number of full-time equivalent employees working on defined contribution plans as indicated in the chart below:

Management	
Call Center Mgmt / Supervisors	
Customer Service Reps	
Field Reps	
Systems Management	
Systems Staff: Development & Operating / Maintenance	
Other	

2. What is the average tenure (in years) of the following positions?
 - Plan Administrator
 - Client Relationship Manager
 - Field Service Representatives
 - Conversion Project Manager
 - 800 Customer Service Center Representatives
3. Describe the team and where they would be located that would deal directly with the State on an ongoing basis. Indicate staff size, experience, and turnover rates. In addition, provide a resume for each individual stating the individual's education and work experience.
4. Will you need to add local or onsite employees in order to provide the required services to this plan? If so, state the number of additional staff required, by job title and function.
5. What is the average number of account relationships for each member of the proposed service team? What is the current number of account relationships for the entire team proposed for this account?
6. What location(s) would provide the services described in this RFP?
7. Briefly describe the training program and licensing requirements for your field service representatives. What are the licensing requirements?
8. Briefly describe the training program and licensing requirements for your 800 customer service representatives. What are the licensing requirements?
9. Do you provide training to the State's benefit and payroll staff (Yes/No)? List some of the common topics/issues.
10. Complete the following chart on service standards and turnaround time and any associated guarantees:

Transaction	Turnaround Time	Penalty (\$) for Not Meeting Standard
Issuance of Participant Statements		
Transaction Confirmation Statements		
Hard Copy Plan Level Administrative Reports (hard copies)		
Processing Payroll Contributions		
Processing New Loans		
Hardship/Unforeseen Emergency Withdrawals		
Termination/Rollovers/Direct Transfers for Distribution		
Fund Balance Transfers		
Investment Election Requests		
Contribution Percentage Elections/ Changes		
QDRO Processing		

11. How frequently do you conduct client and participant satisfaction surveys regarding the quality and performance of your deferred compensation services?
12. When was the date of your last client/participant satisfaction survey? Describe the results.

C. Record Keeping/Administration

1. What portion of your organization's expenses is related to record keeping and system technology development?
2. Do you provide an administrative or procedures manual that includes a timeline of critical dates, roles, and responsibilities (Yes/No)?
3. Will copies of your administrative forms used by plan participants to request transactions be customized (Yes/No). Briefly describe the level of customization.
4. Describe how your payroll contribution reports identify participants contributing up to the current maximum contribution and identify participants in catch-up status.
5. Describe the turn-around time and method for notifying the State when employees reach their contribution limits.
6. Are you able to fully qualify and process unforeseeable emergency withdrawal requests along with first-level appeals (Yes/No)?
7. For systematic payment distributions, is payment made on a pro rata basis or can a participant elect systematic payment from specific fund(s)?
8. For distributions, does your system withhold Federal tax and if applicable, State tax? (Yes/No)
9. Describe your process for searching for missing participants and participants who have not cashed their distribution payment checks.
10. Are you able to qualify and process Qualified Domestic Relations Orders with the attorneys representing the parties? Indicate any role the State will be required to play.
11. Describe the process you use to track and maintain employee beneficiary data.
12. How much historical plan information do you maintain on participants? List the type of information available. How much information is immediately available?
13. Does your record keeping system maintain and update beneficiary data? (Yes/No)
Will this information be converted during the implementation? (Yes/No)

14. Confirm that you have no exceptions related to the State's current procedure for processing payroll contributions including the acceptance of data from the individual political sub divisions.
15. Do you have the ability to process auto enrollments? (Yes/No) How many of your current 457 plan clients have implemented auto enrollment?

D. Regulatory/Compliance Service

1. Describe how you monitor §401(a) (9) required minimum distributions including:
 - Identification of individuals
 - Determination of the amount of the minimum required payment
 - Payment within required deadlines.
2. Describe your capabilities and time frames for monitoring maximum deferral limits and the catch-up provisions.
3. As part of your service, do you provide an annual benefits file, containing financial and non-financial data by participant? (Yes/No)
4. Provide a current SAS70 audit of your record keeping system, or any other audit you have performed. Who completes the audit and how frequently?
5. What resources do you have to obtain legal opinions, interpretations of laws, regulations, and other matters on issues pertaining to deferred compensation plans?
6. Acknowledge and describe in detail your fiduciary responsibility with respect to the Plan.
7. How do you ensure that your record keeping system is in compliance with all applicable federal and state statutes, rules and regulations, the State plan document, and the contract?
8. Should the State wish to comply with 408(b)(2) and 404(a)(5) regulations, will you provide 408(b)(2) disclosures to the State and 404(a)(5) disclosures to participants? (Yes/No) If yes, is there an additional cost?

E. Reporting

1. Describe the standard reporting package that you would provide the NDC during its quarterly meetings (provide samples).
2. Will the State be able to generate these reports and publish them on-line? (Yes/No) Are ad-hoc plan level reports available? (Yes/No)
3. What is the standard timeframe for providing each plan sponsor report after the reporting period ends including for providing quarterly investment assets reports?
4. List the types of demographic participant data will you be able to provide.

5. Describe your standard participant statements and documents (provide samples).
6. What time periods are illustrated for a participant's personalized rate-of-return?
7. Describe your customization capabilities for participant statements.
8. How much space is there for customized messages from the State on your quarterly participant statement? Is there an additional cost?
9. Can you include other printed information, prepared by the State, with the mailing of statements to participants? (Yes/No) If so, please verify that this service is available at no additional cost.
10. Can statements be provided to participants on an on-demand basis? (Yes/No)
11. Are fees disclosed to plan participants on the quarterly statements? (Yes/No) What additional fee disclosure, if any, do you provide?

F. Loans

1. The State may add a loan feature to the plan. Are you fully capable of administering participant loans? (Yes/No)
2. When a loan is taken, can a participant elect that the proceeds come from a specific investment option or must they be taken pro-rata?
3. Describe the flexibility in your loan repayment processing (i.e., additional payments, missed payments, etc.).
4. List the different methods you are able to utilize for loan repayments.
5. Are able to handle multiple loans? (Yes/No)
6. How do you handle delinquent and/or defaulted loans?
7. Describe any other features and/or limitations of the loan system not detailed above (i.e., loan modeling, amortization scheduling, etc.).

G. Custodial Trustee Services

1. For the custody/trustee services you propose, what is the name of the trust company and the total number of years that they have been in operation?
2. Are there any restrictions by investment type that pertain to your custodial services? (Yes/No) If yes, what?
3. Confirm that you will trustee outside investment funds.
4. Do you have a limit on the number of checks/wires available to participants who rollover their distributions or take installments? (Yes/No)

5. Do you have an electronic link with the investment managers for updating participants' accounts on the record keeping system? (Yes/No)
6. Will the State be required to execute a custodial agreement with your custodial trustee or will it be part of the contract with the State?

H. Plan Implementation

1. Explain your implementation/conversion process including timeframe, based upon a January 1, 2015 conversion.
2. By what date would you need authority to proceed to accommodate a January 1, 2015 asset and record keeping transfer?
3. What involvement will be required from the State during the implementation process?
4. How are investments handled during the conversion process? How are distributions handled to accommodate the continuity of payments to retirees during the conversion period?
5. Describe your procedures during the conversion period to communicate with the State's non-active employees (i.e. retirees and terminated employees with value in the Plan).
6. What is the standard length of your blackout period?
7. What assurances/guarantees do you provide to the State with respect to a timely implementation?
8. Identify comparable plan conversions in which you have been involved. How many conversions and plan implementations has your company conducted during the past two years involving 10,000 employees or more and how many involving 20,000 employees or more?

I. Systems Capabilities and Hardware

1. What application do you use to record keep and administer defined contribution 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 with respect to laws, regulations, and client needs?
3. How long have you used these systems for record keeping?
4. Are you planning any major change in the software or hardware supporting your record keeping 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. Where is your main data processing center located? Where is your back-up center located?
7. How often is data backed-up?
8. Describe any system outages within the last three years and how have they been handled.
9. Has any liability resulted from these outages, and are there any pending claims related to these outages?
10. Describe in detail your procedures and safeguards used to guarantee:
 - Security for your hardware and facility
 - Authorized access to data
 - Confidentiality of data
 - Security for any hard copy of plan-related data or documents
11. Are your record keeping and trust systems fully integrated?

J. Participant Services/Automated Voice Response System (VRS)

1. Are there any transactions that cannot be processed through the voice response system (i.e., PIN changes, address changes, etc.)?
2. Is the VRS fully capable of generating all the necessary administrative forms to handle enrollments, changes in investment elections, transfers between investments, unforeseeable emergencies, terminations, and beneficiary distribution requests?
3. How quickly is the VRS updated after transactions are performed?
4. Does your VRS capture and retain information regarding the confirmation of a transaction request? (Yes/No)
5. In the situation whereby a participant calls the VRS but does not properly complete the transaction, do you retain a record that a call was placed but the transaction was not properly executed? (Yes/No) Is there any follow-up with the participant? (Yes/No)
6. Can participants request contribution deduction changes through the VRS? (Yes/No) Can you provide an automated feed back to the State to update their payroll records and contribution changes? (Yes/No)
7. Does your VRS accommodate non-English speaking participants? (Yes/No)
8. Does the VRS accommodate the hearing/speech impaired participants? (Yes/No)
9. Describe how data is secured within the system (i.e., PIN, audit trail, confirmations).

10. 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.

K. 1-800 Customer Service Center

1. What are the standard hours of operation of your customer service center?
2. Where is your customer service center located?
3. Where is your back-up customer service center?
4. List the types of information customer service representatives (CSRs) will be able to provide to the participants.
5. Are there any transactions that cannot be processed through the customer service center?
6. Can employees enroll in the Plans through the customer service center?
7. Can participants change their PIN through a CSR? 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?
8. Describe how data is secured within the system (i.e., PIN, audit trail, confirmations).
9. Do CSRs back up your Internet site? (Yes/No) If so, how are they accessible during an active Internet session?
10. Is there any required licensing for the CSRs in addition to your training program?
11. Are CSR's employees of your company or are they outside contractors?
12. What is the average tenure of a CSR agent?
13. How many total CSR agents does your call center(s) employ on a year-round basis?
- 14.
15. Do you dedicate CSR's to specific accounts? (Yes/No) If yes, how do you determine the number to dedicate and how many would be dedicated to the State?
16. Do you monitor participant calls for quality control? (Yes/No)
17. How long do you maintain the records of conversations?
18. With respect to complaints, what is the follow-up procedure for complaints about CSRs?

L. Internet Services

1. Provide an Internet address and instructions on how to access a demonstration of your Internet capabilities for both the participant and plan sponsor.
2. Describe your participant website capabilities.
3. Specify any transactions that cannot be completed via your Internet site.
4. Do you have a mobile app or mobile optimized website? (Yes/No)
5. What communication materials or tools do you offer the plan participant via the Internet?
6. Do you offer an automated enrollment process through the Internet? (Yes/No)
7. Can participants' e-mail account-specific questions via the Internet site? (Yes/No) If yes, who receives the e-mail, researches the issue, and responds? What is the turnaround time?
8. Does your Internet site have the ability to download participant account information software programs (i.e. Microsoft Money, Quicken, etc.)? (Yes/No) If yes, which programs?
9. Do you track Internet site hits? If yes, describe what is tracked and the standard reports the State will receive.
10. Describe the security through which a participant passes to use your Internet system. What firewalls do you have in place for your Internet services?
11. What improvements to your Internet capabilities are planned to occur in the next two to three years?
12. Are the VRS, Internet, and Customer Service Center's workstation all linked to the same record keeping database? (Yes/No)
13. Describe any online capabilities that your system provides for plan sponsor access.

M. Communication and Education

1. How long have you been providing communication services to the public sector?
2. Describe separately your initial and on-going communication and education program (including printed material, visits, training, etc.). These programs should be customized specifically to the State.
3. Provide samples of initial enrollment and on-going communication and education materials.

4. Describe the services you offer in the enrollment process. Please be sure to include such items as monitoring, contacting, communicating with, and tracking enrollment of new hires. Will you maintain and control the inventory of all related enrollment materials that are to be included in the enrollment kits? (Yes/No)
5. Describe the communication and education process that you provide for non-active participants with balances in the Plan (i.e. retirees and terminated employees).
6. Will you provide participants with onsite, group education and retirement planning sessions or financial/pre-retirement seminars on an on-going basis? (Yes/No). If yes, please list the titles of the subjects that are covered in your program. No description necessary.
7. Do you offer any retirement planning software for participants, made available at no additional charge? (Yes/No)
8. Do you offer video or web-based educational programs to participants and retirees? (Yes/No) If yes, please list the classes/courses currently available. No description necessary.
9. Do you provide information to Plan participants regarding options on distributions? (Yes/No) Describe any services or programs you provide for participants, both retirees and terminated, leaving the Plans.
10. Describe the State's role in the communication, education, and enrollment process.
11. To what extent can the Commission customize communication and investment education materials (e.g., plan name, logos)? Please state if there would be additional charges for customizing or editing these communication materials.
12. Can you assist participants who elect to transfer their 457 account assets to purchase service credits? (Yes/No)
13. Describe the marketing plan you will implement to increase participation by local governments who are eligible to use the contract.
14. Describe your proposed strategy for coordinating and integrating plan education and communication activities and materials with those of the PERS (defined benefit) retirement system.
15. As indicated, the State prepares a quarterly newsletter entitled "Your Money Tree," which is distributed to participants and retirees. Confirm that your organization can provide this newsletter that contains participant level education topics, current trends and regulatory updates.
16. How do you measure the success of your educational programs?

N. Field Service Representatives

1. Do you currently have staff located in Nevada? If yes, where?

2. How many dedicated, onsite, full-time field service representatives are you assigning to the plan? Will they be 100% full-time dedicated representatives? (Yes/No)
3. Describe the structure of how the field service representatives would be organized to service this relationship:
 - Location
 - Staffing (including functions to be performed)
 - Standard hours of operation
4. How you would handle pre-scheduled consultations?
5. How you would handle walk-ins?
6. What is your annual cost associated for each dedicated service representative?
7. Will you need to hire any additional staff in order to service the State's account?
8. Briefly describe the credentials and related experience of local service representatives who will be assigned to the State's account.
9. Will the State's representatives be responsible for any additional accounts? (Yes/No) If yes, how many?
10. Will the representatives assigned to the State's Plans be employees of your firm?
11. Detail the compensation structure for the local representative. Be sure to include an explanation of how any bonuses and incentives are determined.
12. Are local representatives incentivized in any way to solicit outside products that are not directly associated with the State's Plans?
13. 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?
14. Do you offer specific investment advice to participants on an in-person basis other than through the on-line advice provider? (Yes/No) If yes, please describe.
15. How will these discussions be handled (e.g., in person, via telephone)?
16. 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.

O. Investment Advisory Services

1. Describe your investment advisory services (i.e., Morningstar ClearFuture, Financial Engines, Managed Accounts, etc.).
2. Describe your due diligence process for selecting the partner and what services are provided.
3. 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?
4. Describe the difference between your Internet investment education tools and software and your investment advisory services.
5. Does your investment advisory service produce asset allocation recommendations or recommendations of specific funds? (Yes/No)
6. Does your investment advisory service include savings rate recommendations? (Yes/No)
7. Does your investment advisory service take into account a participant's assets outside of the State's Plan? (Yes/No) If so, list what assets.
8. Describe the generally accepted investment theories that form the basis for your advice model.
9. What is disclosed to participants regarding your fiduciary role and the provider's fiduciary role with respect to these investment advisory services?
10. How many of your existing clients have subscribed to this investment advisory service?
11. Will the State be required to execute a separate contract with your investment advisory provider or it be part of your contract with the State?

P. Self-Directed Brokerage Services

1. Confirm that you will be able to provide an in-kind brokerage transfer of existing self-directed brokerage account assets.
2. Fully describe the Self-Directed Brokerage option features and program design requirements.
3. Does your self-directed brokerage account require any minimum balance? What happens if minimum balances are not maintained?.
4. Can your brokerage account restrict a participant from investments that are ordinarily not permitted in trustee retirement plans or a part of a "restricted list" established by

the plan sponsor (e.g., no precious metals, futures, margin trading, options, commodities, collectibles, short sales, real estate, etc.)?

5. Describe the procedure you will use in monitoring and enforcing the limitations that are currently in place, such as investment in mutual funds only and maintaining a minimum percent of account balance outside the self-directed brokerage option.
6. Describe the rules for transferring from the core options into the brokerage accounts and vice-versa. Are there any restrictions with respect to the transfer of balances between your core defined contribution investment alliance funds and the self-directed brokerage account?
7. During what hours of the day are client service brokerage representatives available to respond to participant trading questions and inquiries?
8. Do participants receive a detailed account summary of all assets held in the brokerage account? When? How often?
9. What information from the self-directed brokerage account is reflected and reported on the core participant quarterly statement? Are quarterly plan-level reports provided to the plan sponsor?
10. Will the State be required to execute a separate contract for self-directed brokerage accounts or will it be part of your contract with the State?

Q. Trading Restrictions/Market Timing

1. Has the firm been subpoenaed by regulators with regard to the firm's trading practices? If yes, by whom and when?
2. Has the firm been fined by regulators to pay a settlement(s) regarding market-timing and/or after-hours trading? If yes, please provide the settlement amount(s).
3. If your firm has been fined by regulators, what was done to monitor that market-timing and/or after-hours trading does not occur in the future?
4. Has the firm conducted an internal review to determine if excessive market timing and/or after-hours trading have occurred in the funds? If yes, what was the outcome of the internal review?

R. Investment Management

1. List the stable value products available on your platform.
2. Do you offer both separate account products and a general account product? (Yes/No)
3. Of the two Stable Value product types, separate account / general account, what product do you recommend for the State and why?

4. Can your Stable Value products be filed as an annuity contract and as a funding agreement with the State of Nevada Department of Insurance?
5. Complete the tables below for **General Account** as of December 31, 2013

Manager				
Vehicle Type				
Fund Name				
Fund Inception				
Fund Assets (\$mn)				
Total Firm Stable Value Assets (\$mn)				
Effective Duration				
Market-to-Book Value Ratio				
Net Interest Rate for contract year 2015	2015			
Minimum Crediting Rate each contract years	2016	2017	2018	2019
Recommended Benchmark				
Crediting Rate Reset Frequency				
Benchmark for Underlying Portfolio				
Book Value Structure	% of allocation			
Liquidity Buffer				
Wrap Providers (<i>please list below</i>)				
Total	100%			

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	

Exit Provisions (fully describe all contract discontinuance features)	

6. Complete the tables below for **Separate Account** as of December 31, 2013

Manager				
Vehicle Type				
Fund Name				
Fund Inception				
Fund Assets (\$mn)				
Total Firm Stable Value Assets (\$mn)				
Effective Duration				
Market-to-Book Value Ratio				
Net Interest Rate for contract year 2015	2015			
Minimum Crediting Rate each contract years	2016	2017	2018	2019
Recommended Benchmark				
Crediting Rate Reset Frequency				
Benchmark for Underlying Portfolio				
Book Value Structure	% of allocation			
Liquidity Buffer				
Wrap Providers (please list below)				
Total	100%			

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	

Exit Provisions (fully describe all contract discontinuance features)	

7. Are there fees associated with Stable Value products? (Yes/No)
(All fees are to be included in the cost proposal.)
8. Is wrap capacity contingent on affiliated investment management? (Yes/No)
9. Do you anticipate any changes in wrap fees that would impact the total expense ratio? (Yes/No) If yes, what is the expected impact?
10. Provide the total stable value assets under management and the inception dates of your proposed product.
11. Provide returns as of December 31, 2013 for both the proposed product and the general account (if it is not the proposed product).

*Returns should be gross of investment management fees; net of wrap/sub advisor/other

*Periods greater than 1-year should be annualized

12. Provide your most recent ratings from A.M. Best, Moody's, and S&P.
13. If you are an insurance organization what is your risk based capital RBC ratio?
14. Describe your process for managing the book to market value differential at the time of each new rate reset. How involved, if at all, will the NDC be in this process. For your General Account product will you provide periodic information to monitor the differential?
15. Fully describe the discontinuance options at the Plan Sponsor level at the end of the contract term, indicate if the following will apply, mva adjustment formula ,if so will a two way formula apply for positive position, 12 month Put notification, full book value distribution, installment payments, and in kind transfer of securities.
16. Will the FICA Alternative Plans receive the same interest rates and minimum 3-Mo. guarantees to that of the 457 Plan ? 5-Yr 7-Yr 10-Yr Inception

Trailing Returns

Product

Benchmark

Annual Returns

2013 2012 2011 2010 2009 2008 2007

S. State Contracting

1. Please be advised, pursuant to NRS 80.010, a corporation organized pursuant to the laws of another state must register with the State of Nevada, Secretary of State's Office as a foreign corporation before a contract can be executed between the State of Nevada and the awarded Record Keeper, unless specifically exempted by NRS 80.015.
2. The selected Record Keeper, prior to doing business in the State of Nevada, must be appropriately licensed by the State of Nevada, Secretary of State's Office pursuant to NRS 76. Information regarding the Nevada Business License can be located at <http://sos.state.nv.us>.

Nevada Business License Number:	
Legal Entity Name:	

3. Is "Legal Entity Name" the same name as Record Keeper is doing business as?

Yes		No	
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4. If "No", provide explanation.

5. Have you ever been engaged under contract by any State of Nevada agency?

Yes		No	
-----	--	----	--

6. If "Yes", complete the following table for each State agency for whom the work was performed. Table can be duplicated for each contract being identified.

Question	Response
Name of State agency:	
State agency contact name:	
Dates when services were performed:	
Type of duties performed:	
Total dollar value of the contract:	

7. Are you now or have you been within the last two (2) years an employee of the State of Nevada, or any of its agencies, departments, or divisions?

Yes		No	
-----	--	----	--

8. If "Yes", please explain when the employee is planning to render services, while on annual leave, compensatory time, or on their own time?

9. If you employ (a) any person who is a current employee of an agency of the State of Nevada, or (b) any person who has been an employee of an agency of the State of Nevada within the past two (2) years, and if such person will be performing or

producing the services which you will be contracted to provide under this contract, you must disclose the identity of each such person in your response to this RFP, and specify the services that each person will be expected to perform.

