

Request for Proposal (RFP) Guide

Selecting Defined Contribution Plan Service Providers

Developed by



The SPARK Institute, Inc.
SHAPING AMERICA'S RETIREMENT

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About SPARK

The Society of Professional Asset-Managers and Recordkeepers (SPARK) was founded in 1989 as an inter-industry trade association of investment managers and service providers, particularly in the defined contribution plan market. It is the first organization to bring together members of the six major provider groups - banks, insurance companies, asset managers, third party administrators, trade clearing firms, and retirement plan advisors and benefit consultants. Collectively our membership provides services to approximately 85% million participants in the 401(k) and other defined contribution plans.

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INTRODUCTION

SPARK developed this tool for preparing and evaluating Requests for Proposal (RFP) for 401(k) and other defined contribution (DC) plans to assist advisors/consultants and plan sponsors in this important task. While use of this tool is completely voluntary, SPARK is encouraging widespread use of this tool to enable service providers to prepare consistent responses, resulting in reduced response time and improved evaluations. This package is designed as a comprehensive guide to simplify the service provider selection process and make it more effective. It may not be appropriate for every situation, however. *Users of this guide are encouraged to modify the guide, as necessary, to fit their particular needs.*

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Section 1 – Instructions for the Guide

WHO SHOULD USE THIS GUIDE?

The guide is geared primarily for companies that already sponsor a 401(k) or other form of DC retirement plan and have made a decision to change service providers, or want to thoroughly evaluate the available service provider resources in the marketplace. This guide is designed to help select a “bundled” or recordkeeper-only service provider for the plan.

While this guide provides a comprehensive set of information, each search situation may be unique and the guide should be reviewed each time it is used to determine whether each section and each question is appropriate for a given search. Additionally, users should consider adding questions related to any specific facts and circumstances about their plan that may require custom services that are not otherwise addressed in the materials.

HOW TO GET STARTED

There are several initial steps that should be taken before beginning the service provider selection process. Some of the issues to be resolved include:

- Who will play the primary role in coordinating issuing the RFP, collecting responses, and evaluating them? What process will be used to manage the project?
- Who else in the company should be involved in the evaluation and selection process (HR, Finance, Payroll, Legal and other departments)?
- Will an outside advisor/consultant be used to assist in the selection process? If so, what will be their role and set of responsibilities?
- Exactly what services are desired or needed from a new provider?
- How much is to be outsourced and how much will be handled internally?
- Which service providers should be included in the search?

Candidates to consider including in the search can be found in many trade journals including *Pensions & Investments*, *Institutional Investor*, *Plan Sponsor Magazine*, *Employee Benefit News*, and others. You may want to limit your list of potential candidates to 10 or fewer companies after doing some preliminary research and identifying those companies that would best meet your retirement plan needs and goals.

- How will respondents be evaluated and the winner determined?
- What is the process for awarding the business to the selected provider?

USING THE RFP GUIDE

There are some general guidelines to remember when utilizing this RFP guide.

- **General Information:** This is intended as a comprehensive guide and covers services that might be performed by a provider who offers investments, recordkeeping, plan administration, and/or participant communications services. **It may not be necessary to ask every question in each section. Questions should be added or deleted based on the importance of specific issues and the scope of services being requested.**
- **Informational Guide:** Section 2 is the only section designed to be included in the actual RFP package offered to potential providers included in the search. Most of the topic areas in Section 2 include additional information for the user of the guide. This information is isolated in a special green bordered '*Informational Guide*' text box in each section or highlighted in green as appropriate in specific response choices. This text is for your information only and should not be part of the RFP sent to potential providers. When a set of choices is offered, only the applicable choice(s) should be included in the RFP package.
- **Proposal Process:** RFPs are generally issued and responses returned with a defined set of protocols and instructions. Typical protocols and instructions are included in the Proposal Process section (Section 2A). Each RFP search may call for a tailored set of instructions and thus the Proposal Process section should be reviewed for applicability. Only the table portion of this section should be included in the RFP package to providers.
- **Plan Information:** The key to an effective selection process is information. The Information for Respondents section (Section 2B) has been developed for you to outline information for the potential providers. This information will help them in tailoring an RFP response that will result in an informed decision. It is important that RFP issuers be as accurate as possible in providing this information as the information included will be used by providers in crafting their responses to questions, and in their calculation of expected plan fees.
- **RFP Questionnaire:** The questions in the RFP questionnaire should reflect the scope of services being requested for the applicable plan types. The scope of services being requested should be decided prior to RFP issuance. Certain questions may only be appropriate to specific types of plans as noted in the

informational guides. A review of all questions should be performed to determine applicability for each search situation.