10. Has your company, or any affiliates, been a party to any litigation, investigations, or settlements during the last three years involving your defined contribution or deferred compensation record keeping and administration services? If yes, please provide: 1) the nature of the claim or action 2) the current status of the litigation and 3) any fines or settlements paid.

11. Does any of the above apply to your company?

Yes		No	
-----	--	----	--

12. If “Yes”, please provide the following information. Table can be duplicated for each issue being identified.

Question	Response	
Date of alleged contract failure or breach:		
Parties involved:		
Description of the contract failure, contract breach, or litigation, including the products or services involved:		
Amount in controversy:		
Resolution or current status of the dispute:		
If the matter has resulted in a court case:	Court	Case Number
Status of the litigation:		

T. Subcontractor Information

1. Does this proposal include the use of subcontractors?

Yes		No	
-----	--	----	--

2. If “Yes”, proposer must:

- Identify specific subcontractors and the specific requirements of this RFP for which each proposed subcontractor will perform services.

3. If any tasks are to be completed by subcontractor(s), proposers must:

- Describe the relevant contractual arrangements;
- Describe how the work of any subcontractor(s) will be supervised, channels of communication will be maintained and compliance with contract terms assured; and

- Describe your previous experience with subcontractor(s).
4. Proposers must describe the methodology, processes and tools utilized for:
 - Selecting and qualifying appropriate subcontractors for the project/contract;
 - Ensuring subcontractor compliance with the overall performance objectives for the project;
 - Ensuring that subcontractor deliverables meet the quality objectives of the project/contract; and
 - Providing proof of payment to any subcontractor(s) used for this project/contract, if requested by the State. Proposal should include a plan by which, at the State's request, the State will be notified of such payments.
 5. Provide the same information for any proposed subcontractors as requested for Primary Contractor.
 6. Business references as specified in must be provided for any proposed subcontractors.
 7. Primary Contractor shall not allow any subcontractor to commence work until all insurance required of the subcontractor is provided.
 8. Ongoing, Contractor must notify the using agency of the intended use of any subcontractors not identified within their original proposal. The contractor must receive agency approval prior to subcontractor commencing work.

ATTACHMENT E – BUSINESS REFERENCES / REFERENCE QUESTIONNAIRE

Proposers should provide a minimum of three (3) business references from similar projects performed for private, state and/or large local government clients within the last three (3) years.


Proposers must provide the following information for every business reference provided by the proposer and/or subcontractor within their Technical Proposal.

Reference #:			
Proposer Name or Subcontractor Name:			
Identify role company will have for this RFP project (Check appropriate role below):			
	PRIMARY CONTRACTOR		SUBCONTRACTOR
Project Name:			
Primary Contact Information			
Name:			
Street Address:			
City, State, Zip			
Phone, including area code:			
Facsimile, including area code:			
Email address:			
Alternate Contact Information			
Name:			
Street Address:			
City, State, Zip			
Phone, including area code:			
Facsimile, including area code:			
Email address:			
Project Information			
Brief description of the project/contract and description of services performed, including technical environment (i.e., software applications, data communications, etc.) if applicable:			
Original Project/Contract Start Date:			
Original Project/Contract End Date:			
Original Project/Contract Value:			
Final Project/Contract Date:			
Was project/contract completed in time originally allotted, and if not, why not?			
Was project/contract completed within or under the original budget/cost proposal, and if not, why not?			

Proposers must also provide the Reference Questionnaire to the business references that are identified above.

The company identified as the business references must submit the Reference Questionnaire directly back to the Purchasing Division.

The State reserves the right to contact and verify any and all references listed regarding the quality and degree of satisfaction for such performance.

INSTRUCTIONS	
1.	Proposers or proposed subcontractor MUST complete Part A and/or Part B of the embedded Reference Questionnaire.
2.	Proposers MUST send the Reference Questionnaire to EACH business reference listed for completion of Part D, Part E and Part F.
3.	<p>Business reference is requested to submit the completed Reference Questionnaire via email or facsimile to:</p> <p style="padding-left: 40px;">State of Nevada, Purchasing Division Subject: RFP 3119 Attention: Keli Hardcastle Email: rfpdocs@admin.nv.gov Fax: 775-684-0188</p> <p>Please reference the RFP number in the subject line of the email or on the fax.</p>
4.	The completed Reference Questionnaire MUST be received <i>no later than May 1, 2014</i>
5.	Business references are NOT to return the Reference Questionnaire to the Proposer.
6.	In addition to the Reference Questionnaire, the State may contact any and all business references by phone for further clarification, if necessary.
7.	Questions regarding the Reference Questionnaire or process should be directed to the individual identified on the RFP cover page.
8.	Reference Questionnaires not received, or not complete, may adversely affect the proposer's score in the evaluation process.
	<div style="text-align: center;">  </div> <p style="text-align: center;"><i>To open the document, double click on the icon.</i></p> <p style="text-align: center;"><i>If you are unable to access the above inserted file once you have doubled clicked on the icon, please contact Nevada State Purchasing at srvpurch@admin.nv.gov for an emailed copy.</i></p>

ATTACHMENT F – COST PROPOSAL CERTIFICATION OF COMPLIANCE WITH TERMS AND CONDITIONS OF RFP

I have read, understand and agree to comply with *all* the terms and conditions specified in this Request for Proposal.

YES _____ I agree to comply with the terms and conditions specified in this RFP.

NO _____ I do not agree to comply with the terms and conditions specified in this RFP.

If the exception and/or assumption require a change in the terms in any section of the RFP, the contract, or any incorporated documents, proposers *must* provide the specific language that is being proposed in the tables below. If proposers do not specify in detail any exceptions and/or assumptions at time of proposal submission, the State will not consider any additional exceptions and/or assumptions during negotiations.

Note: Only cost exceptions and/or assumptions should be identified on this attachment. Do not restate the technical exceptions and/or assumptions on this attachment.

Company Name

Signature

Print Name

Date

Proposers MUST use the following format. Attach additional sheets if necessary.

EXCEPTION SUMMARY FORM

EXCEPTION #	RFP SECTION NUMBER	RFP PAGE NUMBER	EXCEPTION (Complete detail regarding exceptions must be identified)

ASSUMPTION SUMMARY FORM

ASSUMPTION #	RFP SECTION NUMBER	RFP PAGE NUMBER	ASSUMPTION (Complete detail regarding assumptions must be identified)

**This document must be submitted in Tab III of proposer's cost proposal.
This form MUST NOT be included in the technical proposal.**

ATTACHMENT G – COST PROPOSAL

The State wants to carefully examine all the costs associated with each provider's products and services. Each proposer must fully disclose fees based on the information provided in this RFP. Fees are to be quoted under three scenarios. Each scenario assumes consolidation to a single provider and the transfer of all stable value assets.

Using the following tables, please quote your fees for the three scenarios below, as well as any additional fees.

Scenario I:

- Single provider
- Transfer of all assets
- Use of your proposed General Account option

Scenario II:

- Single provider
- Transfer of all assets
- Use of your Separate Account Stable Value option

Scenario III:

- Single provider
- Transfer of all assets
- TPA with no proprietary Stable Value option

Fee Schedule Scenario I (General Account)

Proposer Name: _____

Authorized Signature: _____

	Amount	Assumptions underlying the amount
<i>Annual Fee</i>		
Total fee for all services described in the RFP, in basis points. <i>(Should sum to the underlying fees)</i>		
Total fee for Record Keeping/Administration		
Total fee for Participant Services		
Total fee for Field Services Reps		
Total fee for Communication/Education		

Stable Value Fund

<u>Fees</u>	
Investment Management	
Wrap	
Revenue Share	
Other	
Total Expense Ratio	

Fee Schedule Scenario II (Separate Account)

Proposer Name: _____

Authorized Signature: _____

	Amount	Assumptions underlying the amount
<i>Annual Fee</i>		
Total fee for all services described in the RFP, in basis points. <i>(Should sum to the underlying fees)</i>		
Total fee for Record Keeping/Administration		
Total fee for Participant Services		
Total fee for Field Services Reps		
Total fee for Communication/Education		

Stable Value Fund

<u>Fees</u>	
Investment Management	
Wrap	
Revenue Share	
Other	
Total Expense Ratio	

Fee Schedule
Scenario III (TPA with no proprietary Stable Value option)

Proposer Name: _____

Authorized Signature: _____

	Amount	Assumptions underlying the amount
<i>Annual Fee</i>		
Total fee for all services described in the RFP, in basis points. <i>(Should sum to the underlying fees)</i>		
Total fee for Record Keeping/Administration		
Total fee for Participant Services		
Total fee for Field Services Reps		
Total fee for Communication/Education		

Additional Fees

Plan Level

Services	Fee	Comments
Plan Set-up/Installation (one-time fee)		
Financial/Investment Advisory Services		
Plan Documents (outside of prototype)		
Check Processing		
1099R Forms		
Postage		
Custom website:		
Set-up/ongoing/software		
Employee Communication and Education		
Customized Enrollment Materials		
Customized Periodic Newsletter		
Customized communications		
Annual Notifications to all eligible participants		
Other (be specific)		

Participant Level

Services	Fee	Comments
Financial/Investment Advisory Services		
Loan Administration:		
Set-up		
Maintenance		
Hardship Qualifications		
DRO Qualifications		
Wire Fees		
Other (be specific)		

ATTACHMENT H – SAMPLE CONTRACT FORM

The following State Contract Form is provided as a courtesy to proposers interested in responding to this RFP. Please review the terms and conditions in this form, as this is the standard contract used by the State for all services of independent contractors. It is not necessary for proposers to complete the Contract Form with their proposal.

If exceptions and/or assumptions require a change to the Contract Form, proposers *must* provide the specific language that is being proposed on *Attachment C, Technical Proposal Certification of Compliance with Terms and Conditions of RFP*.

Please pay particular attention to the insurance requirements, as specified in *Paragraph 16 of the embedded contract* and *Attachment I, Insurance Schedule for RFP 3119*.

ATTACHMENT I – INSURANCE SCHEDULE FOR RFP 3119

The embedded Insurance Schedule is provided as a courtesy to proposers interested in responding to this RFP. Please review the terms and conditions in the Insurance Schedule, as this is the standard insurance schedule used by the State for all services of independent contractors.

If exceptions and/or assumptions require a change to the Insurance Schedule, proposers **must** provide the specific language that is being proposed on ***Attachment C, Technical Proposal Certification of Compliance with Terms and Conditions of RFP.***

Proposers must review the insurance requirements specified in ***Attachment I, Insurance Schedule for RFP 3119.*** Does your organization currently have or will your organization be able to provide the insurance requirements as specified in ***Attachment I.***

Yes		No	
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Any exceptions and/or assumptions to the insurance requirements **must** be identified on ***Attachment C, Technical Proposal Certification of Compliance with Terms and Conditions of RFP.*** Exceptions and/or assumptions will be taken into consideration as part of the evaluation process; however, proposers must be specific. If proposers do not specify any exceptions and/or assumptions at time of proposal submission, the State will not consider any additional exceptions and/or assumptions during negotiations.

Upon contract award, the successful Record Keeper **must** provide the Certificate of Insurance identifying the coverages as specified in ***Attachment I, Insurance Schedule for RFP 3119.***



To open the document, double click on the icon.

If you are unable to access the above inserted file once you have doubled clicked on the icon, please contact Nevada State Purchasing at srvpurch@admin.nv.gov for an emailed copy.

Nevada Public Employees Deferred Compensation Program

RFP PROJECT

September 6, 2018

Frank Picarelli

Senior Vice President

Deferred Compensation Services

- Investment Management Services
- Stable Value Fund:
 - General Account or Separate Account Products
 - Support open investment selection process robust fund alliance program
 - Accommodate While label and Comingled Investment Products
- Recordkeeping
 - Recordkeeping/Administration
 - Custodial trustee
 - Compliance/regulatory
 - Fee level recordkeeping and reporting
 - Performance Guarantees
 - Communication, education and enrollment services
 - Participant Services:
 - Mobile Applications / Social Media
 - 1-800 call center
 - Website (including retirement planning tools and basic guidance)
 - On site field service representatives
 - Investment advisory counseling
- Individual Services
 - Self-directed brokerage
 - Managed accounts
 - Loans (initiation & maintenance), QDROs, etc.
 - Transaction requests

**Traditionally all services
are provided by the
record-keeper**

Stable Value Funds - Background

- **Stable Value Investing:** Stable value managers seek to generate bond-like yields with money market-like volatility and liquidity. Stable value funds are a conservative, capital preservation fixed income investment option for defined contribution plans. The underlying bond portfolio is composed primarily of high-quality investment grade fixed income securities and is wrapped by investment contracts to guarantee book value liquidity for qualified participant withdrawals. .
- **Stable Value Structure:** Stable value funds are structured as either separately managed accounts, managed for a specific plan, or commingled funds, which pool assets from similar plan types. Separately managed accounts are customizable and allow plan sponsors to align objectives and constraints with investment guidelines. General account products are pools of assets from similar plans and offer the benefit of diversification and economies of scale.
- **Stable Value Products** There are two main types of investment contracts offered:
 - **General Account:** An annuity contract issued by insurance companies that return principal plus interest at maturity, regardless of the performance of the underlying invested assets. The plan does not directly own the invested assets, but rather a policy issued by the insurance company and backed by assets held within the insurer's general account. The assets are part of the general assets of the insurer and are subject to outside creditor claims.
 - **Separate Account Contract:** Assets are segregated from the insurance company's general account solely for the benefit of the specified contract holder. If the provider becomes insolvent, separate account assets are typically insulated from outside creditor claims. The plan owns underlying invested assets and wrap contracts maintain the book value of the plan's assets.
- **Stable Value Performance:**
 - **Hueler Stable Value Index:** An equal-weighted total return average across all participating funds in the Hueler Comparative Universe. The index represents approximately 75% of stable value pooled funds available to the marketplace.

General Account vs. Separate Account

	General Account	Separate Account
Pros	<ul style="list-style-type: none"> ➤ Generally higher crediting rate, product used in the State's Plan since inception 	<ul style="list-style-type: none"> ➤ Customization of investment guidelines, more Committee oversight in managing the structure book to market differential and proposed crediting rate
	<ul style="list-style-type: none"> ➤ Using in a plan, generally results in lowest recordkeeping fees as product is a profitable revenue stream for insurance companies 	<ul style="list-style-type: none"> ➤ Wrap & fee transparency
	<ul style="list-style-type: none"> ➤ Typically have longer duration as such may not be responsive to a rising interest rate environment 	<ul style="list-style-type: none"> ➤ Manager duration periods to account for interest rate environments and book to market ratios
	<ul style="list-style-type: none"> ➤ Tend to have higher minimum guaranteed crediting rates, over the life of the contract 	<ul style="list-style-type: none"> ➤ Favorable Plan level liquidity and offer transfer of securities in kind at Plan level discontinuance
	<ul style="list-style-type: none"> ➤ State Insurance Commission provides an additional level of protection in the event of default guaranteeing individual balances up to \$250,000 which is not marketed or disclosed to the participants, look of a FDIC bank savings account 	<ul style="list-style-type: none"> ➤ Assets are held in a separate account for the exclusive benefits of the participants and are not subject to any claims against the insurer

General Account vs. Separate Account Stable Value

	General Account	Separate Account
Cons	➤ Lack of transparency for underlying investments and fees, spread product	➤ Depending on timing, lower, more volatile crediting rate
	➤ Assets are subject to general creditors of the insurance company	➤ Securities are separate from the general assets of the insurance company owned by the Plan.
	➤ Higher minimum crediting rates over life of contract	➤ Minimum crediting rate likely 0.00%
	➤ Competing vehicle restrictions	➤ Competing vehicle restrictions
	➤ Declared in advance interest rates re-sets Portfolio accounting old and new money same rates	➤ Declared in advanced interest rate re-sets Portfolio accounting old and new money same rates
	➤ Typical MVA adjustment at discontinuance, requires management of exit strategy to avoid negative MVA 12 month put provisions	➤ In kind distribution, manage exit strategy to avoid MVA and put provisions

RFP Considerations

- Stable Value products provide more favorable vendor pricing arrangements when they are included as part of the rfp process
- General Accounts, typically offer lower administration costs than separate account products as they are spread products
- General Account products lack of transparency on its management fee and vendor overall case profitability
- General account products traditionally provide higher yields and minimum guarantee rates
- RFP can be designed for unbundled arrangement in which the Committee would conduct a search for best in class stable value manager requiring the service provider to record-keep a non-proprietary stable value fund
- RFP to have two bid scenarios bid with a proprietary stable value fund or no stable value product to validate best possible pricing
- Respondents to propose the product type and the rationale for its selection
- Discussion of creating a white label custom “State of Nevada Stable Value Fund” using multiple stable value mangers

FICA Alternative Plans

The FICA Plans has approximately \$38 million in stable value assets, with approximately 15,000 individual accounts. Average account balance \$1,426 with 6,458 participants actively contributing. The State and NSHE have FICA programs plus 5 Political Sub- Divisions

Option 1:

- Bid as part of the 457 RFP project, leverage stable value assets across all Plans and evaluate the impact to fees and stable value rates. Process employed by the State in their past rfp's bid submissions

Option 2:

- Bid as stand-alone Plan with a separate RFP. Validate costs and services if performed by a third party administrator other than the 457 service provider.

Issues:

- Both options require evaluation of supporting Stable Value Investment Manager
- Administration fees for FICA programs have been traditionally netted from the interest rate of the provider's stable value fund
- Providers ability to accommodate data from the individual Political Sub Divisions
- Comingling of Plans may not be in the best interest to the plan participants
- Practice used by other public sector Plans case study State of Hawaii FICA Program
- Third Part Administrators who specialize in FICA plan administration

Onsite Support Services

- Under the current contract VOYA provides four fulltime onsite field representatives to provide onsite support services this is supported by two additional staff members that manage the process .
- VOYA 8bps on variable assets is approximately \$377,000 to provide all turnkey services which includes the costs of the onsite field representatives located throughout the State
- Required to have local offices in Las Vegas for Southern Region and in either Carson City or Reno for Northern Region
- Average onsite field representative compensation ranges from \$75,000 to \$100,000 plus benefits. This cost is a major component of their overall proposed fees.
- Need for the State to carefully determine the correct number of onsite field representatives to ensure that the program is being offered at the best possible pricing arrangement and provides appropriate support to its participants. VOYA has modified current contract by one additional account rep.
- Alternate approach to transition onsite services to internal state employees, similar to PERS System.
 - How to Use Program
 - Enrollment Support
 - Participant Transactions
 - Education Services
 - Onsite Group Education Seminars on how to use the Plan
 - State employees will be restricted not to discuss any investment related topic
- Engage services of a third party independent from the service provider to provide participant education and advisory services. This would require a separate RFP and related contract maintenance.
- Evaluate the outsourcing of pure administration services to in-house staff to reduce the allocation of vendor staff on site representatives for overall price reductions

Unbundling of Services

Custodial Trustee Services:

- Traditionally provided by the service provider as part of their turnkey services at a lower costs.
- With an individual banking organization as custodian there needs to be an established electronic link with the Plan's recordkeeping system to process daily trades and withdrawals.
- Unbundled arrangement the custodial fees will be provide at higher costs traditionally a percentage of assets.
- Check processing requires additional time, ability to electronically report data between two organizations
- Unbundled trust arrangements are used more for commingled investment options for calculating daily unit values.
- Unbundled custodial trust arrangement would require a rfp process and execution of separate service contracts to be maintained and monitored
- Auditing process additional complexity in auditing custodial reports
- Continue industry best practice approach to have the custodial trustee services as part of the overall turnkey services offered by the service provider more efficient administration at lower costs to the Program

Sample Evaluation Matrix – Criteria Scores

	Weight	Company A		Company B		Company C		Company D		Company E	
		Value (0-5)	Wtd Avg	Value (0-5)	Wtd Avg	Value (0-5)	Wtd Avg	Value (0-5)	Wtd Avg	Value (0-5)	Wtd Avg
Organization & History	5	5.0	25	4.0	20	4.0	20	1.0	5	3.5	17.5
Client Service/Quality Assurance, Recordkeeping/Administration, Reporting, Custodial Trustee Services, Plan Implementation & Systems Capabilities and Hardware	15	3.5	52.5	3.5	52.5	3.5	52.5	3.5	52.5	3.5	52.5
Participant Services: Communication and Education, Automated Voice Response System (VRS), Customer Service Call Center, Internet Services & Investment Advisory Services	15	3.0	45	3.0	45	3.0	45	3.0	45	3.0	45
Field Service Representatives	20	2.0	40	3.0	60	4.0	80	3.0	60	5.0	100
Stable Value	30	3.5	105	4.0	120	3.5	105	2.0	60	4.0	120
Cost Structure Vendor Fee	10	3.0	30	4.0	40	3.0	30	2.0	20	5.0	50
Overall responses & compliance with RFP	5	3.0	15	4.0	20	4.0	20	4.0	20	4.0	20
TOTAL	100		312.5		357.5		352.5		262.5		405.0

Minimum Qualifications of Service Provider

The following is the criteria for a provider to be considered as an eligible candidate to bid on the requested services described in this RFP. **If you are unable to accommodate any one of the minimum qualifications, provide an explanation in the Certification of Compliance with Minimum Requirements of RFP (Attachment B).**

1. Proposers must offer bundled administrative services (i.e., recordkeeping/administration, communication/education, custodial trustee services, and investment advisory services), as well as investment management services with an open architecture of investment options.
2. Proposers must have at least **ten (10)** years' experience in providing the proposed services and products to the public sponsor 457 Deferred Compensation marketplace and must be administering a minimum of three governmental 457 Deferred Compensation Plans with assets of \$500 million or more 10,000 participants and multiple payroll centers.
3. Proposers must have the ability to administer the 457 and FICA Alternative Plan.
4. Proposers must provide certification as a qualified firm to provide administrative services and investment products pursuant to Section 457 of the Internal Revenue Code, including all rules and regulations of the State of Nevada.
5. Proposers must provide dedicated resources to support the on-going consultation to the State and all plan participants located throughout the State of Nevada. This would also include the availability of customer service representatives to support employee meetings and new employee orientation programs. Bidders must provide local offices to be located in Las Vegas for the Southern Region and either Carson City or Reno for the Northern Region.
6. Proposer's field service representatives that provide enrollment and education 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 this and to political sub divisions.

Minimum Qualifications of Service Provider

7. Proposers must pay for the cost of printing, providing labels and postage for the mailing of the quarterly newsletter entitled “Your Money Tree,” which is currently distributed to 10,000 participants and retirees. The annual cost of this service is \$12,000
8. The selected proposer is to reimburse the State for the cost of conducting the vendor search and evaluation process, including the cost of advertising the proposal, any travel expenses, and any related transition costs. This one-time expense is estimated at \$65,000 .
9. It is the expectation that the Service Provider reimburse the State for the cost of any internal programming cost associated with the implementation of any service feature to enhance the Plan’s administration, such as online enrollment.
10. The firm must accurately and fully disclose all fund expense and revenue sharing arrangements associated with all funds available to the State, including Stable Value products.
11. Proposers must accommodate a January 1, 2020 implementation date with a post re-enrollment solicitation process.
12. Proposers must be willing to sign a contract for a period of 5 years beginning January 1, 2020 through December 31, 2024 with fourth and fifth year favorable fee negotiations at the discretion of the Committee. It is the State’s expectation that as the size of the plan assets increase during the term of the contract, that the vendor will be willing to guarantee or negotiate appropriate fee reductions and related credit allowances allocated for plan level expenses.
13. Proposers must be liable and solely 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 successful respondent(s) or its agent(s) in processing transactions on behalf of the participant, the successful respondent(s) agree to adjust the participant’s account to the same position as if the processing error had not occurred.

Minimum Qualifications of Service Provider

14. Proposers must have single point of contact and meet with the Committee on a quarterly basis and also attend the annual planning meeting each year.
15. Proposers must provide the ability to offer self-directed brokerage services, Roth accounts and provide loan administration if adopted by the Committee.
16. Proposers must be able to deal directly with approximately XX **eligible employees** located within and around State of Nevada including all participating Political Sub Divisions .
17. Proposers are to accept a 90-day notification on the part of the State to discontinue service relationship with no penalties. The State will not enter into a contract with any penalty or liquidation charges for terminating the relationship. This applies to the entire contract and all investment funds including Stable Value and Fixed Income products.
18. Proposers must provide necessary changes to the Plan as needed resulting from State and/or Federal legislation without additional cost to participants under the terms of the current contract.
19. Proposers must have the capability to handle multiple payroll locations and transmittal methods for both the State and its political sub divisions.
20. Subject to a final unforeseeable emergency withdrawal appeal process established by the State, the selected proposer must provide complete review, approval, and administrative services related to unforeseeable emergency distributions and Qualified Domestic Relations Orders (QDRO).
21. Any contract entered into by the State must stipulate that there will be no front-end charges, and no back-end charges or market value adjustments (MVA) of any kind. In addition, there will be no liquidity restrictions or penalties on participant transfers or withdrawals, with the possible exception of stable value equity wash provisions and/or mutual fund specific short-term trading fees.

Minimum Qualifications of Service Provider

- 22. The firm must have the ability to administer FICA Alternative Plan. The FICA Alternative Plan will continue to be a single investment option plan using the stable value/fixed income product.
- 23. The firm must have knowledge of and comply with all applicable Nevada State and federal regulations regarding governmental retirement plans and investment options. All laws of the State of Nevada, whether substantive or procedural, shall apply to this contract, and all statutory, charter, and ordinance provisions that are applicable to public contracts in the State shall be followed with respect to this contract.
- 24. Proposer who contract with third parties for investment advisory, managed accounts, self-directed brokerage, and custodial trustee services must follow laws and regulations of the State of Nevada

Scope of Services

Investment Management Services

The Committee is looking for a provider that can support an open architecture of investment offerings has an attractive fund alliance program to accommodate a variety of fund families and related products. The final investment line-up will be determined by the Committee in its sole discretion, for purposes of submitting your firm's proposal you should assume that any revenue sharing generated by the new investment line up will be designed to support the Programs administration fees and Plan level expenses.

However, the Committee is open to looking at different Stable Value options. The 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. A 12 month put provision will be considered to accommodate a book value distribution. The Committee would fully evaluate the features and rates of either a general account product or separate account product as the investment vehicle for its Stable Value Fund category. The Committee is requesting that you propose your general account and your separate account offerings so as to conduct a comparable comparison of all costs

Implementation Services

Proposers must provide a detailed plan transition strategy along with communication materials to explain any new plan changes and enhancements. This will include the consolidation from two providers to a single source provider and the related mapping strategy. The potential transition from the current plan provider(s) 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.

Scope of Services

Administration and Recordkeeping Services

Proposers will be required to provide detailed information about their recordkeeping and administrative systems and use of technology. Important factors include ability to integrate multiple payroll centers and systems, monitor compliance, process participant transactions, provide timely and accurate participant statements and financial statements for the plan sponsor. The service provider selected by the Committee must have in place a toll-free customer service center, automated voice response system, and Internet service that allow participants access to their accounts.

Proposers 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:

1. Support employee enrollment activities, initial and ongoing.
2. Answer employee inquiries related to eligibility, plan features, and investment offerings.
3. 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.
4. Provide participant investment education materials to make informed investment decisions.
5. Provide participant investment advisory services.
6. Provide benefits literature, such as summary plan descriptions, forms, statements, and prospectuses.
7. Administer and qualify unforeseen emergency withdrawals and Domestic Relation Orders.

Scope of Services

The selected proposer shall approve all unforeseeable emergency withdrawal requests and provide a first-level appeal of that determination. The State or its designee shall conduct all second-level appeals of unforeseeable emergency requests.

The Committee expects the successful service provider to assume all data-management responsibilities for the State. The service provider(s) will be required to establish two-way interface capability with all appropriate parties (e.g., State payroll) and be held accountable for timely, accurate transmission and, as appropriate, editing and validation of data for processing enrollments and contribution activity.

Employee Communication and Education Services

Education, Enrollment and Communication

The Administrator will be required to prepare, for NDC approval, an annual enrollment and education plan. This customized plan should detail the approach that the Administrator will take in communicating the Program to employees for purposes of new enrollments into NDC and for contacting existing participants for assistance, including the various methods which will be utilized (mail, electronic, web-based, in-person, social media, etc.). The Administrator will be required to provide a quarterly education report to NDC.

All materials developed by the Administrator must be submitted to NDC for final review and editing. Materials must present an unbiased approach to the investment information and educate participants about all aspects of the Plan, including, but not limited to; retirement planning, investment options offered, investment performance, risk assessment and asset allocation, and distribution selection.

The Administrator must design and maintain a custom website for the Plan and/or assist NDC with its current website material and design.

Scope of Services

In addition general insurance agents or brokers, are not to be employed for political sub –division. Field Representatives for both the State and political sub-divisions must be salaried-based employees of the proposer.

The 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 the State's payroll system.

The 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.

1. Record-keeping

The Administrator must maintain records providing daily information associated with an individual's account, including, but not limited to; investment balances, contributions (before-tax and Roth), distributions, rollovers, Roth rollovers, in-plan Roth rollovers, earnings, administrative fees, employer, beneficiary designations, address, and any other information necessary for proper administration of a participant's account. For retired/terminated participants, additional data regarding distribution method amount must be maintained by the Administrator. In addition, the Administrator:

- Must make changes to participant investment elections and effect transfers of existing account balances on a daily basis.
- Must maintain separate participant accounts for assets that are rolled over into the Plan from a qualified plan (Before-Tax and Roth).

Scope of Service

- Must be able to monitor the annual participant dollar contribution for deferrals and contributions which are near or exceed the IRS annual maximums, including Age 50+ catch-up and the special catch-up provision tracking. The Administrator must perform any and all administrative functions necessary to ensure the thorough and accurate financial accounting essential for each party's financial records.

The Administrator must be able to create customized forms for the Program, as requested.

2. Contribution Processing

The Administrator must invest contributions within one business day of receipt. The Administrator must be able to receive data via electronic data transmission, and process the participant contribution detail provided, including negative contributions and adjustments, using each participant's current investment allocation.

Administrators must have the capability to handle multiple payroll locations and transmittal methods for both the State and its participating employers.

3. Plan Reporting

The Administrator must submit monthly or quarterly reports on all activities in the Program. Reports must be provided via on-line access or be in a format approved by NDC.

The Administrator must inform NDC within 60 days of recently enacted federal tax laws and regulations, or other changes in the tax laws which may have an impact upon the administration requirements of the Plan.

The Administrator must inform NDC within 30 days of any change in the firm's credit ratings by any major rating agency (Standard & Poor's, Moody's, A.M. Best, and Fitch).

The Administrator must maintain and provide all data and documentation requested during the conduct of the annual financial audits by a third-party and biennium compliance audits by a third-party of the Program.

Scope of Services

4. Participant Statements of Account

NDC requires the Administrator provide a quarterly participant statement of account (annual for FICA-Alternative participants). The Administrator must be able to customize the statement for the Program and to provide a field for short messages.

The Administrator must research and resolve, with NDC staff assistance, any participant statement of account not received by the participant but returned to the Administrator.

5. Distributions

The Administrator will provide telephone assistance to employees who are taking a distribution under the Program. The Administrator must advise participants of the payment options available under the Program and the implications of choosing one payment over another. This should include the tax implications of lump sum distributions and rollovers to qualified plans.

The Administrator must also provide an annuity shopping service for participants who wish to receive their distribution as an annuity.

The Administrator must provide participant federal and state income tax withholding and reporting for each benefit payment from the Program. The Administrator is solely responsible for any tax penalties and/or interest that may arise due to errors it made in tax reporting or forwarding of funds to the appropriate government authorities.

The Administrator must ensure that each participant's account complies with the applicable regulations, including, but not limited to, IRC 401(a)(9) minimum distribution requirements and annual maximum contribution limits.

Scope of Services

6. Transition Responsibilities upon Termination

Upon termination of its contract, the administrator must fully cooperate with NDC in an orderly transfer of administrative responsibilities and records to the new administrator. In the event that NDC elects not to renew its contract at the end of its term, or otherwise terminates the contract for cause or convenience, the Administrator agrees to fully cooperate in the transition to the new administrator.

APPENDIX

Options for Onsite Support Services

	In-House	Service Provider	Third Party
Service Center for Walk-In Consultations	Yes	Yes	Yes
Call Center	Yes	Yes	Yes
Enrollment Support	Yes	Yes	Yes
Plan Information	Yes	Yes	Yes
How to use Program	Yes	Yes	Yes
Retirement Planning Advisory Services		Yes	Yes
Financial Planning Advisory Services		Yes	Yes
Loan Administration	Yes	Yes	ONLY IF OUTSORECED
Unforeseeable emergency withdrawals	Yes	Yes	ONLY IF OUTSOURCED
Financial Wellness		Yes	Yes
Investment Advice In-person		Yes	Yes
Investment Advice Online		Yes	Yes
Webinars	Yes	Yes	Yes
Financial Literacy Information		Yes	Yes
On-site group Education Seminars	Yes	Yes	Yes
Newsletters	Yes	Yes	Yes

NAGDA Survey

Participant Services	Percentage
Which of the following services does your plan provide?	
Service center (walk-in)	
Do Not Provide	10.2%
Provide In-house	24.5%
Provide via Third Party Administrator	38.8%
Provide Both In-house and via Third Party Administrator	26.5%
Call Center (remote)	
Do Not Provide	0.0%
Provide In-house	6.3%
Provide via Third Party Administrator	75.0%
Provide Both In-house and via Third Party Administrator	18.8%
On-site services (enrollment, account reviews, education)	
Do Not Provide	0.0%
Provide In-house	12.5%
Provide via Third Party Administrator	45.8%
Provide Both In-house and via Third Party Administrator	41.7%

NAGDA Survey

Participant Services Con't	Percentage
Which of the following services does your plan provide? Con't.	
Managed Accounts	
Do Not Provide	48.9%
Provide In-house	2.1%
Provide via Third Party Administrator	48.9%
Provide Both In-house and via Third Party Administrator	0.0%
Retirement planning services	
Do Not Provide	10.4%
Provide In-house	4.2%
Provide via Third Party Administrator	54.2%
Provide Both In-house and via Third Party Administrator	31.3%
Financial planning services	
Do Not Provide	46.8%
Provide In-house	2.1%
Provide via Third Party Administrator	40.4%
Provide Both In-house and via Third Party Administrator	10.6%
Loans	
Do Not Provide	42.9%
Provide In-house	8.2%
Provide via Third Party Administrator	49.0%
Provide Both In-house and via Third Party Administrator	0.0%

NAGDCA Survey

Participant Services Con't	Percentage
Which of the following services does your plan provide? Con't.	
Hardships/unforeseeable emergency withdrawals	
Do Not Provide	12.2%
Provide In-house	16.3%
Provide via Third Party Administrator	67.4%
Provide Both In-house and via Third Party Administrator	4.1%
Qualified domestic relations orders	
Do Not Provide	14.3%
Provide In-house	20.4%
Provide via Third Party Administrator	46.9%
Provide Both In-house and via Third Party Administrator	18.4%
Financial Wellness	
Do Not Provide	18.8%
Provide In-house	18.8%
Provide via Third Party Administrator	37.5%
Provide Both In-house and via Third Party Administrator	25.0%

NAGDCA Survey

Participant Services Con't	Percentage
Which of the following services does your plan provide? Con't.	
Investment advice – in-person	
Do Not Use	57.5%
Use (In-house)	4.3%
Use (Third Party Administrator)	31.9%
Use (Both In-house and Third Party Administrator)	6.4%
Investment advice – online	
Do Not Use	41.7%
Use (In-house)	0.0%
Use (Third Party Administrator)	58.3%
Use (Both In-house and Third Party Administrator)	0.0%
Investment advice – telephone	
Do Not Use	54.2%
Use (In-house)	2.1%
Use (Third Party Administrator)	43.8%
Use (Both In-house and Third Party Administrator)	0.0%

NAGDCA Survey

Participant Services Con't	Percentage
Is the cost of the provided investment advice included in the overall plan expenses or charged separately to users of the advice?	
Investment advice – in-person	
Included in Overall Plan Expenses	80.0%
Charged Separately to Users of the Advice	13.3%
Both	6.7%
Investment advice – online	
Included in Overall Plan Expenses	57.7%
Charged Separately to Users of the Advice	19.2%
Both	23.1%
Investment advice – telephone	
Included in Overall Plan Expenses	50.0%
Charged Separately to Users of the Advice	30.0%
Both	20.0%

NAGDCA Survey

Participant Communication/Education/Engagement	Percentage
Which of the following means of communication/education does your plan utilize?	
Website	
Videos	
Do Not Use	22.5%
Use (In-house)	14.3%
Use (Third Party Administrator)	36.7%
Use (Both In-house and Third Party Administrator)	26.5%
Webinars	
Do Not Use	22.5%
Use (In-house)	16.3%
Use (Third Party Administrator)	38.8%
Use (Both In-house and Third Party Administrator)	22.5%
Investment advice	
Do Not Use	38.8%
Use (In-house)	2.0%
Use (Third Party Administrator)	51.0%
Use (Both In-house and Third Party Administrator)	8.2%
Do Not Use	4.0%
Use (In-house)	12.0%
Use (Third Party Administrator)	64.0%
Use (Both In-house and Third Party Administrator)	20.0%

NAGDCA Survey

Participant Communication/Education/Engagement Con't	Percentage
Which of the following means of communication/education does your plan utilize?	
Financial literacy information	
Do Not Use	16.3%
Use (In-house)	6.1%
Use (Third Party Administrator)	34.7%
Use (Both In-house and Third Party Administrator)	42.9%
Participant Statements	
Electronic Statements	
Do Not Use	0.0%
Use (In-house)	4.0%
Use (Third Party Administrator)	84.0%
Use (Both In-house and Third Party Administrator)	12.0%
Paper/mailed Statements	
Do Not Use	2.0%
Use (In-house)	6.0%
Use (Third Party Administrator)	88.0%
Use (Both In-house and Third Party Administrator)	4.0%
Account balances and transactions	
Do Not Use	0.0%
Use (In-house)	4.0%
Use (Third Party Administrator)	86.0%
Use (Both In-house and Third Party Administrator)	10.0%

NAGDCA Survey

Participant Communication/Education/Engagement Con't	Percentage
Which of the following means of communication/education does your plan utilize?	
Retirement income projections	
Do Not Use	4.0%
Use (In-house)	10.0%
Use (Third Party Administrator)	68.0%
Use (Both In-house and Third Party Administrator)	18.0%
Fee disclosure/impact	
Do Not Use	8.2%
Use (In-house)	6.1%
Use (Third Party Administrator)	55.1%
Use (Both In-house and Third Party Administrator)	30.6%
Other	
Onsite group education/seminars	
Do Not Use	0.0%
Use (In-house)	16.0%
Use (Third Party Administrator)	38.0%
Use (Both In-house and Third Party Administrator)	46.0%
Newsletters (paper and electronic)	
Do Not Use	8.0%
Use (In-house)	16.0%
Use (Third Party Administrator)	48.0%
Use (Both In-house and Third Party Administrator)	28.0%

NAGDCA Survey

Participant Communication/Education/Engagement Con't	Percentage
Which of the following means of communication/education does your plan utilize?	
Emails	
Do Not Use	14.6%
Use (In-house)	10.4%
Use (Third Party Administrator)	22.9%
Use (Both In-house and Third Party Administrator)	52.1%
Social media	
Do Not Use	42.6%
Use (In-house)	23.4%
Use (Third Party Administrator)	25.5%
Use (Both In-house and Third Party Administrator)	8.5%
What is your plan's current status regarding guaranteed minimum withdrawal benefits (GMWB)?	
Have not considered	77.1%
Currently considering	16.7%
Decided not to use	6.3%
Currently using or will implement	0.0%

Alternative Retirement Plan...

It can save your district thousands of dollars

Why pay FICA taxes for part-time, seasonal or temporary employees (PST)? **Qualified employers can save the matching 6.2 percent of Social Security on PST wages with use of a FICA Alternative Retirement Plan.**

The plan is an authorized alternative to Social Security under Internal Revenue Code Section 3121.

A qualified employer can establish a FICA Alternative Retirement Plan that enables the employee to contribute a pre-tax 7.5 percent gross wages to a FICA Alternative Retirement Plan. The employee's take home pay does not change in any noticeable way. The Plan is typically structured as a Section 457 Plan. Therefore, there is no 10% penalty assessed if Employees have a qualifying event and take a distribution of their account balance before age 59½.

Potential Employer Savings

Annual PST Payroll	Employer Savings
\$ 50,000	\$ 3,100
\$ 100,000	\$ 6,200
\$ 250,000	\$ 15,500
\$ 750,000	\$ 46,500
\$ 1,000,000	\$ 62,000
\$ 1,500,000	\$ 93,000
\$ 5,000,000	\$ 310,000

Background

In 1990, the Omnibus Budget Reconciliation Act was passed. Government entities who exercised their Social Security Section 218 exclusion were provided the option of giving their part-time, temporary and seasonal Employees a meaningful, defined contribution retirement plan as an alternative to Social Security.

Benefits To The Employer

Social Security contributions for part-time, temporary and seasonal Employees are eliminated. The Employer immediately begins saving the matching 6.2% of payroll for eligible Employees. Medicare contributions of 1.45% continue.

Benefits To The Employee

After-tax 6.2% Social Security contributions are replaced with 7.5% pre-tax Employee contributions (7.5% pre-tax is approximately equivalent to 6.2% after-tax at a 15% or higher Tax Rate). Earnings in a pre-tax account accumulate more rapidly since payment of taxes on the contributions and earnings are deferred. Employees earn market rate of return on their accounts and are 100% vested in the full account value with no penalty for withdrawal upon termination from employment.

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Experience Life®

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Sample Paycheck

	Without Plan	With Plan
Monthly Earnings	\$1,000.00	\$1,000.00
Less 7.5% plan	0	75.00
Taxable Income	1,000.00	925.00
Less 15% income tax	150.00	138.75
Less 4.2% Social Security*	42.00	0.00
Less 1.45% Medicare	14.50	14.50
Net take-home pay	\$793.50	\$771.75
Accumulated savings		75.00
Net-pay plus savings		\$846.75

*Note that SS is after-tax

Advantages of the plan

- Participating employees are not subject to Social Security taxes while covered by this plan, and Social Security taxes are never due on these funds.
- Any benefits previously earned under another retirement plan (including Social Security) will not be reduced by participation in this plan.
- Contributions to this plan are pre-tax. Therefore, the total amount of taxes paid will be reduced. No taxes are paid on the contributions until they are withdrawn.
- The account balance is portable and there are no administrative fees.

Administration

The 3121 FICA Social Security Alternative Plan is typically structured as an Internal Revenue Code Section 457 plan. Therefore, there is no 10% penalty assessed if Employees take a distribution of their account balance before age 59½.

Investments

The Social Security Regulations require that participants in a Social Security Alternative program always received 100% of their principal contributions plus interest. Therefore, all contributions are invested in a guaranteed¹ fixed annuity with Life Insurance Company of the Southwest. There is a distribution fee equal to the lesser of \$10 or the interest credited.

Employer/Employee Communications

Effective material is provided to communicate the Social Security Alternative Plan to your Employees. We will also assist in group meetings. In addition, local representatives can be available for Employee meetings.

Employee Account Information

Periodic statements are provided to all Employees.

¹ Guarantees are dependent on the claims paying ability of the issuing Company.

This is our understanding of the current tax law. Neither our agents nor representatives give legal, tax or accounting advice. Please consult your tax advisor for tax advice.



Frequently Asked Questions about the 3121 FICA Alternative Plan

FOR EMPLOYERS

What is a 3121 FICA Alternative Plan?

The 3121 FICA Alternative Plan is a savings program for employees who are not eligible to participate in the State Employees' Retirement System. These individuals are normally part-time, seasonal, and temporary employees.

What is the History of the Plan?