- **Supplemental Schedules:** The Supplemental Schedules and Materials section (Section 2D) includes additional information and samples that may be important depending on the specific search situation. A review should be performed to determine if all schedules and materials are appropriate for each situation, or to tailor the supplemental materials as appropriate.
- **Proposal Evaluations:** Section 3 of this guide is designed to assist in evaluating providers against criteria appropriate for the specific situation, in selecting a provider, and in awarding the business to the selected provider. This section of the Guide is not meant to be included in the RFP package that is shared with providers, but is an informational guide for companies and their advisors/consultants.
- **Glossary:** Section 4 of this guide is a glossary designed to eliminate confusion by providing standard definitions of certain technical terms that are in the RFP questionnaire.

Section 2 – Request for Proposal

Section 2A. Proposal Process

Informational Guide:

Based on the individual nature of each employer or search consultant, different firms employ different protocols when conducting a search for a service provider. Some firms choose to adopt a very formal approach and establish strict procedures for making potential providers aware of the search, for issuing and receiving information, and for the evaluation of the responses and selection of the provider. Other firms choose a much less formal approach.

How you will manage the process of search and selection is a decision that should be made at the very beginning of the effort. Larger companies may also need to include the proper notifications and involvement of their purchasing departments. The types of questions that each firm should consider include:

- Will you select the providers asked to respond, or will you post the opportunity in a public forum for any who wish to participate?
- What process must the potential providers adhere to in receiving and responding to the RFP package?
- Are there minimum requirements for a provider to submit a response?
- How will responses be evaluated, and what other activities will be required to become the selected provider?

The process instructions included with the RFP package should typically include:

- A mutual confidentiality agreement—the data shared by both the recipient and the issuer is sensitive in nature and therefore a mutual confidentiality agreement should be signed by both parties.
- A description of how providers were selected for inclusion as a recipient of the RFP package, or if a public notice was utilized to allow any provider to receive a package, where and when that notice was posted.
- A detailed protocol for the exchange of information including:

- The contact information for the person to whom inquiries should be made or responses submitted and any restrictions as to the access to that contact. Note that this contact may be an advisor or consultant or a contact within the plan sponsor who is responsible for interactions with the bidders.
 - The key dates for receipt and submission of the RFP and response, including any defined dates, times, and protocols for submission of pre-response questions from the provider.
- The format and standards for proper submission of the response.
- The protocol for any questions that need to be addressed from the response.
- The evaluation criteria.
- The selection criteria or the next steps if there are additional steps to be taken before a provider is selected. Such steps may include a site visit, reference checks, price and contract negotiation, etc.
- The expected time frame for evaluation and notification to the providers of their inclusion or exclusion from the next step in the selection process.
- A description of any information that will be provided to those eliminated as to the reasons for elimination.

Some plan sponsors and search consultants include minimum requirements that providers must meet or to which they must agree. Examples of these types of minimums include:

- A minimum number of plans or participants that are currently serviced by the provider
- A minimum number of references that are provided and are satisfactory
- Qualification as an approved vendor by the plan sponsor
- Agreement that the costs of responding to the RFP are the responsibility of the provider
- Agreement to guarantee the accuracy and completeness of the response
- Agreement that participation in the search and all responses are confidential
- Agreement that all responses can be incorporated into the final contractual obligations of the selected provider

Regardless of the level of formality of the process, a well-defined set of dates, procedures, and minimum standards will help to manage the process, and will help multiple providers to be handled within a defined timeframe.

The table below may provide a useful way to structure the process description for the providers who receive the RFP package.

RFP Process	
Primary Contact Information	Contact Name: Contact's Title: Contact's Firm: Mailing Address: Telephone: Email: Fax: Preferred contact methods and times:
Response Procedures	<ol style="list-style-type: none"> 1. Providers were selected to receive the RFP package based on _____ <i>(submission of request from public notice, or inclusion in selected group based on _____)</i>. 2. Notice of intent to bid – notification must be made via _____ <i>(email, phone, fax, mail)</i> to the primary RFP contact. 3. Pre-response questions – any questions the respondent has regarding the RFP or the information it contains should be submitted via _____ <i>(email, phone, fax, mail)</i> to the primary RFP contact. 4. Response submission – all materials including the response to the RFP plus any supplemental material should be submitted to the primary RFP contact in _____ <i>(print, electronic)</i> form. XX number of copies of any print materials should be submitted. 5. Post-response follow up – any clarifying questions will be provided to each applicable bidder via _____ <i>(email, phone, fax, mail)</i> to the provider's primary contact listed in the RFP response.

RFP Process	
Key Activities and Dates	<p>RFP Public Notice: <i>(if applicable, date and location of notice)</i></p> <p>RFP Issue Date: <i>(Date RFP packages are sent to potential bidders)</i></p> <p>Submission of Intent to Bid: <i>(Date which intent to bid is due to primary RFP contact)</i></p> <p>Pre-Response Questions Due: <i>(Date by which questions are due to the primary RFP contact)</i></p> <p>Pre-Response Q&A: <i>(This may be an event, webinar, conference call, or other method for allowing bidders to either submit questions and/or hear the company's answers. Alternatively, questions may be required in writing by a certain date and written answers may be sent to all bidders in written form by a certain date.)</i></p> <p>Q&A Response Date: <i>(Date by which responses are due to the providers)</i></p> <p>Response Submission Date: <i>(Date by which all RFP responses and materials are due to be received by the primary RFP contact)</i></p> <p>Dates for Follow up Questions: <i>(There may be a start date and an end date to allow for multiple rounds of questions or for inclusion of all bidders.)</i></p> <p>Bidder Notification Date: <i>(The date that a bidder can expect to hear whether or not they are being included in the next steps in the selection process.)</i></p> <p>Desired Conversion Date: <i>(The date that is being targeted for conversion of assets and data, if known)</i></p>
Minimum Standards	<i>If there are any minimum standards that the bidder has to have in order to bid, they should be listed here. Purchasing departments may also have language that should be included here.</i>
Response Terms and Conditions	<i>If there are any specific terms or conditions that apply to the bidding process, they should be listed here. Legal and purchasing departments may also have language that should be included here.</i>

Section 2B. Information for Respondents

Informational Guide: When submitting an RFP to a prospective service provider, it is essential that the provider have sufficient information to put together a comprehensive response. Therefore, you should include in the RFP package as much of the following information as possible.

Some of the information requested below pertains to specific defined contribution plan designs. Please include only the information applicable to your plan design.

Plan Sponsor Information	
Employer Name	
Employer Address	
Employer Type (e.g., Corporation, Partnership, Proprietorship, Governmental Entity, Union, etc.)	
Industry Category	<i>Description of the industry that represents the primary business of the company. Include the NAIC code if available.</i>
Description of the Employer's Business	<i>Describe the employer's major business or purpose, any important history, culture, and plans for the future.</i>
Is the organization part of a controlled group or affiliated service group? If so, how many companies are involved?	<i>Description of any affiliated companies or control groups of which this company is involved.</i>
Description of Corporate Structure	<i>Describe how affiliated companies, subsidiaries or divisions are treated in terms of the plan.</i>
Key Employer Facts	<i>Include information such as the historical and expected merger and acquisition activity, and the economic outlook for the company.</i>

Plan Sponsor Information	
<p>Employer Sophistication Level <i>This is to clarify the employer's status as it relates to the 2017 Fiduciary Rule Definitions regarding sophisticated investors.</i></p>	<p>Do this plan's fiduciaries have more than \$50 Million under their management or control?</p>
<p>Number of Employees <i>Additional information should be provided on Exhibit B.</i></p>	<p>Total number of employees: Number of employees eligible for the plan: Total active employees with an account balance: Total terminated or retired employees with a balance: Total active employees currently contributing to the plan: Types of employees eligible for the plan: <i>(e.g., union, non-union, hourly, salaried, full-time, etc.)</i></p>
<p>Employer Locations</p>	<p><i>Describe the locations that will be involved in the plan in terms of communicating with the employees and participants.</i></p>
<p>Employee Turnover Rate</p>	<p><i>Describe the turnover rate of employees in as detailed a manner as possible. If available, by age, job groups, etc.</i></p>

Plan and Services Information	
Name and Type of Plan (e.g., 401(k), profit sharing, money purchase, thrift/savings, 403(b), 457, combination, etc.)	
Who selects the investments for the plan?	<i>Plan Sponsor, Trustee or Independent Fiduciary</i>
Who directs the investments within the plan?	<i>Plan Sponsor, Trustee, Independent Fiduciary or Participants</i>
Type of Plan Document (e.g., prototype, volume-submitter, or Individually-designed)	<i>If a prototype, list the document provider, if known.</i>
Plan Governance Structure	<i>Include description of how plan decisions are made and any committees that exist to govern the plan.</i>
Accounting Basis	<i>Indicate whether the plan is a daily valuation plan or a balance forward plan.</i>
Name, Job Title, and Location of Primary Sponsor Contact	<i>Depending on who is issuing the RFP, this information may not be made available until the next round of the selection process.</i>
Plan History	<i>Describe how long the plan has been in existence, any major design or other changes that have occurred in the plan. For 403(b) plans, please describe any accounts that are not being aggregated with the new provider.</i>
Reason for Search and Requesting Proposals	<i>Describe the major objectives of the search in terms of changes in services or fees, quality improvements, change in relationship resources, new services, etc.</i>
Key Criteria for Selecting a New Provider	<i>Describe the key qualities you are seeking in the provider you select.</i>
What is the scope of the services you are seeking?	<i>Describe the types of services that you are seeking to award. Also describe the services that the sponsor will perform in-house or through other providers.</i>