The Omnibus Budget Reconciliation Act of 1990 (OBRA) Amended the Internal Revenue Code and the Social Security Act to include employees of state and local governments. The Act authorized the Secretary of the Treasury to adopt regulations and provide guidance to the Internal Revenue Service and Social Security Administration. The Act amended Internal Revenue Code Section 3121, under which Social Security participation became mandatory for all employers.

However, the Internal Revenue Code Section 3121 says that part-time, temporary, and seasonal (PTS) employees are exempt from the 3121 tax if they are provided a "comparable retirement system." In response, the 3121 FICA Alternative Plan was created to meet those requirements. This alternative provides a retirement plan for PTS employees who are not normally covered like full time employees. The adoption of the 3121 Plan provides an economic benefit for the employer and their PTS employees.

What benefits are there for the employer?

- The employer saves the social security match, or 6.2% of the PTS payroll.
- The FICA Alternative is available to the employer without costs or fees.

What benefits are there for the employee?

PTS employees are by definition short term, although there may be a few that work in this capacity for longer periods, and upon separation from service they will have access to their funds without being subject the 10% premature distribution penalty imposed by the IRS on all but 3121 plans. Also the employee's take home pay is virtually the same since the 7.5% pretax contribution is roughly equivalent to the 6.2% after tax contribution to social security.

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Frequently Asked Questions about the 457 FICA Alternative Plan

FOR EMPLOYEES

Life Insurance Company of the Southwest (LSW), a member of the National Life Group, is a Texas based life insurance company which provides superior products and solutions in the retirement market. The company serves over 5,000 school employers in the 403(b) and 457(b) markets providing retirement solutions to over 250,000 employees. LSW has partnered with National Benefit Services to administer your FICA Alternative plan which provides you with a guaranteed* return on your contributions.

How do I enroll in the 457 FICA Alternative Plan?

You do not need to enroll. Enrollment is automatic; 7.5% of your gross pay automatically is deducted from your paycheck and invested for you.

How will my money be invested?

Your money will be invested in a group annuity with the Life Insurance Company of the Southwest (LSW). The group annuity provides a fixed rate of return

Will I receive a statement of my account balance?

Yes, you will receive an annual statement at the end of each calendar year.

How do I change my name, address, or beneficiary?

- a. To change your address, you must notify your employer's Payroll department. The Payroll department will then be responsible for notifying National Benefit Services, LLC of any address changes.
- b. If you are no longer employed by the employer, you can write a letter with such changes to National Benefit Services, LLC at the address listed below:

National Benefit Services, LLC
Attn: FICA Administration
P.O. Box 6980
West Jordan, UT 84084
- c. To change your beneficiary, you need to complete a beneficiary form available from your employer. You may also obtain this form from National Benefit Services, LLC. This form can be mailed directly to National Benefit Services, LLC at the address indicated on the bottom of the Beneficiary form.

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*Guarantees are dependent on the claims paying ability of the issuing company.

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Am I required to complete the beneficiary designation form?

No. If you are married, your beneficiary under the plan will automatically be your spouse. If not married, your beneficiary becomes your children or grandchildren. If you do not have children or grandchildren your beneficiary is automatically your estate.

What happens if I become a member of the state Retirement System?

You will no longer be eligible to participate in the Plan.

What happens when I leave service?

You will no longer be eligible to participate in Plan.

What are my options when I am no longer eligible to participate?

- You may retain your funds in the Plan.
- You may transfer your account balance to another eligible governmental plan
- You may take an in-service withdrawal from your account balance once you have not made any contributions to the plan for at least 2 years, have a balance that is less than \$5,000, and have not had any previous distributions from the plan.

When am I eligible for a distribution?

- If you terminate from your employer without any intention of returning to work for them in the next 12 months following.
- If you retire, and are no longer working for your employer, you are eligible for a distribution.
- If you become permanently disabled
- If you have not made any contributions to the plan for at least 2 years, have a balance that is less than \$5,000, and have not had any previous distributions from the plan.
- You may transfer your account balance to purchase permissive service credit from your state retirement plan.

How do I apply for a distribution?

You may obtain a "Distribution Form" from your district. Or you may contact National Benefit Services, LLC.

How long will it take to process my distribution?

Distributions are processed quarterly. Distributions are processed one month following the close of the current calendar quarter, in which National Benefit Services, LLC receives a distribution form. Checks are mailed directly from Life Insurance Company of the Southwest to the address provided on the "Distribution Form".

Are there any transaction fees?

The only fee is a distribution fee. The distribution fee is the lesser of the interest credited to your account or \$10.00. It will be deducted from your account for any distribution, transfer, or rollover.

Are distributions from the Plan subject to the premature distribution penalty tax?

No, they are not subject to the 10% excise tax on distributions to individuals who have not attained 59½.

State of Hawaii 3121 Plan 10 year Rate History**

7/1/2018	2.58%
4/1/2018	2.59%
1/1/2018	2.62%
10/1/2017	2.65%
7/1/2017	2.64%
4/1/2017	2.64%
1/1/2017	2.65%
10/1/2016	2.60%
7/1/2016	2.70%
4/1/2016	2.72%
1/1/2016	2.76%
10/1/2015	2.84%
7/1/2015	2.88%
4/1/2015	2.89%
1/1/2015	2.88%
10/1/2014	2.87%
7/1/2014	2.87%
4/1/2014	2.85%
1/1/2014	2.84%
10/1/2013	2.90%
7/1/2013	2.98%
4/1/2013	3.00%
1/1/2013	3.00%
10/1/2012	3.68%
7/1/2012	3.72%
4/1/2012	3.78%
1/1/2012	4.04%
10/1/2011	4.22%
7/1/2011	4.22%
4/1/2011	4.22%
1/1/2011	4.29%
10/1/2010	4.33%
7/1/2010	4.37%
4/1/2010	4.43%
1/1/2010	4.42%
10/1/2009	4.44%
7/1/2009	4.64%

4/1/2009	4.64%
1/1/2009	4.69%
10/1/2008	4.71%
7/1/2008	4.70%
4/1/2008	4.66%
1/1/2008	4.63%

**** The State of Hawaii contract was issued in 1997.**

**** State of Hawaii 10 year average interest rate is 3.5%.**

**** Also note that there are no fees deducted from these rates. That means when we say the credited rate is 2.58%, it means the policyholder actually gets 2.58%. Nothing is deducted from it.**

**** Note that for larger contracts, generally north of \$25M or \$30M, we have occasionally agreed with the government entity on a specific spread off of our earnings rate. State of Hawaii 3121 Plan is managed this way. For that Plan we have agreed with the State to take off an agreed upon spread from our gross earned rate (which is fully transparent annually). The rest is credited to the policy. Based on the information we have from Mr. Boehmer, we can use a similar approach in this case.**

**STATE OF HAWAII PTS DEFERRED COMPENSATION PLAN
TPA AGREEMENT with Life Insurance Company of the Southwest**

Agreement entered into on 12/31/2006; Supplemental Agreement No. 1 eff 1/01/2013:

Scope:

- Provide and maintain a local office in Honolulu.
 - Hours: Monday – Friday, 8:00 am to 5:00 pm., excluding State and federal holidays
- Provide customer services.
- Provide and maintain a toll free customer services
 - Hours: Monday – Friday, 8:00 am to 5:00 pm (HST)
- Provide website to allow participants to check their account balances and obtain forms.
- Provide record keeping services; maintain all Plan records.
- Provide its group unallocated annuity as the investment product to the Plan. The investment product shall guarantee a full return of principal and interest. The investment product shall provide a minimum guaranteed annual effective interest rate that is net of Contractor's asset management expense fee:
 - From 12/31/2006 to 6/30/2013, not less than 3%;
 - From 7/1/2013 to 6/30/2018, not less than 2%;
 - From 7/1/2018 to 6/30/2023, not less than 1%.
- Develop a system to verify a participant's separation from service.
- Develop a system to locate terminated participants and/or their beneficiaries.
- Provide reports to Plan participants;
- Provide reports to the Board.
- Establish and maintain an Escrow Account, at no cost, to ensure that there are sufficient funds available in the event this Agreement is terminated.

Term:

- Initial Term: 12/31/2006 to 6/30/2011; pursuant to Supplemental Agreement No. 1, effective period: 12/31/2006 to 6/30/2023.
- Indefinite Subsequent Extension Periods:
 - On/before 12/31/2021, may elect to renew to 6/30/28 (for a five-year period) or to 6/30/2033 (for a ten year period), otherwise Agreement will terminate on 6/30/2023.
 - Subsequent renewal periods to either 6/30/2028 or 6/30/2033, subject to mutual agreement on new terms and conditions for the renewal period.

Compensation:

- Paid from the assets of the Plan.
 - Asset management fee of 1.45% (or 145 basis points)

Plan Costs and Expenses Paid by the Contractor:

- Contractor shall be responsible for the costs of the independent audit.
- Contractor is responsible for costs (up to cap) to retain an independent consultant and reasonable travel expenses of Board/Staff members to attend meetings; Contractor shall hold a reserve of .03% (or 3 basis points) of all contributions to pay for these Plan costs and expenses.

Notes on Subcontractors:

Honolulu Office: Comprehensive Financial Planning

Recordkeeper: National Benefit Services



State of Hawaii PTS Deferred Compensation Retirement Plan

2016-2017 Plan Year



**Prepared by:
National Life Group**

Annual Report –2016-2017 Plan Year

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Plan Highlights – June 30, 2017

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• Plan Assets	\$122,209,388
• Contributions to Date	\$167,909,995
• Benefits Paid to Date	\$90,698,266
• Interest Credited to Date	\$44,997,657
• State Savings – Current Plan Year	\$8,274,235
• State Savings Since Inception	\$138,805,596
• Average Number of Active Participants per Month	9,846
• Total Active and Inactive Participants	90,746
• Department of Education	57,470
• University of Hawaii	22,959
• Percentage of Participants in Education	88.6%
• Credited Rate as of July 1, 2017	2.70%
<hr/>	
• Escrow Account Assets as of 6/30/2017	\$115,986,835
• Transferred to Escrow & Asset Value movements:	<u>\$7,165,493</u>
• Escrow Account Assets as of 8/31/2017:	\$123,152,325
• Plan Assets after transfer, as of 8/31/2017:	\$122,721,670

FICA Alternative Retirement Plans

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- Internal Revenue Code 3121 effective 1/1/91.
- Permitted Government employers to opt out of Social Security for Part Time, Temporary and Seasonal (PTS) employees by providing an alternative Retirement Plan.
- PTS employees are generally defined as employees not covered by the government retirement plan for full time employees.
- Requires a defined contribution of at least 7.5% of gross wages.
- Principal must not be at risk and funds must earn a market rate of return.
- Employer saves 6.2% of gross wages by not paying the employer portion of Social Security Tax.
- Both employee and employer must still pay the 1.45% Medicare Tax.

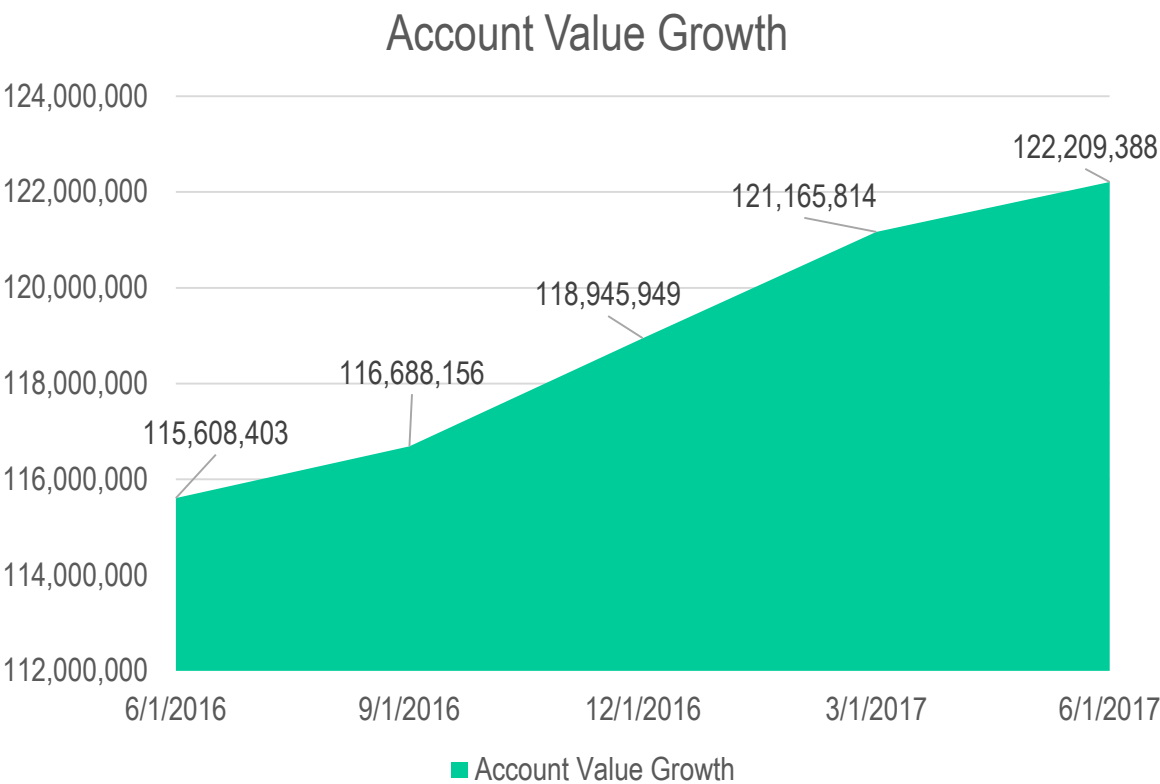
Hawaii PTS Deferred Compensation Retirement Plan

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- Implemented July 1, 1997
- Covers all PTS employees who are not eligible to participate in the State Retirement Plan.
- 457 Deferred Compensation Plan
- Contributions are made by salary reductions.
- Pre-tax contribution of 7.5% of gross wages
- Compares favorably with 6.2% after tax Social Security payment.
- All contributions are held in a deferred annuity with Life Insurance Company of the Southwest.
- There is no risk of loss of contributions.
- Market rate of return – credited interest rate was 2.64% as of 7/01/16.
- Separation from Service – employee account balance may be withdrawn or left in the plan.

Growth in Assets Under Management

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Asset Growth in the Last Year = \$6,600,985

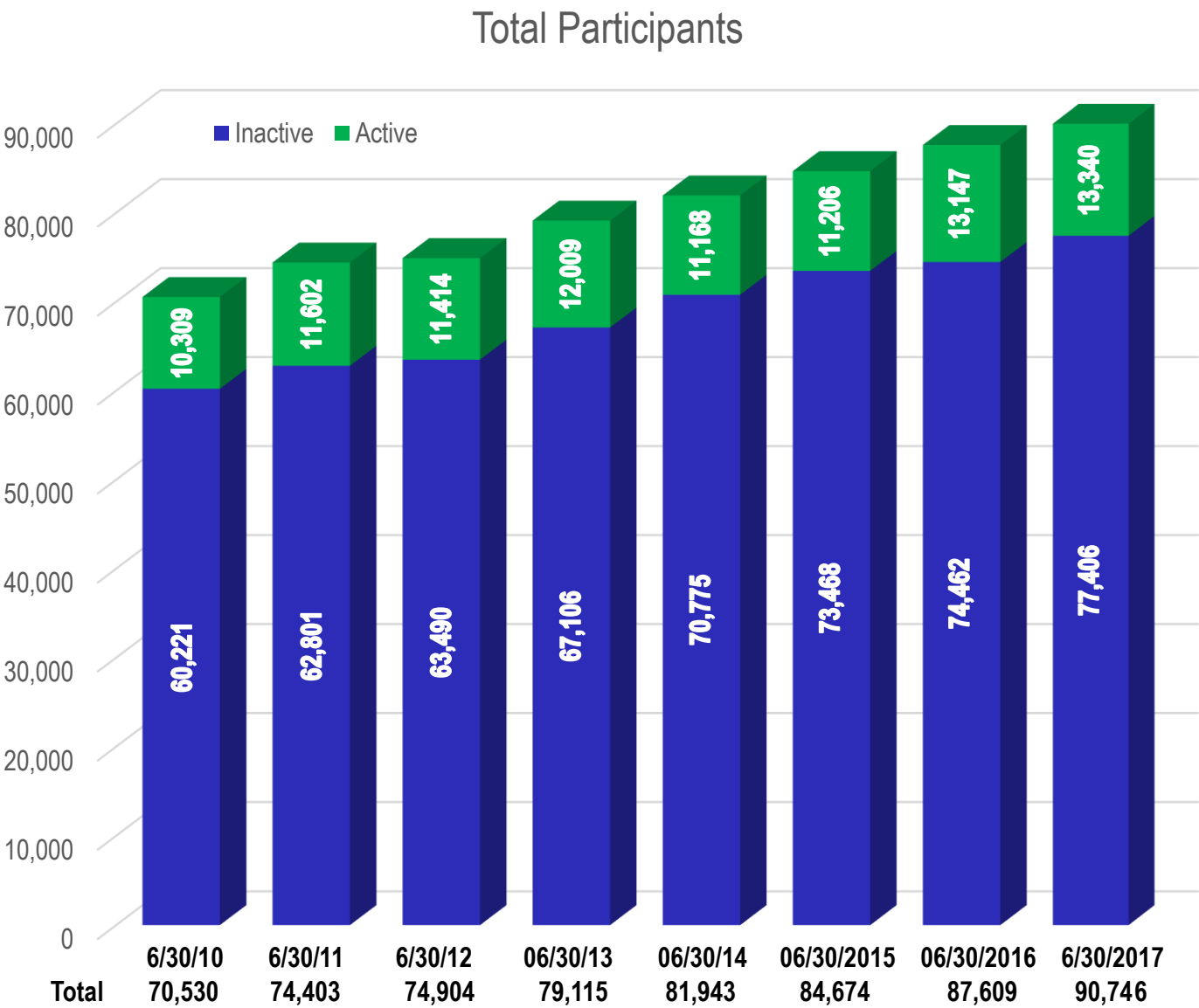
Number of Active Participants Per Month

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Month	2010	2011	2012	2013	2014	2015	2016	2017
January	9,815	10,080	10,111	10,121	10,316	9,852	9,840	10,022
February	9,620	10,365	10,515	10,627	10,660	9,791	10,175	10,187
March	10,052	10,693	10,799	10,782	10,857	10,140	10,211	10,531
April	10,214	10,591	10,640	10,673	10,658	10,218	10,135	10,483
May	10,245	10,684	10,724	10,917	10,867	10,288	10,390	10,591
June	10,309	11,062	11,141	12,009	11,168	11,206	11,418	11,584
July	6,808	7,038	6,655	6,678	6,510	9,714	6,204	
August	7,078	7,055	8,209	6,639	6,649	9,215	6,521	
September	10,631	10,836	10,949	11,028	10,493	10,557	10,895	
October	9,960	10,154	10,019	10,267	9,931	9,997	10,064	
November	10,241	10,292	10,386	10,654	10,180	10,266	10,494	
December	10,470	10,615	10,680	10,824	10,317	10,342	10,581	
Average Number of Participants for 12 Months July to June								
	10,367	9,889	9,993	10,169	10,051	9,631	10,188	9,846

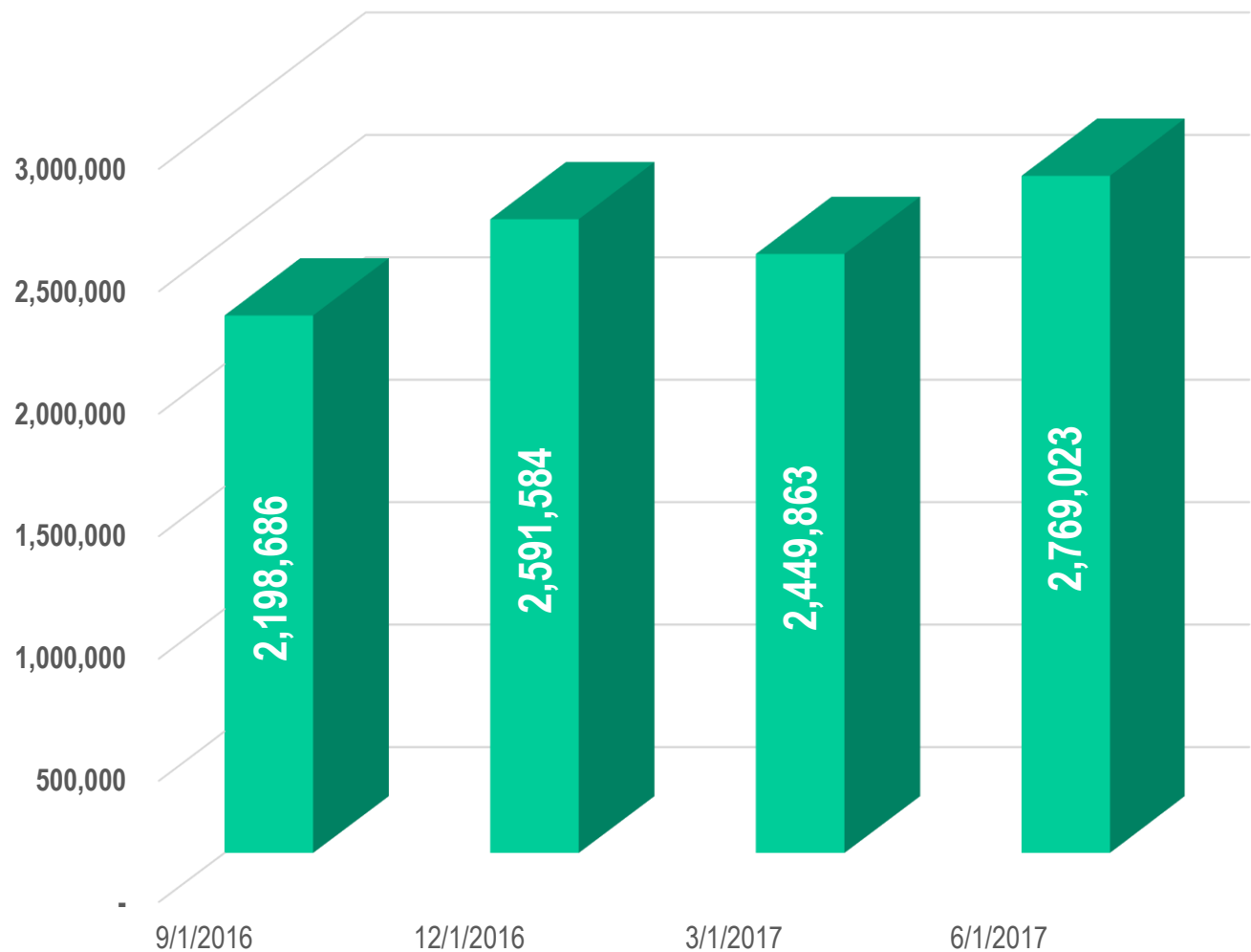
Total Number of Participants

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Employee Contributions by Quarter