Plan Operational Information	
Name of Current Recordkeeper or Service Provider <i>(only for existing plans)</i>	
Name of Current Custodial Trustee(s) (External or Self-directed) <i>(only for existing plans)</i>	
Name of Payroll Company or Platform (if an internal system)	<i>Please describe all that apply.</i>
Contributions Submission Frequency (e.g., a single payroll or multiple)	<i>For each payroll, please describe the specific groups of employees covered by each. If multiple submissions, specify how many.</i>
Frequency of Data Remittance	<i>Please describe all that apply.</i>
Method of Data Remittance (e.g., on-line, secure email, FTP, secure FTP, tape, website, modem, paper, other)	<i>Please describe all that apply for any type of data.</i>
Method of Contribution Remittance (e.g., check, bank wire, Automated Clearing House "ACH")	<i>Please describe all that apply.</i>
Employer Match / Contribution	<i>Describe the formula and frequency of each calculation. Additionally, provide information on who currently performs the calculation(s) (e.g., payroll, current provider).</i>
Eligibility	<i>Describe the eligibility formula(s), as well as any groups or locations that may have different eligibility.</i>
Vesting	<i>Describe the vesting formula(s), as well as any groups or locations that may have different eligibility.</i>

Plan Operational Information	
Plan Reporting and Information	<i>Describe how plan reports and information access will be managed. Will plan reports be different for different locations, divisions or other segmentation? How many people will require plan sponsor access to web information?</i>
Automatic Features	<i>Describe any automatic features the plan currently utilizes including automatic enrollment, automatic contribution escalation, automatic rebalancing, etc., plus any history including implementation date, opt-out history, number of participants enrolled in automatic contribution escalation, etc.</i>

Plan Investment Information	
Investment Overview	<i>Describe the plan's approach to selecting investments including any specifics as to the types of vehicles the plan wishes to use (mutual funds, collective trusts, ETFs, separate accounts, etc.), the plan sponsor's use of active or passive strategies, the investment selection process, the use of any external fiduciaries for investment advice, etc.</i>
Total value of existing assets and as of what date? Percent of existing assets held by inactive/retired participants?	
The plan's default investment	<i>If the plan has a default investment, please identify the investment and whether or not it is a Designated Investment Account (DIA) or Qualified Default Investment Alternative (QDIA).</i>
Breakdown assets by class and investment vehicle	<i>Please include information on Exhibit A.</i>
Plan or plan sponsor imposed investment and transfer limitations (e.g., company match made only in company stock, etc.)	

Plan Investment Information	
Brokerage Windows	<i>Please describe any brokerage windows that are utilized by the plan including the current provider(s) of brokerage services, the number of employees utilizing the brokerage window, any limitations on brokerage assets, the current rules for brokerage windows, etc.</i>
Disaggregated Assets	<i>Describe any assets or accounts that will not be aggregated with the new provider.</i>
Participant Advice and Guidance Services	<i>Describe any participant guidance or advice services being used by the plan including the type of service (model portfolios, managed accounts, etc.), the service provider, the number of participants currently using the service, the assets under the service, etc.</i>
Loan Information	<p><i>Provide the information below or indicate that loans are not permitted, as applicable,</i></p> <p>Number of outstanding loans: Amount of outstanding loans: Number of new loans per year: Minimum loan amount: Number of loans participant may have at once:</p>

Plan Contribution Information	
Amount of gross annual contributions for prior year (indicate whether calendar year, prior 12 months, or plan year)	A. Total employer contributions: B. Total employee contributions: Total gross contributions (A+B):
Amount of net annual contributions for prior year	A. Total gross contributions: B. Less total distributions: Total net contributions(A-B):

Supplemental Materials for Respondents	
Key Plan Documents	<i>Current plan document with all amendments Latest summary plan description</i>
Plan Policy Statements	<i>Policy statements may include investment policy, loan policy, administrative policies, communications policy, and fee policy).</i>
Important Plan Communications Materials	<i>Include sample enrollment materials, and other materials that the sponsor believes are important to continue with the new provider. A copy of a sample participant statement may also be included.</i>
Materials about the Employer Sponsoring the Plan	<i>Annual report if available Website if available Corporate overview if available</i>

Exhibit A – Investment Information

Investment	Value as of [insert date]	CUSIP/TICKER	Type of Vehicle (mutual fund, collective trust, annuity, ETF, unitized fund, separately managed account)	Intend to Liquidate? Yes/No/TBD	Liquidation Fee? Yes/No
Total	\$				

Exhibit B – Employee Information

Location (City/State)	Total Employees	Eligible Employees	Participating Employees
Total			

Section 2C. Request for Proposal Questionnaire

ORGANIZATION AND HISTORY

Informational Guide: This information will help you get a feel for the service provider as an organization. What type of structure and operation do they have in place? How do they operate compared with your current provider and others you are evaluating? Are they used to working with companies like yours (similar plan type, size, etc.)?

1. Please provide the name(s), title(s), address(es), email address(es), telephone and fax number(s) of the individual(s) responsible for responding to this request.
2. Provide a brief overview of your company and history of your organization including an organizational chart of your retirement plan services organization. Please describe any parent/subsidiary/affiliate relationships that would be involved in the servicing of this relationship.
3. Are you currently participating in any alliances or joint marketing efforts? If so, please describe in detail.
4. Is any part of your servicing outsourced? If so, please describe in detail.
5. Indicate how many years your company has been active in the defined contribution business, i.e., 401(k), profit sharing, etc. (Indicate the period of time for each service, if different, such as investment management for X years, recordkeeping for Y years, trustee services for Z years.)
6. Indicate the total value of assets in all defined contribution plans for which you provide recordkeeping services.
7. What is the total number of participants in all defined contribution plans for which you provide recordkeeping services?
8. Indicate how many recordkeeping platforms you support and which one would be utilized for servicing this plan. Please indicate for questions 8 and 9 below which plans of each size and type are serviced on the recordkeeping platform being proposed for this plan.
9. How many defined contribution plans do you currently administer in the following categories:

Number of Employees*	Plans	Percentage of Total DC Plans
Under 100		
100-499		
500-999		
1,000-4,999		
Over 5,000		
Total		

* *Customize the number of breakpoints based on your plan's size.*

10. Please provide a breakdown of the number of clients that you service by plan type as a percentage of your total business:

Plan Type*	Plan Type - Percentage of Total Business		
	Full Service	Investment Only	Administration Only
Profit Sharing			
401(k)			
Money Purchase			
Combination			
403(b)			
457			
HSA			
Defined Benefit			
Non-Qualified			
529			
Other			
Total			

* *Customize this table by including only those defined contribution types that fit your particular needs. You may also want to specify if there is a Roth feature in any of the plans. If there are other healthcare plans, you may also want to be specific in adding that category.*

11. Please provide details regarding insurance policies maintained.

	<i>Insurance carrier</i>	<i>Coverage and Limits</i>
Errors and omissions coverage		
Fidelity bond		
Director and officer liability		
Cyber security		
Fiduciary		

CLIENT SERVICE / QUALITY ASSURANCE

Informational Guide: These questions will help you evaluate the company's approach to client relationship management, commitment to service standards and quality in service delivery.

1. Please describe the team that would deal directly with us during the transition and on an ongoing basis. Indicate staff size, experience and turnover rates.
2. Please describe the typical interactions we would have with our support team during transition and on an on-going basis. Indicate the type of interaction, the frequency, and the medium.
3. What is the average number of clients managed by the relationship manager or plan administrator for plans of this size?
4. What type of training is required for new employees before they work on client plans?
5. What type of on-going training do your employees complete each year?
6. How many of your employees work on defined contribution plans? Provide breakdown by functional area.
7. What are your client retention statistics for each of the last three years?
 - a. For those who left, what percentage left due to issues pertaining to services provided by your organization?
 - b. What is the average client relationship duration?
8. Describe your organization's commitment to quality and your philosophy/approach to client services.
9. Describe your procedures for monitoring:
 - a. Client satisfaction
 - b. Participant satisfaction
 - c. Operational controls
10. Describe any training, events, or publications you provide to your plan sponsor clients or their advisors. Include a description of the programs, the method used to distribute information or train client staff, and how frequently the programs are

delivered.

11. Describe your service/timing standards.
12. Do you guarantee service performance? If so, please describe.
13. What checks and balances do you have in place to assure plan administration integrity and accuracy including participant account data?

RECORDKEEPING / ADMINISTRATION

Informational Guide: This section helps provide a detailed understanding of the provider's recordkeeping capabilities and how they will administer your plan. This is an especially important section if your reason for changing providers is a lack of capability in this area.