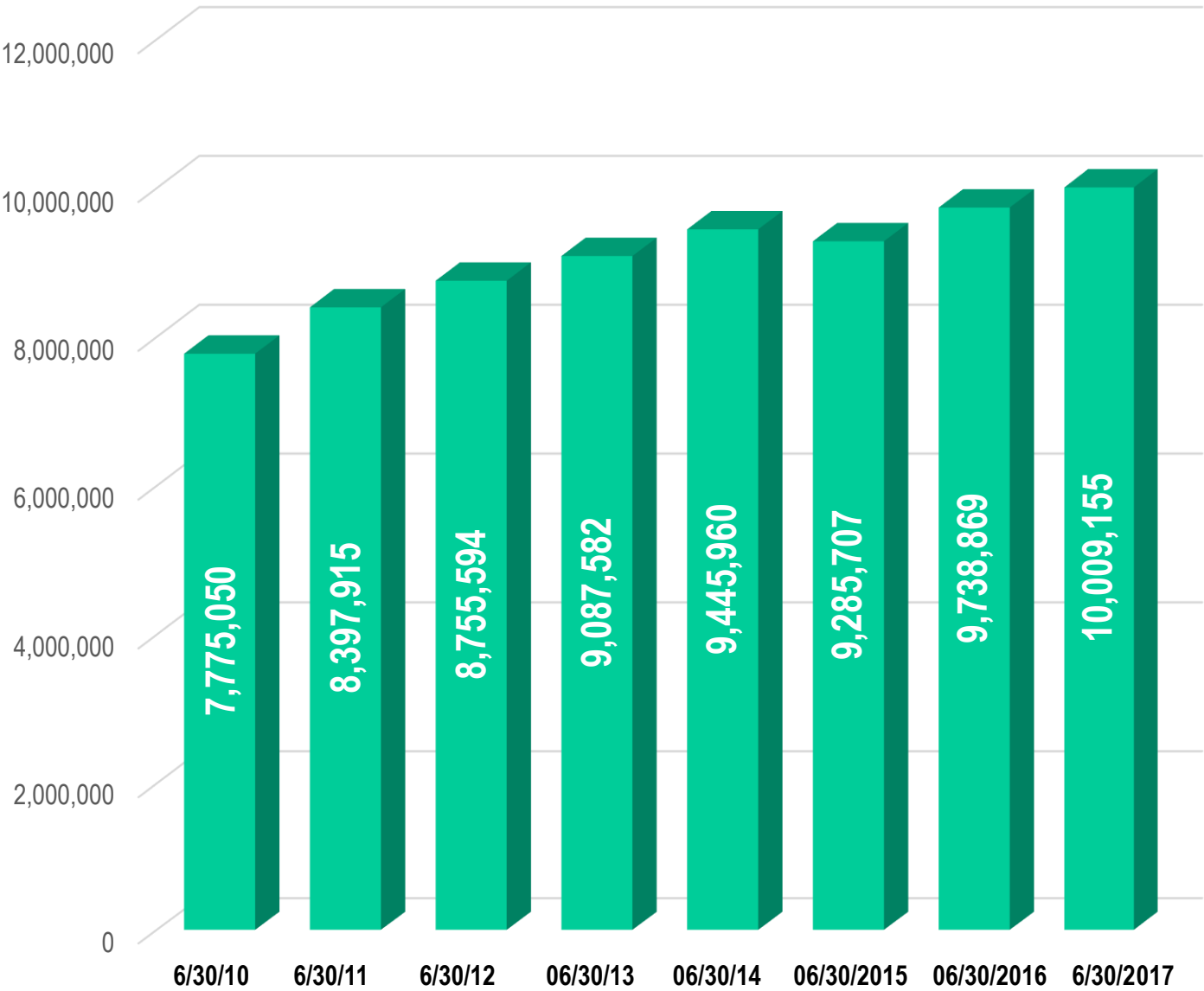
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Total Contributions \$10,009,155

Employee Contributions – By Plan Year

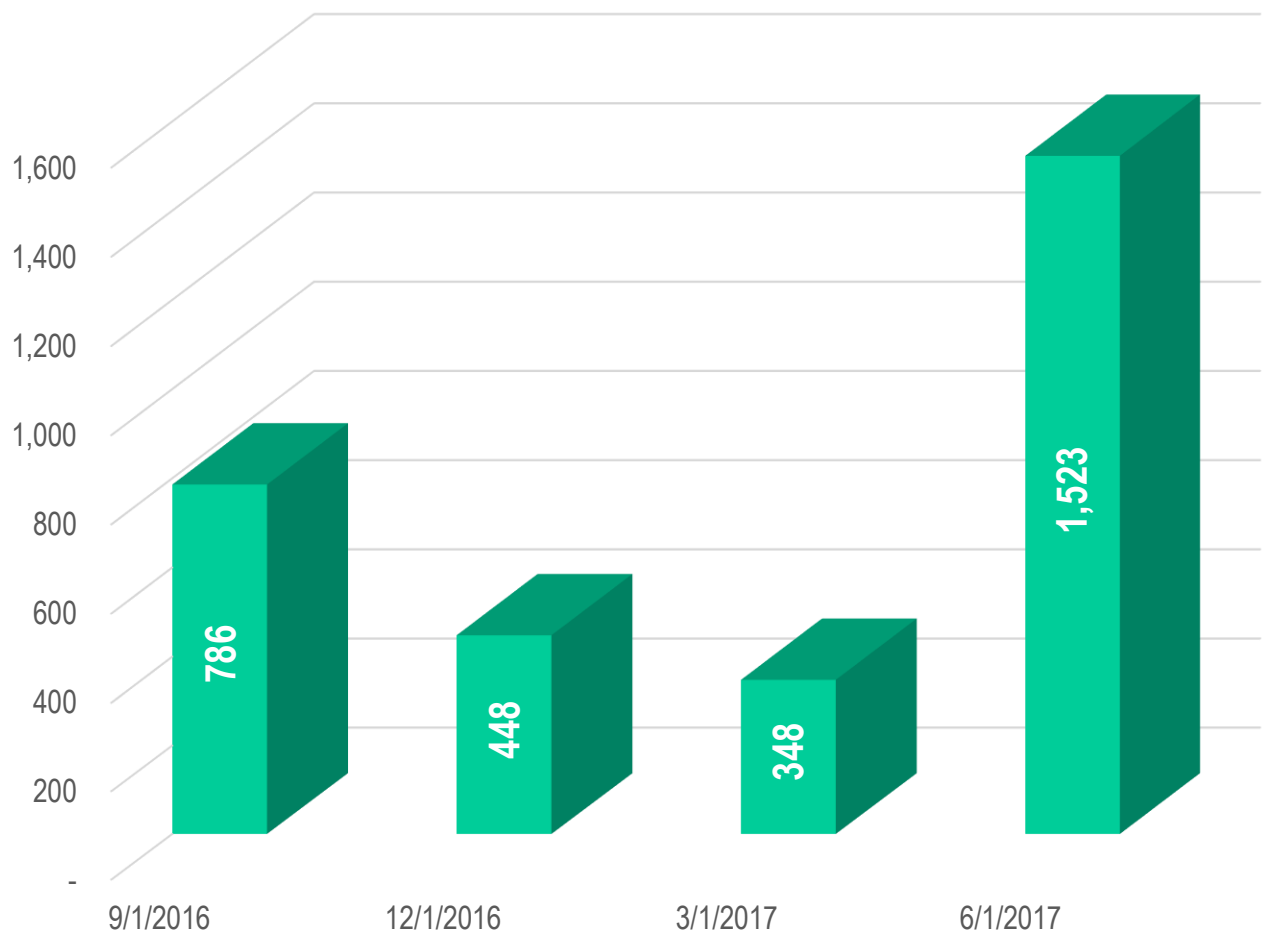
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To Date Contributions \$167,909,995

Distribution Activity by Quarter – Accounts

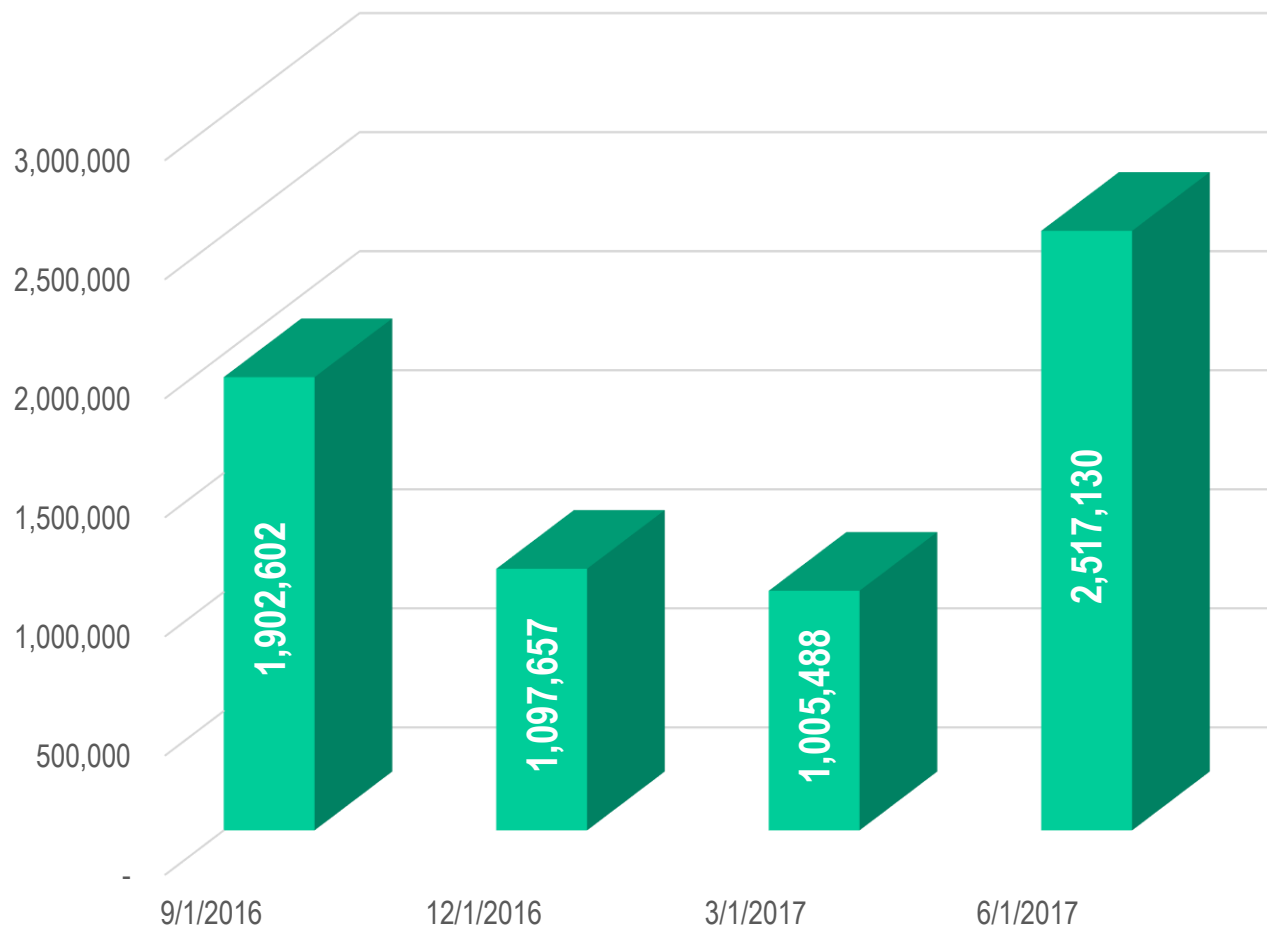
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Total Account Distributions 3,105

Distribution Activity by Quarter – Amounts

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Total Distributions 6,522,876

Plan Account History

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Month Ending	Employee Premiums	Withdrawals	Interest	Fund
07/31/1997	423,678.08 -		514.77	424,192.85
08/31/1997	419,225.19 -		2,636.52	846,054.56
09/30/1997	434,620.87 -		4,223.28	1,284,898.71
10/31/1997	605,772.51 -		6,660.39	1,897,331.61
11/30/1997	643,485.86		9,306.43	2,550,123.90
12/31/1997	636,908.83	26,172.36	12,229.20	3,173,089.57
01/31/1998	491,933.63	9,977.97	14,843.30	3,669,888.53
02/28/1998	636,216.48	14,499.80	15,533.94	4,307,139.15
03/31/1998	645,763.58	32,948.20	19,878.23	4,939,832.76
04/30/1998	592,172.47	41,097.08	21,604.88	5,512,513.03
05/31/1998	674,681.02	42,511.63	24,928.47	6,169,610.89
06/30/1998	299,753.25	54,954.96	26,595.38	6,441,004.56
Plan Year 1	6,504,211.77	222,162.00	158,954.79	
07/31/1998	547,142.21	54,490.01	29,650.76	6,963,307.52
08/31/1998	523,617.52	79,180.47	31,555.85	7,439,300.42
09/30/1998	450,765.63	63,565.79	32,197.41	7,858,697.67
10/31/1998	558,117.40	60,427.00	35,198.23	8,391,586.30
11/30/1998	595,634.15	57,471.53	36,230.11	8,965,979.03
12/31/1998	576,124.47	82,071.52	39,789.41	9,499,821.39
01/31/1999	519,080.03	73,911.48	41,797.76	9,986,787.70
02/28/1999	536,508.36	158,026.98	39,331.82	10,404,600.90
03/31/1999	616,556.70	124,706.21	45,574.79	10,942,026.18
04/30/1999	608,498.73	150,806.44	46,113.53	11,445,832.00
05/31/1999	647,905.48	296.2	49,692.60	12,143,133.88
06/30/1999	626,955.26	206,414.79	50,424.59	12,614,098.94
Plan Year 2	6,806,905.94	1,111,368.42	477,556.86	
07/31/1999	561,293.08	91,629.64	54,452.84	13,138,215.22
08/31/1999	545,290.13	111,119.28	56,550.77	13,628,936.84
09/30/1999	517,411.16	167,050.56	56,820.15	14,036,117.59
10/31/1999	618,681.32	100,130.55	60,895.27	14,615,563.63
11/30/1999	622,152.41	148,579.84	61,628.64	15,150,764.84
12/31/1999	677,586.59	136,137.96	66,498.98	15,758,712.45
01/31/2000	541,308.33	151,185.86	69,010.79	16,217,845.71
02/29/2000	602,069.04	350,024.68	64,323.14	16,534,213.21
03/31/2000	693,423.39	163,814.31	73,204.94	17,137,027.23
04/30/2000	645,826.02	247,859.22	73,382.09	17,608,376.12
05/31/2000	654,838.27	150,426.62	78,144.64	18,190,932.41
06/30/2000	750,084.63	111,575.16	78,488.63	18,907,930.51
Plan Year 3	7,429,964.37	1,929,533.68	793,400.88	

Plan Account History (Continued)

Life Insurance Company of the Southwest • 15455 Dallas Pkwy., Ste. 800 • Addison, Texas 75001 • 800-906-3310 • www.LifeofSouthwest.com

Month Ending	Employee Premiums	Withdrawals	Interest	Fund
07/31/2000	600,870.42	118,735.92	84,294.36	19,474,359.37
08/31/2000	556,889.02	172,281.37	86,895.66	19,945,862.68
09/30/2000	554,715.22	243,325.87	85,972.07	20,343,224.10
10/31/2000	607,972.99	179,840.25	90,948.11	20,862,304.95
11/30/2000	650,730.30	151,098.09	90,170.63	21,452,107.79
12/31/2000	683,119.94	285,263.61	96,007.78	21,945,971.90
01/31/2001	545,135.19	227,813.86	98,254.79	22,361,548.02
02/28/2001	643,196.43	160,706.89	90,156.28	22,934,193.84
03/31/2001	688,122.82	157,197.16	102,791.83	23,567,911.33
04/30/2001	626,456.49	532,280.11	102,010.10	23,764,097.81
05/31/2001	475,380.82	300,324.99	105,875.82	24,045,029.46
06/30/2001	779,653.08	216,139.80	104,311.83	24,712,854.57
Plan Year 4	7,412,242.72	2,745,007.92	1,137,689.26	
07/31/2001	579,292.76	190,982.22	110,460.35	25,211,625.46
08/31/2001	567,232.38	263,315.76	112,648.10	25,628,190.18
09/30/2001	604,606.64	273,303.03	110,713.12	26,070,206.91
10/31/2001	621,751.87	209,634.04	116,325.39	26,598,650.13
11/30/2001	701,581.66	205,692.90	114,838.39	27,209,377.28
12/31/2001	754,819.01	163,505.80	121,417.20	27,922,107.69
01/31/2002	587,015.01	676,101.65	124,125.02	27,957,146.07
02/28/2002	638,262.95	395,536.31	111,883.07	28,311,755.78
03/31/2002	720,355.81	248,350.76	125,771.40	28,909,532.23
04/30/2002	607,079.90	470,104.30	123,906.15	29,170,413.98
05/31/2002	764,229.12	362,921.35	128,810.87	29,700,532.62
06/30/2002	873,802.03	216,054.60	126,588.28	30,484,868.33
Plan Year 5	8,020,029.14	3,675,502.72	1,427,487.34	
07/31/2002	564,198.35	274,417.57	133,287.00	30,907,936.11
08/31/2002	636,102.10	270,134.54	134,529.89	31,408,433.56
09/30/2002	621,827.98	326,129.04	131,489.22	31,835,621.72
10/31/2002	675,787.80	191,304.48	137,389.83	32,457,494.87
11/30/2002	714,511.54	191,789.13	133,278.04	33,113,495.32
12/31/2002	693,982.90	131,894.53	139,539.20	33,815,122.89
01/31/2003	633,550.02	588,319.88	141,055.30	34,001,408.33
02/28/2003	655,213.49	390,011.13	127,397.49	34,394,008.18
03/31/2003	728,175.23	246,899.98	142,741.62	35,018,025.05
04/30/2003	622,847.35	653,194.72	139,724.06	35,127,401.74
05/31/2003	764,840.30	364,489.60	144,354.89	35,672,107.33
06/30/2003	752,759.72	378,578.73	140,998.94	36,187,287.26
Plan Year 6	8,063,796.78	4,007,163.33	1,645,785.48	

Plan Account History (Continued)

Life Insurance Company of the Southwest • 15455 Dallas Pkwy., Ste. 800 • Addison, Texas 75001 • 800-906-3310 • www.LifeofSouthwest.com

Month Ending	Employee Premiums	Withdrawals	Interest	Fund
07/31/2003	610,181.93	206,306.67	147,090.73	36,738,253.25
08/31/2003	588,252.65	291,454.85	148,162.27	37,183,213.32
09/30/2003	589,047.84	396,809.40	143,341.14	37,518,792.90
10/31/2003	682,336.24	212,909.45	148,730.70	38,136,950.39
11/30/2003	702,160.79	271,751.19	144,172.70	38,711,532.69
12/31/2003	659,163.97	145,852.30	149,962.06	39,374,806.42
01/31/2004	625,909.09	546,855.20	149,188.44	39,603,048.75
02/29/2004	615,410.02	556,602.72	134,790.09	39,796,646.14
03/31/2004	734,919.96	343,094.15	150,269.80	40,338,741.75
04/30/2004	701,004.00	372,362.65	146,161.93	40,813,545.03
05/31/2004	754,600.36	381,848.24	150,269.20	41,336,566.35
06/30/2004	742,202.26	285,583.63	146,577.22	41,939,762.20
Plan Year 7	8,005,189.11	4,011,430.45	1,758,716.28	
07/31/2004	650,130.24	263,646.34	152,626.86	42,478,872.96
08/31/2004	586,826.59	230,651.70	152,733.60	42,987,781.45
09/30/2004	611,387.29	433,178.41	147,599.96	43,313,590.29
10/31/2004	688,531.29	200,538.44	153,334.14	43,954,917.28
11/30/2004	656,546.03	234,279.37	149,945.91	44,527,129.85
12/31/2004	684,113.83	199,834.39	156,474.06	45,167,883.35
01/31/2005	570,218.51	814,439.71	157,149.50	45,080,811.65
02/28/2005	642,554.95	749,526.75	140,570.62	45,114,410.47
03/31/2005	734,295.83	350,299.37	156,034.79	45,654,441.72
04/30/2005	701,465.75	404,074.24	151,927.19	46,103,760.42
05/31/2005	767,564.03	785,957.92	156,988.64	46,242,355.17
06/30/2005	793,685.36	397,598.14	152,294.74	46,790,737.13
Plan Year 8	8,087,319.70	5,064,024.78	1,827,680.01	
07/31/2005	627,170.43	284,836.88	158,215.69	47,291,286.37
08/31/2005	592,354.46	327,054.80	159,015.73	47,715,601.76
09/30/2005	645,966.45	388,587.44	154,465.93	48,127,446.70
10/31/2005	713,733.28	275,742.05	160,415.33	48,725,853.26
11/30/2005	682,154.82	337,619.92	156,272.14	49,226,660.30
12/31/2005	743,632.41	237,060.89	162,796.35	49,896,028.17
01/31/2006	597,470.52	621,495.14	163,491.93	50,035,495.48
02/28/2006	657,239.69	557,604.14	147,229.51	50,282,360.54
03/31/2006	743,040.55	414,619.64	164,196.09	50,774,977.54
04/30/2006	705,624.30	297,693.96	159,911.84	51,342,819.72
05/31/2006	755,598.78	515,784.11	165,764.88	51,748,399.27
06/30/2006	834,882.99	603,912.76	161,489.41	52,140,858.91
Plan Year 9	8,298,868.68	4,862,011.73	1,913,264.83	

Plan Account History (Continued)

Life Insurance Company of the Southwest • 15455 Dallas Pkwy., Ste. 800 • Addison, Texas 75001 • 800-906-3310 • www.LifeofSouthwest.com

Month Ending	Employee Premiums	Withdrawals	Interest	Fund
07/31/2006	643,965.58	295,214.93	167,378.56	52,656,988.12
08/31/2006	565,210.20	318,144.85	168,204.72	53,072,258.19
09/30/2006	792,900.31	419,214.07	163,547.09	53,609,491.52
10/31/2006	747,737.27	183,351.30	170,274.36	54,344,151.85
11/30/2006	707,618.44	228,173.83	166,174.84	54,989,771.30
12/31/2006	780,463.22	391,659.55	198,627.43	55,577,202.40
01/31/2007	645,125.45	282,174.75	201,570.37	56,141,723.47
02/28/2007	644,014.73	339,379.15	183,374.90	56,629,733.95
03/31/2007	773,762.29	278,934.78	205,384.53	57,329,945.99
04/30/2007	650,110.02	604,938.79	213,033.94	57,588,151.16
05/31/2007	804,825.24	383,050.91	221,841.67	58,231,767.16
06/30/2007	884,383.84	372,640.81	217,216.50	58,960,726.69
Plan Year 10	8,640,116.59	4,096,877.72	2,276,628.91	
07/31/2007	643,028.93	297,547.23	227,564.22	59,533,772.61
08/31/2007	608,718.18	325,101.33	229,765.13	60,047,154.59
09/30/2007	803,375.98	501,822.52	224,465.72	60,573,173.77
10/31/2007	763,920.53	215,578.46	234,068.44	61,355,584.28
11/30/2007	776,054.39	256,336.92	229,244.93	62,104,546.68
12/31/2007	828,551.32	426,758.53	240,075.55	62,746,415.02
01/31/2008	662,465.78	1,065,387.59	243,392.47	62,586,885.68
02/28/2008	675,447.91	562,682.12	218,784.81	62,918,436.28
03/31/2008	849,544.72	362,380.19	244,309.73	63,649,910.54
04/30/2008	650,416.19	250,232.45	240,382.94	64,290,477.22
05/31/2008	903,770.38	612,040.66	251,187.73	64,833,394.67
06/30/2008	865,990.26	370,564.72	245,090.20	65,573,910.41
Plan Year 11	9,031,284.57	5,246,432.72	2,828,331.87	
07/31/2008	656,674.73	209,110.17	257,915.50	66,279,390.47
08/31/2008	660,118.36	295,292.20	260,504.71	66,904,721.34
09/30/2008	813,755.76	1,299,260.29	254,901.92	66,674,118.73
10/31/2008	850,263.26	579,758.59	263,176.61	67,207,800.01
11/30/2008	805,478.36	398,302.41	256,138.71	67,871,114.67
12/31/2008	760,007.14	133,666.92	267,644.26	68,765,099.15
01/31/2009	709,862.40	339,640.70	270,004.42	69,405,325.27
02/28/2009	622,063.54	249,876.97	245,503.16	70,023,015.00
03/31/2009	816,597.85	296,365.13	275,024.12	70,818,271.84
04/30/2009	735,226.58	417,991.58	266,378.48	71,401,885.32
05/31/2009	838,438.00	644,969.64	277,258.07	71,872,611.75
06/30/2009	845,747.87	193,709.08	270,394.44	72,795,044.98
Plan Year 12	9,114,233.85	5,057,943.68	3,164,844.40	

Plan Account History (Continued)

Life Insurance Company of the Southwest • 15455 Dallas Pkwy., Ste. 800 • Addison, Texas 75001 • 800-906-3310 • www.LifeofSouthwest.com

Month Ending	Employee Premiums	Withdrawals	Interest	Fund
07/31/2009	885,051.39	184,731.53	282,979.51	73,778,344.35
08/31/2009	817,354.29	385,555.32	286,793.73	74,496,937.05
09/30/2009	456,975.47	1,102,887.34	279,532.57	74,130,557.75
10/31/2009	552,129.06	835,721.88	275,344.67	74,122,309.60
11/30/2009	470,087.48	445,671.74	266,007.81	74,412,733.15
12/31/2009	652,753.12	340,609.50	276,488.34	75,001,365.11
01/31/2010	549,552.08	218,410.52	277,346.54	75,609,853.21
02/28/2010	611,947.99	433,077.48	252,315.11	76,041,038.83
03/31/2010	682,763.46	474,952.98	281,368.73	76,530,218.04
04/30/2010	681,537.47	448,719.31	274,549.68	77,037,585.88
05/31/2010	745,849.32	426,504.86	285,622.14	77,642,552.48
06/30/2010	669,048.62	303,323.28	278,633.17	78,286,910.99
Plan Year 13	7,775,049.75	5,600,165.74	3,316,982.00	
07/31/2010	588,825.27	239,929.43	286,319.42	78,922,126.25
08/31/2010	573,694.80	541,551.56	288,550.99	79,242,820.48
09/30/2010	741,575.59	955,864.66	280,639.35	79,309,170.76
10/31/2010	746,880.03	493,994.93	287,593.40	79,849,649.26
11/30/2010	650,560.86	236,202.84	279,960.21	80,543,967.49
12/31/2010	742,882.99	310,338.09	292,167.22	81,268,679.61
01/31/2011	563,049.28	189,705.36	291,942.32	81,933,965.85
02/28/2011	733,909.25	244,559.67	265,837.71	82,689,153.14
03/31/2011	778,405.48	235,752.88	297,392.97	83,529,198.71
04/30/2011	694,776.53	531,615.66	285,747.33	83,978,106.91
05/31/2011	801,422.70	409,268.10	297,045.89	84,667,307.40
06/30/2011	781,932.88	336,688.86	289,782.81	85,402,334.23
Plan Year 14	8,397,915.66	4,725,472.04	3,442,979.62	
07/31/2011	639,421.12	284,018.60	301,572.19	86,059,308.94
08/31/2011	572,970.06	539,899.98	303,957.45	86,396,336.47
09/30/2011	812,871.61	309,958.87	295,746.74	87,194,995.95
10/31/2011	774,397.74	223,533.88	308,243.08	88,054,102.89
11/30/2011	678,721.48	1,267,826.03	300,994.80	87,765,993.14
12/31/2011	797,643.59	951,446.71	310,247.51	87,922,437.53
01/31/2012	581,804.44	350,913.46	298,015.48	88,451,343.99
02/29/2012	754,289.87	461,746.19	270,534.31	89,014,421.98
03/31/2012	822,067.96	318,365.57	301,580.55	89,819,704.92
04/30/2012	711,558.39	815,770.13	276,172.05	89,991,665.23
05/31/2012	814,369.95	610,120.12	285,646.34	90,481,561.40
06/30/2012	795,477.55	579,120.72	277,771.07	90,975,689.30
Plan Year 15	8,755,593.76	6,712,720.26	3,530,481.57	

Plan Account History (Continued)

Life Insurance Company of the Southwest • 15455 Dallas Pkwy., Ste. 800 • Addison, Texas 75001 • 800-906-3310 • www.LifeofSouthwest.com

Month Ending	Employee Premiums	Withdrawals	Interest	Fund
07/31/2012	638,724.24	376,863.50	283,942.55	91,521,492.59
08/31/2012	612,349.44	489,977.80	285,469.57	91,929,333.80
09/30/2012	834,297.86	566,515.76	277,741.23	92,474,857.13
10/31/2012	764,527.95	293,263.03	285,774.13	93,231,896.18
11/30/2012	767,489.23	232,877.05	278,564.05	94,045,072.41
12/31/2012	790,446.46	340,895.95	290,561.04	94,785,183.96
01/31/2013	564,393.77	166,543.98	240,997.04	95,424,030.79
02/28/2013	840,760.60	339,621.17	217,630.72	96,142,800.94
03/31/2013	816,479.37	307,833.61	242,887.48	96,894,334.18
04/30/2013	676,906.54	704,571.51	236,802.61	97,103,471.82
05/31/2013	926,306.87	733,726.67	245,535.36	97,541,587.38
06/30/2013	854,899.35	418,247.46	238,449.73	98,216,689.00
Plan Year 16	9,087,581.68	4,970,937.49	3,124,355.51	
07/31/2013	621,015.83	458,598.89	246,231.37	98,625,337.31
08/31/2013	643,218.89	781,403.13	247,179.37	98,734,332.44
09/30/2013	816,186.27	502,504.77	239,752.25	99,287,766.19
10/31/2013	833,403.60	707,347.92	242,848.10	99,656,669.97
11/30/2013	814,114.51	388,402.04	235,362.49	100,317,744.93
12/31/2013	817,056.25	260,701.37	245,067.81	101,119,167.62
01/31/2014	712,057.52	250,173.74	242,158.78	101,823,210.18
02/28/2014	816,273.20	446,402.93	219,868.20	102,412,948.65
03/31/2014	845,925.98	469,868.48	245,084.39	103,034,090.54
04/30/2014	748,156.02	906,435.57	239,389.88	103,115,200.87
05/31/2014	914,658.07	623,245.73	247,648.47	103,654,261.68
06/30/2014	863,893.94	395,123.30	240,876.73	104,363,909.05
Plan Year 17	9,445,960.08	6,190,207.87	2,891,467.84	
07/31/2014	617,859.45	453,969.07	251,952.07	104,779,751.50
08/31/2014	638,542.34	515,840.06	252,986.48	105,155,440.26
09/30/2014	775,307.47	440,909.79	245,884.64	105,735,722.58
10/31/2014	855,253.81	561,016.86	255,675.40	106,285,634.93
11/30/2014	807,156.73	541,455.34	248,295.20	106,799,631.52
12/31/2014	767,652.12	294,399.46	258,069.64	107,530,953.82
01/31/2015	717,381.42	460,849.15	260,681.91	108,048,168.00
02/28/2015	708,090.96	329,812.48	236,340.93	108,662,787.41
03/31/2015	826,782.86	790,675.55	263,553.68	108,962,448.40
04/30/2015	788,111.56	1,413,405.49	256,629.01	108,593,783.48
05/31/2015	906,772.90	934,782.04	264,140.48	108,829,914.82
06/30/2015	876,795.99	492,868.82	256,344.44	109,470,186.43
Plan Year 18	9,285,707.61	7,229,984.11	3,050,553.88	

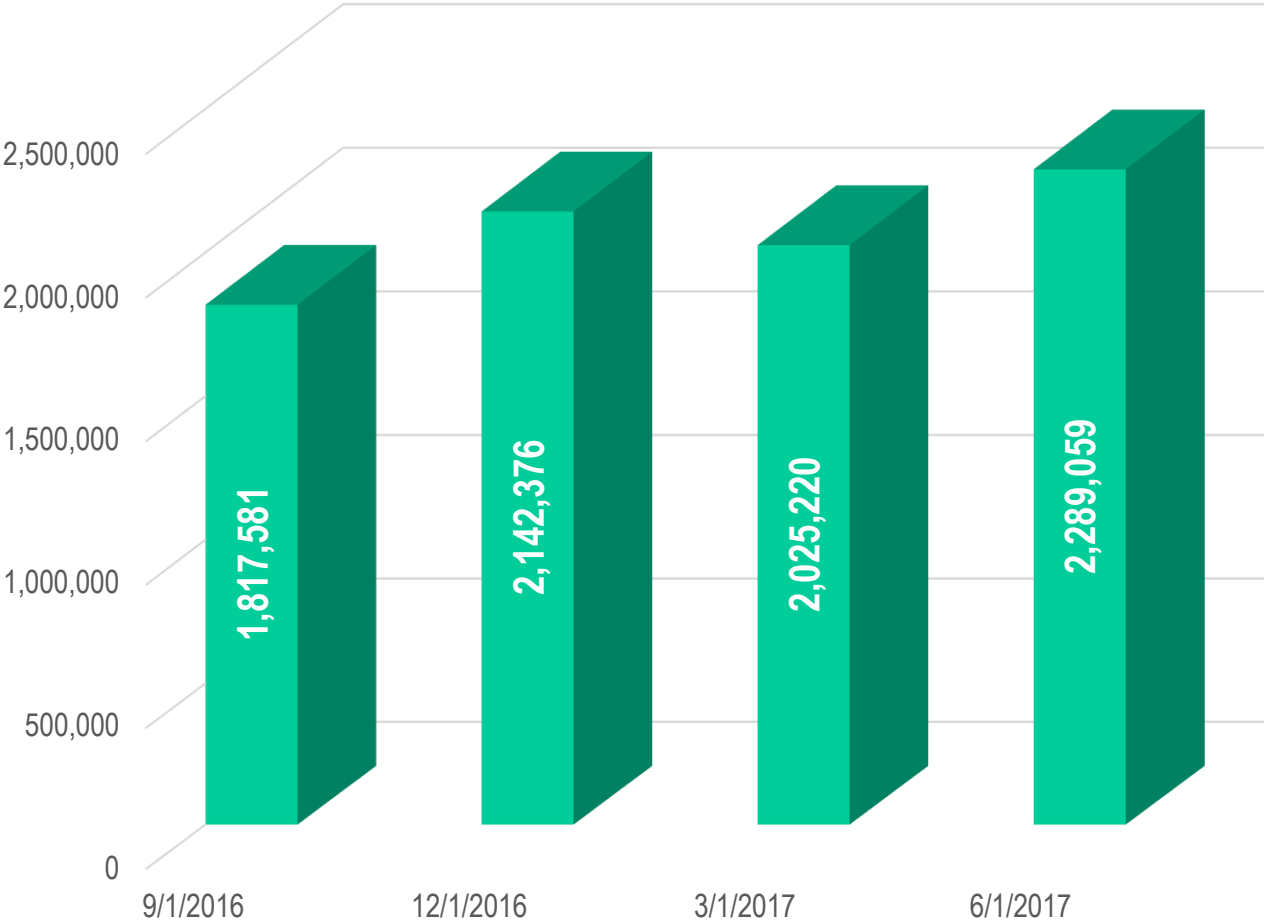
Plan Account History (Continued)

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Month Ending	Employee Premiums	Withdrawals	Interest	Fund
7/31/2015	676,570.38	570,473.85	265,336.12	109,841,619
8/31/2015	714,286.70	603,667.70	266,196.10	110,218,434
9/30/2015	831,932.63	717,459.50	258,733.57	110,591,641
10/31/2015	880,873.99	481,520.65	264,622.68	111,255,617
11/30/2015	808,000.78	416,867.39	257,383.58	111,904,134
12/31/2015	835,829.12	382,425.37	267,726.21	112,625,264
1/31/2016	707,354.88	299,168.81	262,023.72	113,295,474
2/28/2016	799,360.84	494,632.01	237,809.21	113,838,012
3/31/2016	880,251.78	522,334.76	264,845.70	114,460,774
4/30/2016	769,155.30	1,201,803.46	253,876.32	114,282,003
5/31/2016	935,545.40	465,715.26	262,055.52	115,013,888
6/30/2016	899,706.75	560,374.52	255,182.93	115,608,403
Plan Year 19	9,738,868.55	6,716,443.28	3,115,791.66	
8/1/2016	669,513.55	586,166.29	264,011.77	115,955,762
9/1/2016	617,929.10	579,983.03	263,574.52	116,257,283
10/1/2016	911,243.54	736,452.20	256,081.95	116,688,156
11/1/2016	897,303.06	464,553.38	256,090.50	117,376,996
12/1/2016	807,868.58	331,649.40	248,898.77	118,102,114
1/1/2017	886,412.46	301,454.19	258,876.44	118,945,949
2/1/2017	761,825.88	289,252.07	265,441.96	119,683,965
3/1/2017	803,919.90	456,554.73	241,311.54	120,272,642
4/1/2017	884,116.87	259,681.05	268,737.17	121,165,815
5/1/2017	886,649.23	1,359,024.55	260,793.74	120,954,233
6/1/2017	918,052.74	638,356.13	269,158.30	121,503,088
7/1/2017	964,320.64	519,749.57	261,729.35	122,209,388
Plan Year 20	10,009,155.55	6,522,876.59	3,114,706.01	
Grand Total	167,909,995.86	90,698,266.53	44,997,659.00	122,209,388

State Savings by Qtr– 2016-2017 Plan Year by Qtr

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Savings for 2016-2017 Plan Year
\$8,274,235

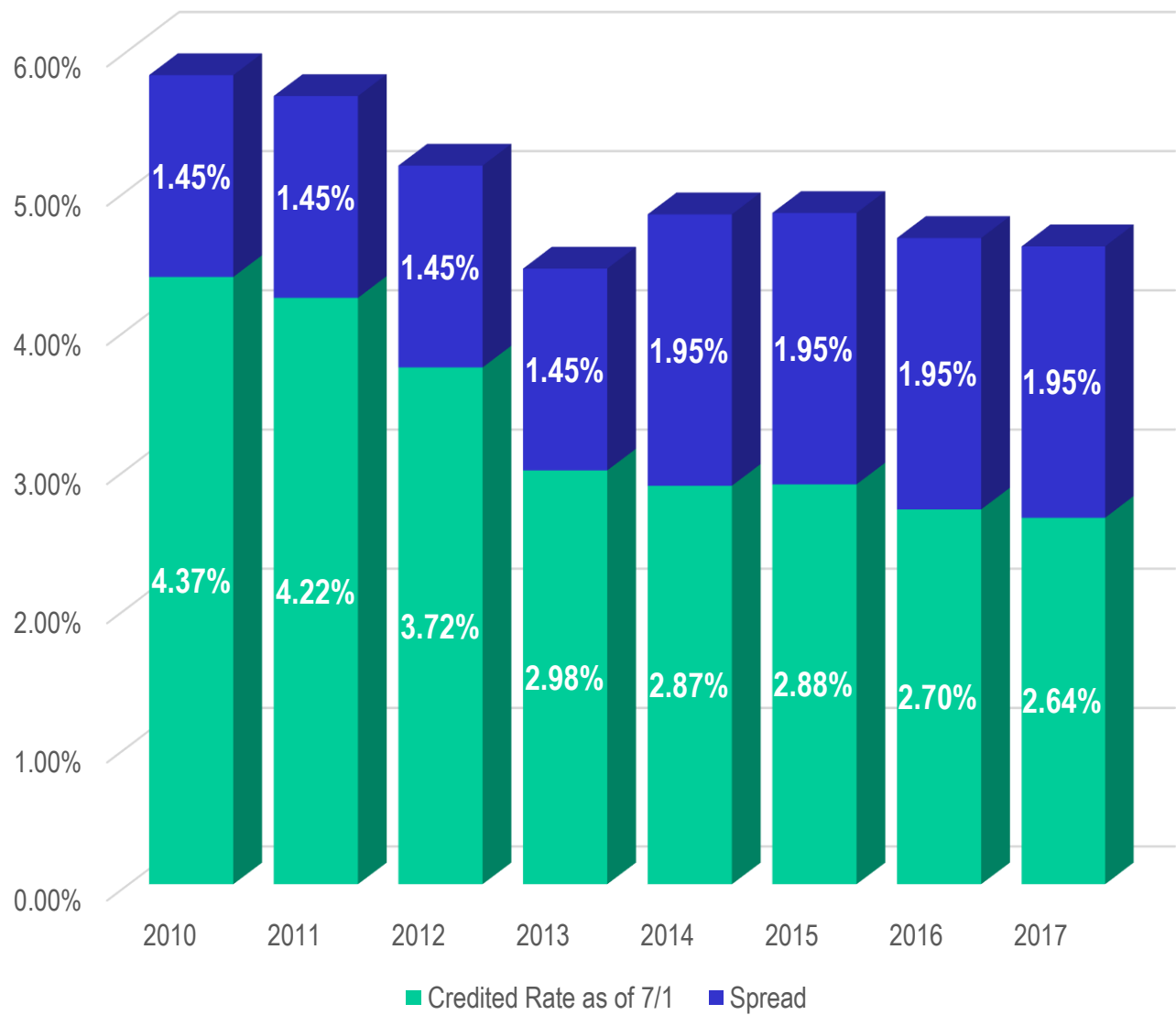
State Savings – Since Inception

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Plan Year	Annual Savings
Year 1	\$5,376,815.06
Year 2	\$5,627,042.24
Year 3	\$6,142,103.88
Year 4	\$6,127,453.98
Year 5	\$6,629,890.76
Year 6	\$6,666,072.00
Year 7	\$6,617,623.00
Year 8	\$6,685,517.62
Year 9	\$6,860,398.11
Year 10	\$7,142,496.38
Year 11	\$7,465,861.90
Year 12	\$7,534,433.32
Year 13	\$6,427,374.00
Year 14	\$6,942,276.95
Year 15	\$7,237,957.51
Year 16	\$7,512,400.86
Year 17	\$7,808,660.33
Year 18	\$7,676,184.96
Year 19	\$8,050,798.00
Year 20	\$8,274,235.25
Total	\$138,805,470.57