1. Do you provide one main contact for the daily administrative needs of this plan?
 - a. If yes, how many plans does this administrator handle?
 - b. If no, how are workloads and plans assigned?
2. Do you provide daily valuation/balance forward valuations (*choose the method that matches your plan's needs*)? If balance forward, describe in detail how your system calculates or allocates earnings.
3. What methods of data transmission are available? Please describe data coming to you as well as data to be received from you.
4. What are your payroll integration capabilities?
5. Describe in detail how your system processes contributions.
6. Do you calculate employer contributions? If so, please describe any limitations in your capabilities.
7. Do you qualify hardship withdrawals? If so, please describe your methodology and documentation requirements.
8. Describe in detail, including timing, how your system processes withdrawals (i.e., in-service and hardship withdrawals).
9. Describe in detail, including scope of services, timing and workflows, how you handle and process:
 - a. Lump-sum distributions
 - b. Systematic payments/installments
 - c. Annuities
 - d. Rollovers to another plan or an IRA
 - e. Required minimum distributions
10. What payment and support options are available to terminated/retired participants who wish to keep funds in the plan?

11. Describe in detail how your system processes transfers/exchanges (including frequency/limitations). Provide detailed timing and workflows as well as details of the confirmation process and the options available for delivery of confirmations (print, on-line, email, text, etc.)
12. Describe your process and methods of investment reallocation (percent and/or dollar).
13. How many types of contributions can be tracked separately? Please provide a listing of the money types your system can track.
14. Describe in detail your system's vesting calculation capability. Please include any capabilities to track hours. How many different schedules can your system support?
15. Describe in detail your system's eligibility calculation capability. How many different types of eligibility can your system support?
16. Describe in detail how your system handles Federal and State tax reporting (i.e., Form 1099R, W-2 for non-qualified plans). Do you provide tax form preparation and filing? If yes, please describe how these forms are made available to participants including any ability to retrieve forms on-line.
17. Describe in detail how you administer Qualified Domestic Relations Orders (QDROs).
18. What checks and balances do you have in place to ensure transactional integrity?
19. Describe in detail how your firm handles processing errors. Please indicate as well how you decide on your correction approach and how the error and the correction approach are communicated to your clients. Please describe how gains and losses are handled, any size thresholds that apply in various situations, and which parties retain any net gains.
20. Describe your beneficiary services including gathering and storing beneficiary information, prompting participants to update beneficiaries, and accessing beneficiary information in the event of the participant's death.

If applicable:

21. Is your platform able to track beneficiaries by type of money?
22. Is your platform able to apply one beneficiary designation across multiple plans (e.g., DC, DB)?
23. Do you provide an administration manual?
24. Will you recordkeep non-proprietary investment vehicles? Describe the process and systems used.
25. Describe in detail your capabilities in administering fees for the plan.
 - a. Per head fees
 - b. Transaction fees
 - c. Asset-based fees at the participant level
 - d. Asset-based fees at the plan level
 - e. Asset-based fees at the fund level
 - f. Investment fees not deducted from NAV or unitized values
 - g. Management of ERISA or plan expense accounts
 - h. Fees from forfeiture amounts
 - i. Fees invoiced to the plan sponsor
 - j. Advisor fees
 - k. Revenue sharing credits that are deposited back into the plan
 - l. Revenue sharing credits that are reallocated to plan participants
26. What other administrative services do you provide? Please describe.

COMPANY STOCK *(IF APPLICABLE)*

1. Do you utilize unit or share accounting for company stock?
2. Explain your unit and/or share accounting methodology.
3. Do you maintain cost basis for company stock at the plan or participant level? Please describe.
4. How often do you gather recordkeeping transaction data to trade company stock?
5. What is the typical charge for commissions?
6. What are your trust-related services for company stock (such as proxy, custody)? If any are offered, please describe in detail.
7. Describe the process involved in distributing company stock in-kind.
8. Explain additional concerns we may need to consider regarding company stock as an investment option.
9. Will you allow us to select our own broker to handle stock trades?
10. If the answer to question 9 is yes, what is the communication process between your organization and the broker regarding transaction activity, associated reporting, etc.? Please explain in detail.
11. Do you offer any additional company stock-related services such as insider trading windows, blocking 16b trades or completing 16b reporting requirements? If so, please describe in detail.

REGULATORY SERVICES

Informational Guide: With constant changes in legislation and regulation affecting retirement plans, it is important that the provider is able to comply with all relevant Internal Revenue Service and Department of Labor regulations.

1. Describe your capabilities for the following:
 - a. Discrimination testing ADP/ACP: 401(k) and 401(m)
 - b. Annual addition limitations: (415(c))
 - c. Monitoring of elective deferrals: (402(g))
 - d. Top-heavy testing: (416(c))
 - e. Identifying HCE's: 401(a)17
 - f. Coverage testing for controlled groups: 410(b)
2. How do you address violations for any of the testing covered in question 1?
3. Can you assist us in the following areas of plan document design? If so how?
 - a. Customized plan document
 - b. Prototype plan document
 - c. Customized SPD
 - d. Prototype SPD
 - e. Qualification submission
4. Describe the type of legal support included in your proposal and any fees that apply.
5. Do you provide either or both of the following?
 - a. Information to complete Form 5500
 - b. A signature-ready Form 5500
6. What types of disclosures do you provide to participants during implementation and on-going? For each type, please list the method of providing the disclosure and the frequency.
7. What fiduciary responsibility does your organization assume? Please indicate whether you provide investment advice services to participants, whether your services constitute fiduciary investment advice under the Department of Labor's Fiduciary rule for advice relating to distribution decisions, and whether you provide investment advice to the plan fiduciaries.

8. If you do not offer fiduciary services, do you partner with any third parties for fiduciary services? If so, please describe the services and the providers available.
9. How do you keep plan sponsors informed and updated on any regulatory and legislative changes?
10. How will you ensure that our plan remains in compliance?
11. How do you ensure that your recordkeeping system is in compliance with all regulations?
12. Describe any support you provide for the plan's annual audit. Please indicate any support that is standard and included in your proposal, and any support available for additional cost.
13. Describe any pending litigation, or litigation within the last 5 years, relating to the services you are proposing.
14. Do you maintain records of interactions with participants regarding distributions from the plan?

LOANS *(IF APPLICABLE)*

Informational Guide: Most 401(k) plans have a loan feature. As a result, loan servicing capabilities could be important for your plan.

1. Describe in detail your loan issuance, management, and processing capabilities.
2. Do you have paperless loan capabilities? If so, describe.
3. Describe your capabilities in assigning and modifying loan interest rates.
4. Describe the flexibility in your loan repayment processing (i.e., additional payments, multiple loans, missed payments).
5. Describe all of the methods you handle for loan repayments:
 - a. Payments not matching amortization schedule
 - b. Payoffs
 - c. Payments from other sources than payroll
6. How do you handle delinquent and/or defaulted loans?
7. What responsibility do we retain for initial and ongoing loan servicing?
8. Describe any other features and/or limitations of the loan system not detailed above (i.e., loan modeling, amortization scheduling, etc.)

PLAN SPONSOR REPORTING

Informational Guide: Responses to questions in this section will help you determine how well the provider is able to assist both you and your employees in evaluating and monitoring the plan's performance.

1. Describe the standard reporting packages and the frequency and time frame they are available as well as the media through which they are offered.
2. Please describe any reports that help us monitor key metrics about our plan. Please include such reports as:
 - a. Participant engagement with various channels, tools and services
 - b. Participant usage of key plan features such as loans and withdrawals, Roth contributions, etc.
 - c. Retirement readiness as measured by projected retirement income
 - d. Investment analysis including performance, usage, adherence with investment policy
3. Describe in detail the functionality and content available on your plan sponsor website.
4. Please describe the data security and user authentication procedures for your plan sponsor website.
5. Can the website be configured so that different users can only view or change certain information? If so, please describe these capabilities.
6. Describe how our staff is trained to use your sponsor website.
7. Describe any customized or ad hoc reporting capabilities including web capabilities.
8. Can reports be produced on other media? Please describe.
9. What is the standard time frame for providing each report after the reporting period ends?

PARTICIPANT EXPERIENCE AND SERVICE

Informational Guide: Since the Web, mobile devices, the VRS, the call center, and the communication and education programs will be a critical link between your employees and the service provider, it is crucial to understand the features and capabilities of each system as well as how they fit into a holistic participant experience.

Participant Web and Mobile Services

1. Describe the account services, transaction capabilities, and educational content available through your participant website.
2. Describe the account services, transaction capabilities, and educational content that are available through mobile devices.
3. If mobile devices are available, please indicate the operating systems supported (e.g. Apple, android, etc.).
4. For web access, please indicate the browsers supported.
5. Do you provide any text alerts via mobile devices? If so, please describe.
6. How are website and mobile transactions processed and documented?
7. Are there any transactions that cannot be processed through these channels?
8. Describe how participants are authenticated on the website or mobile device and how that authentication is integrated with the VRS or call center.
9. Describe your e-delivery capabilities.
10. Describe the availability of any documents in electronic form including:
 - a. Plan information
 - b. Statements
 - c. Confirmations
 - d. Tax forms
 - e. Notices and disclosures
 - f. Investment information
 - g. Educational content
11. Describe how data is secured within the system (i.e., audit trail, confirmations). Describe the level of customization available for clients using your internet and mobile services.

12. Are the web and mobile sites and applications (“apps”) available 24/7? If not, what are the standard hours of account access and transactional availability?
13. Does your website offer chat with a live representative? If so, please indicate times chat is available.
14. If a participant elects to move from the website or mobile site/app to a call center service representative, describe the interface between the site/app and the service representative.
15. How often is the data on the website, the mobile site, or any mobile app updated? How do these channels interface with the recordkeeping system?
16. Please identify your account access and transactional availability statistics for each of these channels (average availability per month as a percentage).