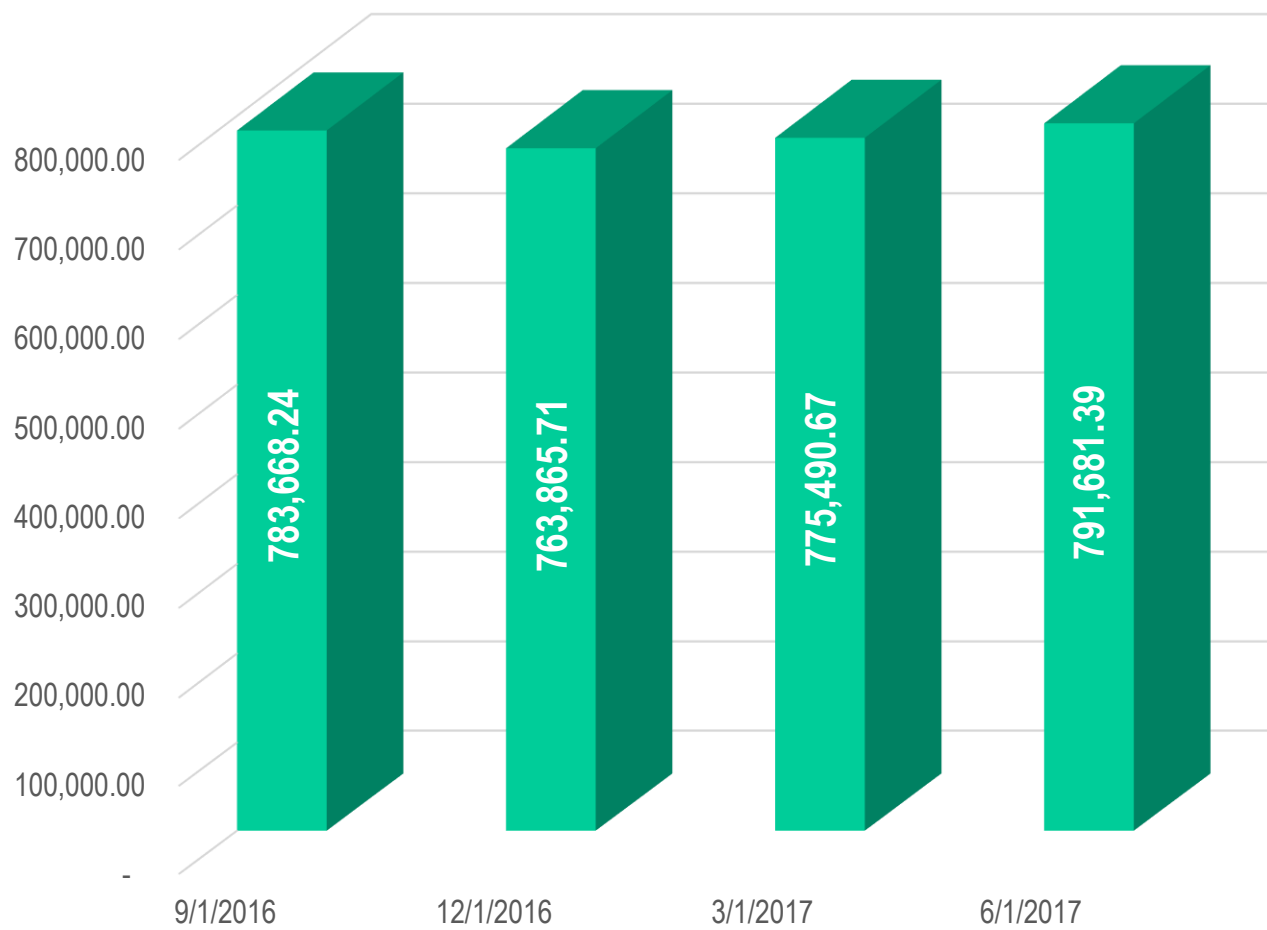
Interest Rates – Effective Credited Rates

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Interest Credited by Quarter – Amounts

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Total Interest Paid: \$3,114,706

Hawaii PTS Plan – Interest Rate History

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PAYMENT DATE	INITIAL RATE	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
07/01/1997	5.75%	5.75%	5.75%	5.30%	5.30%	5.15%	4.80%	4.20%	4.00%	3.75%
08/01/1997	5.50%	5.50%	5.50%	5.30%	5.30%	4.80%	4.20%	4.20%	4.00%	3.75%
11/01/1997	5.25%	5.25%	5.25%	5.30%	5.30%	4.80%	4.20%	4.20%	4.00%	
01/01/1998	5.25%	5.25%	5.25%	5.30%	5.30%	4.80%	4.20%	4.20%	4.00%	
02/01/1998	5.00%	5.00%	5.00%	5.00%	4.85%	4.80%	4.20%	4.00%	3.75%	
05/01/1998	5.00%	5.00%	5.00%	5.00%	4.85%	4.80%	4.20%	4.00%	3.75%	
08/01/1998	5.00%	5.00%	5.00%	5.00%	4.85%	4.25%	4.20%	4.00%	3.75%	
10/01/1998	5.00%	5.00%	5.00%	5.00%	4.80%	4.20%	4.20%	4.00%	3.75%	
11/01/1998	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.20%	4.00%		
02/01/1999	4.75%	4.75%	4.75%	4.60%	4.60%	4.20%	4.00%	3.75%		
05/01/1999	4.75%	4.75%	4.75%	4.60%	4.60%	4.20%	4.00%	3.75%		
07/01/1999	5.25%	5.25%	5.25%	5.10%	4.50%	4.20%	4.00%	3.75%		
09/01/1999	5.75%	5.75%	5.75%	5.25%	4.60%	4.20%	4.00%			
01/01/2000	5.75%	5.75%	5.60%	5.25%	4.75%	4.40%	4.15%			
01/27/2000	6.00%	6.00%	5.85%	5.50%	4.75%	4.40%	4.15%			
04/01/2000	6.00%	6.00%	5.85%	5.50%	4.75%	4.40%	4.15%			
05/01/2000	5.75%	5.75%	5.60%	5.25%	4.50%	4.25%	4.00%			
06/01/2000	6.00%	6.00%	5.85%	5.25%	4.50%	4.25%	4.00%			
09/01/2000	5.75%	5.75%	5.35%	4.75%	4.50%	4.25%				
12/01/2000	5.75%	5.75%	5.35%	4.75%	4.50%	4.25%				
01/01/2001	5.50%	5.35%	5.00%	4.60%	4.25%	4.00%				
02/01/2001	5.25%	5.10%	4.75%	4.60%	4.25%	4.00%				
05/01/2001	5.25%	5.10%	4.75%	4.50%	4.25%	4.00%				
06/01/2001	5.50%	5.35%	5.00%	4.50%	4.25%	4.00%				
08/14/2001	5.25%	5.10%	4.50%	4.50%	4.25%	4.00%				
10/01/2001	5.00%	4.80%	4.20%	4.20%	4.00%	3.75%				
11/15/2001	4.75%	4.75%	4.20%	4.20%	4.00%					
01/01/2002	4.75%	4.75%	4.50%	4.20%	3.95%					
04/01/2002	5.00%	5.00%	4.75%	4.50%	4.25%					
05/08/2002	4.75%	4.75%	4.25%	4.00%	3.75%					
07/01/2002	4.50%	4.50%	4.25%	4.00%	3.75%					
08/01/2002	4.00%	4.00%	3.75%	3.50%	3.50%					
10/01/2002	3.75%	3.75%	3.50%	3.50%	3.50%					
11/01/2002	4.00%	4.00%	3.75%	3.50%						
02/01/2003	3.75%	3.75%	3.75%	3.75%						
03/08/2003	3.50%	3.50%	3.25%	3.25%						
03/22/2003	3.25%	3.25%	3.25%	3.25%						
06/01/2003	3.00%	3.00%	3.00%	3.00%						
08/04/2003	3.25%	3.25%	3.25%	3.25%						
09/01/2003	3.50%	3.50%	3.50%							
12/01/2003	3.50%	3.50%	3.50%							
01/24/2004	3.25%	3.25%	3.25%							
03/01/2004	3.00%	3.00%	3.00%							
05/01/2004	3.50%	3.50%	3.50%							
06/01/2004	3.75%	3.75%	3.75%							
08/01/2004	3.50%	3.50%	3.50%							
09/01/2004	3.25%	3.25%	3.25%							
11/01/2004	3.00%	3.00%								
01/01/2005	3.00%	3.00%								
03/01/2005	3.00%	3.00%								
06/01/2005	3.00%	3.00%								
07/01/2005	3.00%	3.00%								
09/01/2005	3.15%	3.15%								
11/01/2005	3.35%									
01/01/2006	3.35%									
04/01/2006	3.60%									
05/01/2006	3.85%									
07/01/2006	3.85%									
09/01/2006	3.85%									
10/01/2006	3.75%									
12/01/2006										

ALL RATES SET TO 4.32% EFFECTIVE 12/01/06

Credited Rates starting December, 2006

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Asset Yield		Credited Rate		Management Fee
Annual Effective Rate		Annual Effective Rate		
Date	Yield	Effective Date	Yield	Fee
08/31/2006	5.77%	12/01/2006	4.32%	1.45%
11/30/2006	5.77%	01/01/2007	4.32%	1.45%
02/28/2007	6.04%	04/01/2007	4.59%	1.45%
05/31/2007	6.06%	07/01/2007	4.61%	1.45%
08/31/2007	6.06%	10/01/2007	4.61%	1.45%
11/30/2007	6.08%	01/01/2008	4.63%	1.45%
02/29/2008	6.11%	04/01/2008	4.66%	1.45%
05/31/2008	6.15%	07/01/2008	4.70%	1.45%
08/31/2008	6.16%	10/01/2008	4.71%	1.45%
11/30/2008	6.14%	01/01/2009	4.69%	1.45%
02/28/2009	6.09%	04/01/2009	4.64%	1.45%
05/31/2009	6.09%	07/01/2009	4.64%	1.45%
08/31/2009	5.89%	10/01/2009	4.44%	1.45%
11/30/2009	5.87%	01/01/2010	4.42%	1.45%
02/28/2010	5.88%	04/01/2010	4.43%	1.45%
05/31/2010	5.82%	07/01/2010	4.37%	1.45%
08/31/2010	5.78%	10/01/2010	4.33%	1.45%
11/31/2010	5.74%	01/01/2011	4.29%	1.45%
02/28/2011	5.67%	04/01/2011	4.22%	1.45%
05/31/2011	5.67%	07/01/2011	4.22%	1.45%
08/30/2011	5.67%	10/01/2011	4.22%	1.45%
11/30/2011	5.49%	01/01/2012	4.04%	1.45%
02/29/2012	5.23%	04/01/2012	3.78%	1.45%
05/31/2012	5.17%	07/01/2012	3.72%	1.45%
08/31/2012	5.13%	10/01/2012	3.68%	1.45%
11/30/2012	5.12%	01/01/2013	3.00%	2.12%
02/28/2013	5.07%	04/01/2013	3.00%	2.07%
05/31/2013	4.93%	07/01/2013	2.98%	1.95%
08/31/2013	4.85%	10/01/2013	2.90%	1.95%
11/30/2013	4.79%	01/01/2014	2.84%	1.95%
02/28/2014	4.80%	04/01/2014	2.85%	1.95%
05/31/2014	4.82%	07/01/2014	2.87%	1.95%

Credited Rates starting December, 2006

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Asset Yield		Credited Rate		Management Fee
Annual Effective Rate		Annual Effective Rate		
Date	Yield	Effective Date	Yield	
8/31/2014	4.82%	10/1/2014	2.87%	1.95%
11/30/2014	4.83%	1/1/2015	2.88%	1.95%
2/28/2015	4.84%	4/1/2015	2.89%	1.95%
5/31/2015	4.83%	7/1/2015	2.88%	1.95%
8/31/2015	4.79%	10/1/2015	2.84%	1.95%
11/30/2015	4.71%	1/1/2016	2.76%	1.95%
2/28/2016	4.67%	4/1/2016	2.72%	1.95%
5/31/2016	4.65%	7/1/2016	2.70%	1.95%
8/31/2016	4.55%	10/1/2016	2.60%	1.95%
11/30/2016	4.60%	1/1/2017	2.65%	1.95%
2/28/2017	4.59%	4/1/2017	2.64%	1.95%
5/31/2017	4.59%	7/1/2017	2.64%	1.95%

PTS Rates vs. 5-Year Treasury Rates

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Rate Comparison Beginning December 1, 2006

	INTEREST RATE	5 YEAR TREASURY	DIFFERENCE
12/01/2006	4.32%	4.39%	-0.07%
01/01/2007	4.32%	4.70%	-0.38%
04/01/2007	4.59%	4.54%	0.05%
07/01/2007	4.61%	4.92%	-0.31%
10/01/2007	4.61%	4.24%	0.37%
01/01/2008	4.63%	3.45%	1.18%
04/01/2008	4.66%	2.65%	2.01%
07/01/2008	4.70%	3.33%	1.37%
10/01/2008	4.71%	2.87%	1.84%
01/01/2009	4.69%	1.55%	3.14%
04/01/2009	4.64%	1.65%	2.99%
07/01/2009	4.64%	2.51%	2.13%
10/01/2009	4.44%	2.20%	2.24%
01/01/2010	4.42%	2.69%	1.73%
04/01/2010	4.43%	2.59%	1.84%
07/01/2010	4.37%	1.80%	2.57%
10/01/2010	4.33%	1.27%	3.06%
01/01/2011	4.29%	2.02%	2.27%
04/01/2011	4.22%	2.25%	1.97%
07/01/2011	4.22%	1.80%	2.42%
10/01/2011	4.22%	0.88%	3.34%
01/01/2012	4.04%	0.89%	3.15%
04/01/2012	3.78%	1.02%	2.76%
07/01/2012	3.72%	0.67%	3.05%
10/01/2012	3.68%	0.62%	3.06%
01/01/2013	3.00%	0.76%	2.24%
04/01/2013	3.00%	0.76%	2.24%
07/01/2013	2.98%	1.20%	1.78%
10/01/2013	2.90%	1.60%	1.30%
01/01/2014	2.84%	1.58%	1.26%
04/01/2014	2.85%	1.64%	1.21%
07/01/2014	2.87%	1.68%	1.19%

PTS Rates vs. 5-Year Treasury Rates

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Rate Comparison Beginning December 1, 2006

	INTEREST RATE	5 YEAR TREASURY	DIFFERENCE
10/1/2014	2.87%	1.77%	1.10%
1/1/2015	2.88%	1.64%	1.24%
4/1/2015	2.89%	1.52%	1.37%
7/1/2015	2.88%	1.68%	1.20%
10/1/2015	2.84%	1.37%	1.47%
1/1/2016	2.76%	1.73%	1.03%
4/1/2016	2.72%	1.24%	1.48%
7/1/2016	2.70%	1.00%	1.70%
10/1/2016	2.60%	1.18%	1.42%
1/1/2017	2.65%	1.94%	0.71%
4/1/2017	2.64%	1.88%	0.76%
7/1/2017	2.64%	1.93%	0.71%

PTS Rates vs. Local Interest Rates

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- PTS Credited Rate (Effective 7/1/17 - 9/30/17) 2.64%
- Hawaii State Federal Credit Union (1 yr CD)* 0.35%
- First Hawaiian Bank (1 yr CD)* 0.13%
- Bank of Hawaii (Bonus Saving Rate)* 0.10%
- Central Pacific Bank (1 yr CD)* 0.25%

*Rates as of month of September 2016

Plan Inquiries – Current Year

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	9/30/2016	12/31/2016	3/31/2017	6/30/2017	TOTALS
Administration Calls:	Calls Received from State Departments Only				
Eligibility, Booklets, Payroll, Procedures, Refunds, Employee Codes	0	0	0	0	0
Client Calls:	Calls Received from Individual Enrollees				
Miscellaneous Questions and Account Balances	747	708	1076	1226	3757
Requesting Forms -- Enrollment Forms, Separation from Service Forms, Plan to Plan Transfers, Beneficiary Claims, Statements	533	478	1992	861	3864
Compliance Calls:	Calls Received from Individual Enrollees				
Miscellaneous Questions -- Mandatory vs. Optional, Is this Legal, I want Social Security, I never enrolled	0	0	0	0	0
Total Calls Received:	1280	1186	3068	2087	7621

Plan Inquiries – 5 Year History

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Description	Plan Year Ending June 30					
	2012	2013	2014	2015	2016	2017
<u>Administrative Calls:</u> Eligibility, Booklets, Payroll, Procedures, Refunds, Employee Codes	60	8	37	1	-	-
<u>Client Calls:</u> Miscellaneous Questions and Account Balances	3,094	1,346	3,608	3,836	4,184	3,757
Requesting Forms ----- Enrollment Forms, Separation from Service Forms, Plan to Plan Transfers, Statements	1,785	2,251	2,937	3,611	3,698	3,864
<u>Compliance Calls:</u> Miscellaneous Questions --- Mandatory vs. Optional; Is this legal; I want Social Security	6	316	6	-	-	-
Total Call Received:	4,945	3,921	6,588	7,448	7,882	7,621

State of Hawaii Plan Sponsor Web

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- **Security**
 - Provides a secure site to view personal account information and retrieve reports in a secure environment.
- **Internet Account Access**
 - Allows the plan sponsor to update personal information immediately via the internet.
 - Allows the plan sponsor access to both individual and plan account balances.
- **Instant Report Access**
 - Facilitates a secure arena to access reports posted by National Benefit Services, Inc.
 - Provides the ability to create individual participant statements for review.
- **Participant Functionality**
 - Facilitates an area to access forms such as distribution forms, enrollment forms, beneficiary forms, DC-015, and administrative distribution forms via the website.
 - Allows for participant access to account information.

Hawaii PTS Website

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Website Usage & Participant Statements Through 7/1/2016 to 6/30/2017

Purpose	Hits	Increase
		Over Prior Year
Website Access	3,740	-27.87%
Participant Statements Requests*	1,657	52.86%

Hawaii PTS Website

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Log Out ?



State of Hawaii PTS Deferred Compensation Retirement Plan for Part-Time, Temporary, and Seasonal/Casual Employees

[Summary](#) [Investments](#) [Tools](#) [Personal Profile](#)

General Information

The PTS Deferred Compensation Retirement Plan was established in 1996 by Chapter 88F, Hawai'i Revised Statutes as an alternative retirement program for part-time, temporary, and seasonal/casual (PTS) employees. Under this Plan, PTS employees will be automatically enrolled and 7.5% of their gross pay each pay period will be deducted, in lieu of Social Security taxes, and placed in an interest-bearing PTS account. Unlike the money taken for Social Security, the money in the individual's PTS account - contributions plus earned interest - is returned to the employee when the employee leaves State employment.

For more information about the PTS Deferred Compensation Retirement Plan or to obtain forms for designation of beneficiary, withdrawal of contributions, plan-to-plan transfers, etc., please call the Service Provider/Administrator, Comprehensive Financial Planning / Life Insurance Company of the Southwest at 596-7006 (neighbor islands may call toll free at 1-800-600-7167).

Participant Summary

Note to PTS Plan participants: If you have been trying to contact the local service provider, Comprehensive Financial Planning (CFP), by phone and have not been able to contact them, it is because CFP is currently experiencing a high volume of calls. If you have questions and would like a CFP representative to contact you, you may email CFP at cfpii001@hawaii.rr.com to request for a return call back.

Personal Info

[View Details](#)

JOHN DOE

1000 Kaipii St
Kailua, HI 96734

Home e-mail:

johnd@nbsbenefits.com

Important Messages

You have 0 message(s)
from your plan.

At-a-Glance

Account balance: \$0.00



Balances by Source as of 09/29/2015

[View Details](#)

Contributions

Hawaii PTS Website

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Log Out ?  



State of Hawaii PTS Deferred Compensation Retirement Plan for Part-Time, Temporary, and Seasonal/Casual Employees

Summary Investments Tools **Personal Profile**

Edit Personal Information

General

Prefix:
Name (First, Middle, Last):
Street address 1:
Street address 2:
City:
State:
Zip code:

E-Mail

Alternate Verification



Status

Reset

Submit

Hawaii PTS Website

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Log Out ?  



State of Hawaii PTS Deferred Compensation Retirement Plan for Part-Time, Temporary, and Seasonal/Casual Employees

EE Search  Account Info Tools

Reports/Statements



Generate Reports View Reports

Report Selection

Select report group:



Transaction History - By EE
(FICA)
Hawaii Participant Statement

Options


Division(s):

Select employee:


Select export file type:

Available plan years:

From date:


(mm/dd/yyyy) 

To date:

(mm/dd/yyyy) 


Hawaii PTS Website

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Log Out ? 



State of Hawaii PTS Deferred Compensation Retirement Plan for Part-Time, Temporary, and Seasonal/Casual Employees
















EE Search  Account Info Tools

Reports/Statements



[Generate Reports](#) [View Reports](#)

Filter column: Filter value: [Reset Filter](#)

 Report Name	 Report Group	 Employer	 Created	 Last Viewed	 From	 To	 Delete
 August 2015 - Partalocsched ssn blocked.pdf	None	State of Hawaii	09/29/2015	09/29/2015			
 August 2015 - Plan Totals.pdf	None	State of Hawaii	09/29/2015	09/29/2015			
 Hawaii Participant Statement	None	State of Hawaii	07/15/2015	09/30/2015			
 Sept 2015 - administextract ssn blocked.pdf	None	State of Hawaii	09/29/2015	09/29/2015			
 Sept 2015 - fnldistYTD ssn blocked - rev.pdf	None	State of Hawaii	09/29/2015	09/29/2015			
 Sept 2015 - fnldistextract ssn blocked - modified.pdf	None	State of Hawaii	09/29/2015	09/29/2015			
 Transaction History - By EE	None	State of Hawaii	04/02/2015	08/31/2015			

National Life Group family of Companies

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Life Insurance Company of the Southwest

Member of


National Life Group

Family of Companies

National Life Group

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Organizational Structure and History

- **National Life Insurance Company was chartered in 1848**
- **Our philosophy has been a steady and controlled growth**
- **National Life Group has 4 core entities:**
 - Life Insurance Company of the Southwest (LSW) 
 - National Life Insurance Company (NLIC)
 - Sentinel Investments (Asset Management arm)
 - Equity Services, Inc. (Broker/Dealer entity)
- **LSW became a part of National Life Group family of companies in 1997**
 - LSW was founded in 1955

National Life Group

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Steady growth in all relevant areas

- **As of year end 2016:**
 - Achieved record sales:
 - \$194 million of life insurance
 - \$132 million of flow annuities
 - \$727 million of Single Premium Deferred Annuities
 - Assets Under Management is at \$33.1 billion, as of year end 2016
 - Reached over \$100 billion in face value of life insurance in force
 - Total Revenues grew to \$1.9 billion in 2016, up from \$1.7 billion in 2015
 - Benefits paid to Policyholders increased from \$441 million in 2015 to over \$533 million in 2016
 - Total Policyholders grew to 847,000 in 2016, from 782,000 in 2015
 - Risk Based Capital ratio was 464%, up from 439% at year end 2015

Financial Strength Ratings

Life Insurance Company of the Southwest • 15455 Dallas Pkwy., Ste. 800 • Addison, Texas 75001 • 800-906-3310 • www.LifeofSouthwest.com

- **A.M. Best** **A (Excellent)** 3rd highest
ranking out of 16
- **Standard & Poor** **A+ (Strong)** 5th highest
ranking out of 21
- **Moody's** **A2 (Good)** 6th highest
ranking out of 21

Life Insurance Company of the Southwest

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- Life Insurance Company of the Southwest in Addison, Texas – Assets of \$16.8 billion as of 12/31/2016
- Specializing in annuities for retirement plans
- National Life Group in Montpelier, Vermont – Assets of \$33 billion as of 12/31/2016
 - Life Insurance Company of the Southwest
 - National Life Insurance Company
 - Sentinel Funds
- Licensed in all jurisdictions but New York.

JP Morgan Escrow Account Assets- 6/30/2017

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JP Morgan

Priced Positions with Equivalent Currency

Page 1 of 4

Summary
As Of: 30-Jun-2017

Custody

Account: E 20476 LSW - HAWAII ESCROW

Priced Positions with Equivalent Currency

Security ID	Security Name	Coupon Rate	Maturity Date	Pool Number	Settled Units	Total Units	Settled Market Value (Local)	Market Price	Settled Market Value (Base)	Exchange Rate (Base)	Settled Market Value (Equivalent)	Exchange Rate (Equivalent)
ISIN								Price Date				
OCC ID												
31397ASL3	FHLMC REMICS 3209 CB 6% 15/AUG/2036	6.000000	15-Aug-2036		12,697,848.0000000		1,790,665.28	USD	1,790,665.28	USD	1,790,665.28	USD
US31397ASL38					12,697,848.0000000		1,790,665.28	USD	1,790,665.28	USD	1,790,665.28	USD
							109.2618000	30-Jun-2017	1,0000000		1,0000000	30-Jun-2017
31378BH8	FHLMC REMICS 4350 DV 4% 15/JUN/2044	4.000000	15-Jun-2044		10,000,000.0000000		10,790,008.00	USD	10,790,008.00	USD	10,790,008.00	USD
US31378BH82					10,000,000.0000000		10,790,008.00	USD	10,790,008.00	USD	10,790,008.00	USD
							107.9000000	30-Jun-2017	1,0000000		1,0000000	30-Jun-2017
3128M82R4	FHLMCGLD MORTPASS 3.5% 01/OCT/2041 G0 PNM G06784	3.500000	01-Oct-2041	G06784	46,000,000.0000000		16,154,715.27	USD	16,154,715.27	USD	16,154,715.27	USD
US3128M82R49					46,000,000.0000000		16,154,715.27	USD	16,154,715.27	USD	16,154,715.27	USD
							103.2343000	30-Jun-2017	1,0000000		1,0000000	30-Jun-2017
3138WTLJ6	FHMA MORTPASS 3% 01/APR/2043 CL PNM AT5987	3.000000	01-Apr-2043	AT5987	20,000,000.0000000		12,336,495.28	USD	12,336,495.28	USD	12,336,495.28	USD
US3138WTLJ65					20,000,000.0000000		12,336,495.28	USD	12,336,495.28	USD	12,336,495.28	USD
							100.4335000	30-Jun-2017	1,0000000		1,0000000	30-Jun-2017
31396KX3	FHMA REMICS 2006-82 JB 6.5% 25/SEP/2036	6.500000	25-Sep-2036		5,000,000.0000000		387,314.08	USD	387,314.08	USD	387,314.08	USD
US31396KX35					5,000,000.0000000		387,314.08	USD	387,314.08	USD	387,314.08	USD
							108.5101000	30-Jun-2017	1,0000000		1,0000000	30-Jun-2017
31396K75	FHMA REMICS 2007-13 D 6.5% 25/AUG/2036	6.500000	25-Aug-2036		10,000,000.0000000		727,909.29	USD	727,909.29	USD	727,909.29	USD
US31396K754					10,000,000.0000000		727,909.29	USD	727,909.29	USD	727,909.29	USD
							108.8764000	30-Jun-2017	1,0000000		1,0000000	30-Jun-2017
31396KFK5	FHMA REMICS 2007-77 ZB 6.5% 25/AUG/2037	6.500000	25-Aug-2037		11,965,812.0000000		4,029,088.49	USD	4,029,088.49	USD	4,029,088.49	USD
US31396KFK54					11,965,812.0000000		4,029,088.49	USD	4,029,088.49	USD	4,029,088.49	USD
							108.4764000	30-Jun-2017	1,0000000		1,0000000	30-Jun-2017
38376LDY7	GNMA 2009-106 MB 4.5% 20/NOV/2039	4.500000	20-Nov-2039		18,440,000.0000000		19,892,424.76	USD	19,892,424.76	USD	19,892,424.76	USD
US38376LDY73					18,440,000.0000000		19,892,424.76	USD	19,892,424.76	USD	19,892,424.76	USD
							107.8764000	30-Jun-2017	1,0000000		1,0000000	30-Jun-2017

"PGSD Eligible - Deposit Guarantee Scheme Directive eligible"
Please refer to the disclaimer page at the end of this report for further information.

S-445-520-896

01-Jul-2017 00:18:01

JP Morgan Escrow Account Assets- 6/30/2017

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J.P.Morgan

Priced Positions with Equivalent Currency

Page 2 of 4

Summary
As Of: 30-Jun-2017Custody
Account: E 20476 LSW - HAWAII ESCROW

Priced Positions with Equivalent Currency

Security ID	Security Name	Settled Units Total Units	Settled Market Value (Local) Total Market Value (Local) Market Price	Settled Market Value (Base) Total Market Value (Base) Exchange Rate (Base)	Settled Market Value (Equivalent) Total Market Value (Equivalent) Exchange Rate (Equivalent)
OCC ID	Coupon Rate Maturity Date Pool Number		Price Date	Exchange Rate Date (Base)	Exchange Rate Date (Equivalent)
3837AVAY5 US3837AVAY56	GNMA 2009-40 WC 4.5% 20/JUN/2039 4.500000 20-Jun-2039	26,500,000.0000000 26,500,000.0000000	28,884,342.80 28,884,342.80 108.9975000 30-Jun-2017	28,884,342.80 28,884,342.80 1.0000000 30-Jun-2017	28,884,342.80 28,884,342.80 1.0000000 30-Jun-2017
3837AVHM4 US3837AVHM46	GNMA 2009-45 CE 5% 20/JUN/2038 5.000000 20-Jun-2038	18,920,000.0000000 18,920,000.0000000	15,822,565.07 15,822,565.07 102.6457000 30-Jun-2017	15,822,565.07 15,822,565.07 1.0000000 30-Jun-2017	15,822,565.07 15,822,565.07 1.0000000 30-Jun-2017
7586AAG3 US7586AAG31	REGENCY ENERGY PARTNERS LP / REGENCY ENERGY FINANCE CORP CALLABLE NOTES FIXED 5.5% 15/APR/2023 USD 1000 5.500000 15-Apr-2023	5,000,000.0000000 5,000,000.0000000	5,171,307.50 5,171,307.50 103.4261000 30-Jun-2017	5,171,307.50 5,171,307.50 1.0000000 30-Jun-2017	5,171,307.50 5,171,307.50 1.0000000 30-Jun-2017
Settled Units Market Value:			Settled Units Market Value:		
Total Units Market Value:			Total Units Market Value:		
Settled Units Market Value (Assets And Cash):			Settled Units Market Value (Assets And Cash):		
Total Units Market Value (Assets And Cash):			Total Units Market Value (Assets And Cash):		

"DGSID Eligible - Deposit Guarantee Scheme Directive eligible"

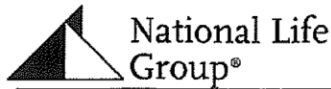
Please refer to the disclaimer page at the end of this report for further information.

S-445-520-896

01-Jun-2017 00:18:01

Hawaii Account Balance- 6/30/2017

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Life Insurance Company of the Southwest™

Contract Statement

Prepared Date: July 03, 2017

FICHE COPY

Statement Period: 06/01/2017 - 06/30/2017

#BWNCDPH

|||||

STATE OF HAWAII DCRP

C/O NATIONAL BENEFIT SERVICES

8523 SOUTH REDWOOD RD

WEST JORDAN UT 84088

Policy summary

Accumulation Value 06/01/2017: \$121,503,087.91
 Additions: \$964,320.64
 Deductions/Withdrawals: \$519,749.57
 Interest Credited: \$261,729.35
 Total Value 06/30/2017: \$122,209,388.33
 Net Surrender Value 06/30/2017: \$122,209,388.33

Policy Information

Policy Number: 880779X
 Annuitant: State Of Hawaii Dcrp
 Annuity Type: 457(b)
 Policy Issue Date: July 01, 2013
 Product Name: GFPA3121
 Agent Name: Comprehensive Fin Plan Inc
 Agent Principal: Donald K Inouye
 Agent Phone: 808 596 7006
 Email: Cfp001@hawaii.rr.com

Current Period Transactions

Date	Transaction Type	Amount	Date	Transaction Type	Amount	Date	Transaction Type	Amount
06-05-2017	NA	500,667.51	06-20-2017	NA	190.08	06-30-2017	TB	519,749.57
06-20-2017	NA	463,463.05						

NA = Regular Payment

TB = Partial Surrender

Do You Know a LifeChanger?

Do you recall a school employee that impacted your life? Is there someone that sticks out in your memory as a person who took the time to show you they care? National Life Group has created a program to honor education professionals that go above and beyond on a daily basis.

National Life Group wants to help you honor an outstanding school employee who has a positive impact on your life, the lives of their students, or on the entire community. Our national program, LifeChanger of the Year, recognizes exceptional K-12 educators and school employees. The program gives out \$71,000 in cash awards on an annual basis.

As a National Life Group policyholder, we would like to give you the opportunity to participate in the nomination

573020

National Life Group® is a trade name representing various affiliates, which offer a variety of financial service products.

P: 800-732-8939 | F: 214-638-9162 | Service@NationalLifeGroup.com | www.NationalLifeGroup.com
 Centralized Mailing Address: One National Life Drive, Montpelier, VT 05604-5555 | Home Office: Addison, TX
 880779X 000 08022*AA1C 20170705 FC 185000426 HAWAII DCRP STATE 0

Page 1 of 2

JP Morgan Escrow Account Assets- 8/31/2017

After \$9 million deposit added to the Escrow Account

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JP Morgan

Priced Positions with Equivalent Currency

Summary
As Of: 31-Aug-2017

Page 1 of 4

Custody				Priced Positions with Equivalent Currency			
Account: E 20476 LSW - HAWAII ESCROW							
Security ID	Security Name	Settled Units	Settled Market Value (Local)	Settled Market Value (Base)	Settled Market Value (Equivalent)		
ISIN	Coupon Rate Maturity Date Pool Number	Total Units	Total Market Value (Local)	Total Market Value (Base)	Total Market Value (Equivalent)		
OCC ID			Market Price	Exchange Rate (Base)	Exchange Rate (Equivalent)		
			Price Date	Exchange Rate Date (Base)	Exchange Rate Date (Equivalent)		
31397A5L3	FLHMC REMICS 3209 CB 6% 15/AUG/2036	12,697,848.00000000	1,685,056.17 USD	1,685,056.17 USD	1,685,056.17 USD		
US31397A5L38	6.000000 15-Aug-2036	12,697,848.00000000	1,685,056.17 USD	1,685,056.17 USD	1,685,056.17 USD		
			109.5307000	1.0000000	1.0000000		
			31-Aug-2017	31-Aug-2017	31-Aug-2017		
31397FL83	FLHMC REMICS 3284 BZ 4.5% 15/MAR/2037	10,000,000.00000000	9,421,438.70 USD	9,421,438.70 USD	9,421,438.70 USD		
US31397FL835	4.500000 15-Mar-2037	10,000,000.00000000	9,421,438.70 USD	9,421,438.70 USD	9,421,438.70 USD		
			108.3780000	1.0000000	1.0000000		
			31-Aug-2017	31-Aug-2017	31-Aug-2017		
3137BBH8	FLHMC REMICS 4350 DY 4% 15/JUN/2044	10,000,000.00000000	10,972,792.00 USD	10,972,792.00 USD	10,972,792.00 USD		
US3137BBH882	4.000000 15-Jun-2044	10,000,000.00000000	10,972,792.00 USD	10,972,792.00 USD	10,972,792.00 USD		
			109.7279000	1.0000000	1.0000000		
			31-Aug-2017	31-Aug-2017	31-Aug-2017		
3128M8R4	FLHMCGLD MORTPASS 3.5% 01/OCT/2041 GO PNH G06784	46,000,000.00000000	15,930,267.17 USD	15,930,267.17 USD	15,930,267.17 USD		
US3128M8R49	3.500000 01-Oct-2041 G06784	46,000,000.00000000	15,930,267.17 USD	15,930,267.17 USD	15,930,267.17 USD		
			104.1679000	1.0000000	1.0000000		
			31-Aug-2017	31-Aug-2017	31-Aug-2017		
3138WTLUM6	FNMA MORTPASS 3% 01/APR/2043 CL PNH AT5987	20,000,000.00000000	12,185,061.01 USD	12,185,061.01 USD	12,185,061.01 USD		
US3138WTLUM65	3.000000 01-Apr-2043 AT5987	20,000,000.00000000	12,185,061.01 USD	12,185,061.01 USD	12,185,061.01 USD		
			101.7343000	1.0000000	1.0000000		
			31-Aug-2017	31-Aug-2017	31-Aug-2017		
31396KZ3	FNMA REMICS 2006-82 JB 6.5% 25/SEP/2036	5,000,000.00000000	368,196.83 USD	368,196.83 USD	368,196.83 USD		
US31396KZ35	6.500000 25-Sep-2036	5,000,000.00000000	368,196.83 USD	368,196.83 USD	368,196.83 USD		
			108.8022000	1.0000000	1.0000000		
			31-Aug-2017	31-Aug-2017	31-Aug-2017		
31396PK75	FNMA REMICS 2007-13 D 6.5% 25/AUG/2036	10,000,000.00000000	720,223.72 USD	720,223.72 USD	720,223.72 USD		
US31396PK754	6.500000 25-Aug-2036	10,000,000.00000000	720,223.72 USD	720,223.72 USD	720,223.72 USD		
			109.2058000	1.0000000	1.0000000		
			31-Aug-2017	31-Aug-2017	31-Aug-2017		
31396XFK5	FNMA REMICS 2007-77 ZB 6.5% 25/AUG/2037	11,965,812.00000000	3,421,406.66 USD	3,421,406.66 USD	3,421,406.66 USD		
US31396XFK54	6.500000 25-Aug-2037	11,965,812.00000000	3,421,406.66 USD	3,421,406.66 USD	3,421,406.66 USD		
			108.7692000	1.0000000	1.0000000		
			31-Aug-2017	31-Aug-2017	31-Aug-2017		

"GSD Eligible - Deposit Guarantee Scheme Directive eligible"
Please refer to the disclaimer page at the end of this report for further information.

S-453-531-177

01-Sep-2017 00:22:57

JP Morgan Escrow Account Assets- 8/31/2017

After \$9 million deposit added to the Escrow Account

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J.P.Morgan

Priced Positions with Equivalent Currency

Page 2 of 4

 Summary
 As Of: 31-Aug-2017

 Custody
 Account: E 20476 LSW - HAWAII ESCROW

Priced Positions with Equivalent Currency

Security ID	Security Name	Settled Units	Settled Market Value (Local)	Settled Market Value (Base)	Settled Market Value (Equivalent)
ISIN	Coupon Rate Maturity Date Pool Number	Total Units	Market Price	Exchange Rate (Base)	Exchange Rate (Equivalent)
OCC ID			Price Date	Exchange Rate Date	
38376JDY7	GNMA 2009-106 MB 4.5% 20/NOV/2039	18,440,000.00000000	20,036.673.50 USD	20,036.673.50 USD	20,036.673.50 USD
US38376JDY73	4.500000 20-Nov-2039	18,440,000.00000000	20,036.673.50 USD	20,036.673.50 USD	20,036.673.50 USD
			106.6567000	1.0000000	1.0000000
			31-Aug-2017	31-Aug-2017	31-Aug-2017
38374VAV5	GNMA 2009-40 WC 4.5% 20/JUN/2039	26,500,000.00000000	29,056.335.75 USD	29,056.335.75 USD	29,056.335.75 USD
US38374VAV56	4.500000 20-Jun-2039	26,500,000.00000000	29,056.335.75 USD	29,056.335.75 USD	29,056.335.75 USD
			109.6465000	1.0000000	1.0000000
			31-Aug-2017	31-Aug-2017	31-Aug-2017
38374VHM4	GNMA 2009-45 CE 5% 20/JUN/2038	18,920,000.00000000	14,190,806.60 USD	14,190,806.60 USD	14,190,806.60 USD
US38374VHM46	5.000000 20-Jun-2038	18,920,000.00000000	14,190,806.60 USD	14,190,806.60 USD	14,190,806.60 USD
			102.4545000	1.0000000	1.0000000
			31-Aug-2017	31-Aug-2017	31-Aug-2017
75886AAG3	REGENCY ENERGY PARTNERS LP /	5,000,000.00000000	5,164,067.50 USD	5,164,067.50 USD	5,164,067.50 USD
US75886AAG31	REGENCY ENERGY FINANCE CORP	5,000,000.00000000	5,164,067.50 USD	5,164,067.50 USD	5,164,067.50 USD
	15/APR/2023 USD 1000		103.2813000	1.0000000	1.0000000
	5.500000 15-Apr-2023		31-Aug-2017	31-Aug-2017	31-Aug-2017

 Settled Units Market Value:
 Total Units Market Value:

 123,152,325.60 USD
 123,152,325.60 USD

 Settled Units Market Value (Assets And Cash):
 Total Units Market Value (Assets And Cash):

 123,152,325.60 USD
 123,152,325.60 USD

 "DGSF Eligible - Deposit Guarantee Scheme Directive eligible"
 Please refer to the disclaimer page at the end of this report for further information.

S-453-531-177

01-Sep-2017 00:22:57

Hawaii Account Balance- 8/31/2017

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Life Insurance Company of the Southwest

Contract Statement

Prepared Date: September 01, 2017

FICHE COPY

Statement Period: 08/01/2017 - 08/31/2017

#BWNCDPH

STATE OF HAWAII DCRP
C/O NATIONAL BENEFIT SERVICES
8523 SOUTH REDWOOD RD
WEST JORDAN UT 84088

Policy summary

Accumulation Value 08/01/2017: \$122,626,773.73
Additions: \$609,274.67
Deductions/Withdrawals: \$786,880.04
Interest Credited: \$272,502.29
Total Value 08/31/2017: \$122,721,670.65
Net Surrender Value 08/31/2017: \$122,721,670.65

Policy Information

Policy Number: 880779X
Annuitant: State Of Hawaii Dcrp
Annuity Type: 457(b)
Policy Issue Date: July 01, 2013
Product Name: GFPA3121
Agent Name: Comprehensive Fin Plan Inc
Agent Principal: Donald K Inouye
Agent Phone: 808 596 7006
Email: Cfpri001@hawaii.cr.com

Current Period Transactions

Date	Transaction Type	Amount	Date	Transaction Type	Amount	Date	Transaction Type	Amount
08-01-2017	TB	5,776.73	08-04-2017	NA	75.00	08-17-2017	NA	303,536.38
08-04-2017	NA	305,663.29	08-08-2017	TB	6,054.97	08-30-2017	TB	775,048.34

TB = Partial Surrender

NA = Regular Payment

Do You Know a LifeChanger?

Do you recall a school employee that impacted your life? Is there someone that sticks out in your memory as a person who took the time to show you they care? National Life Group has created a program to honor education professionals that go above and beyond on a daily basis.

National Life Group wants to help you honor an outstanding school employee who has a positive impact on your life, the lives of their students, or on the entire community. Our national program, LifeChanger of the Year, recognizes exceptional K-12 educators and school employees. The program gives out \$71,000 in cash awards on an annual basis.

As a National Life Group policyholder, we would like to give you the opportunity to participate in the nomination

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National Life Group® is a trade name representing various affiliates, which offer a variety of financial service products.

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Subcontractors

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National Benefit Services (NBS)

Based in Salt Lake City, Utah, NBS provides compliance, individual account administration and record keeping services.

Comprehensive Financial Planning (CFP)

Based in Hawaii, CFP provides employer and participant administrative support.

Proposed Timeline for Recordkeeper RFP 2019

- i. Frame and build RFP- August 2018 – November 30th – Special meeting for NDC Committee to decide on what they want to see built into and/or unbundled out of contract;
- ii. NDC Committee to review RFP- December 6th quarterly Committee meeting;
- iii. Issue the solicitation in the first part of January 2019;
- iv. Deadline for submitting questions- 30 Days after solicitation release;
- v. Respond to questions and post answers via website within 10-20 days after Questions deadline;
- vi. Deadline for submission of final proposals and opening of qualifying proposals- March 1st 2019 @ 2pm PST;
- vii. RFP evaluation period- March 1 , 2018 thru April 1 2018
- viii. Selection of finalists, Proposer best and final presentations, and final scoring would need to take place sometime between April 1st – April 30th 2019;
- ix. Announcement of highest scoring Proposer by State Purchasing would take place at the second quarterly meeting in mid – late May 2019 where the NDC Committee will vote to award contract, cancel the RFP, or modify and reissue RFP;
- x. Assuming the Committee takes action to Award, the NDC Executive Officer, Investment Consultant and State Purchasing would begin and finalize contract negotiations in June and contracts executed prior to August Board of Examiners (BOE) deadline estimated to be in the first or second week of July 2019;
- xi. If contract is approved at the August 2019 BOE meeting then transition and communication period (if applicable) would be from August BOE date until December, with either a late December 2019 or early January 2020 contract start date.
- xii. If a new vendor is contracted, post transition meetings and communications will extend into March-April 2020.
- xiii. Investment Consultant RFP would be issued beginning in June-July 2020 timeframe.