Voice Response System (VRS)

1. Describe the services available through your voice response system.
2. Does your VRS utilize natural language technology?
3. Please describe the user experience for a novice user versus an expert user.
4. How are transactions processed? How are transactions documented? Are confirmations sent? If so, through what channels?
5. Describe how data is secured within the system (i.e., PIN, audit trail, confirmations).
6. Describe the level of customization available within your VRS for our plan.
7. Is the VRS available 24/7? If not, what are the standard hours of operation?
8. Are there any transactions that cannot be processed through the voice response system?
9. Is the menu easy for participants to use? Does it include “help” information? Please describe the structure in detail.
10. Can a participant elect to move from the VRS to a service representative? When and what services are available?
11. How often is the data on the VRS updated? How does the VRS interface with the recordkeeping system?

Call Center

1. Please identify your toll-free service center standards. Please include for each of the last three calendar quarters, statistics related to actual performance.
 - a. Number of calls
 - b. Average length of calls
 - c. Average response time
 - d. Percentage of calls requiring follow-up
 - e. Call abort rate
 - f. Percentage of incoming calls totally handled via VRS versus toll-free live service center representative assistance
 - g. Percentage of service requests handled via website and mobile sites/apps versus call center and VRS
2. What training is provided to toll-free service center representatives before they are allowed to handle incoming calls?
3. Are your representatives licensed? If so, what licenses do they carry?
4. Do your representatives provide any fiduciary services to participants? If so, please describe the types of services provided. (Please reference specifically any investment advice provided, or any distribution advice provided.)
5. If your representatives do provide fiduciary services, please describe how they are monitored as they provide these services, and any specific governance or oversight practices associated with these services.
6. What are the hours of operation for your call center representatives?
7. Do you monitor and/or tape calls to your call center?
8. How do you monitor the quality of the representatives in handling calls properly?
9. What are your case management procedures for calls that cannot be satisfactorily resolved at the point of call?
10. What information is available to toll-free service representatives to allow them to effectively answer participant questions?
11. What type of help can your call center representatives offer to participants trying to use your participant website or mobile sites or apps?
12. Do your representatives have participant communications materials available to reference?

13. Can your representatives email, text, or fax responses and documents to participants?
14. How do you measure participant satisfaction with your call center? Is this information available to us for our plan?
15. What reports and information are available to us on our plan's call center activity? How is the information made available to us? How often is it updated?

Communication and Education

1. Briefly describe your background and experience in providing communication and education programs.
2. Describe your standard participant level statements and documents.
3. Describe your customization capabilities for participant level statements.
4. Identify the key elements provided as part of a standard communication and education program package included in your proposal.
5. Please describe any capabilities you have to customize the web, mobile, call-center, or print content for each plan.
6. For any worksite meetings included in your proposal, please describe the meeting contents, the meeting leaders, and the methodology for determining the number of meetings proposed. Please indicate whether any of these meetings, materials, or presentations constitute fiduciary investment advice, and if so, please describe any fiduciary investment advice provided, as well as any non-fiduciary education
7. Are worksite meetings available for all shifts and all locations?
8. Identify non-standard elements to a communication and education program you may provide for an additional charge.
9. Describe separately your initial and on-going communication and education program (including printed material, visits, training, etc.). If the program is tailored to a specific plan sponsor need, identify the critical issues to be determined in designing such a program. If any of the services that are part of this program constitute fiduciary investment advice, please differentiate those from non-fiduciary education services.
10. Can material be customized? If so, please describe any customization options.

11. Please describe any capabilities you have to target messages to certain participants only.
12. Please describe any capabilities you have to personalize the web, mobile, or print content for each participant.
13. Do you provide a communications team or resources as part of both the initial and on-going communication and education program? If so, please describe. If any of the services that are part of this program constitute fiduciary investment advice, please differentiate those from non-fiduciary education services.
14. Does your organization provide any services (i.e., personal questionnaires, tools) that would help individual participants with financial planning? Describe any electronic education tools you provide and indicate whether the tool is available via your participant website or any mobile devices. If any of these services or tools represent fiduciary investment advice, please differentiate those tools and services from non-fiduciary education services.
15. Do you calculate for each participant their projected retirement income? If yes, please describe how the calculation is performed, and where and how participants and sponsors can view or modify the information.
16. Describe your capabilities in providing investment advice to participants. Please include samples of any outputs or reports associated with this advice.
17. What fiduciary responsibility do you assume if investment advice is provided?
18. If investment advice is offered, is it in-house or via a third party? Describe your process, media, and scope of advice.
19. Describe any non-fiduciary education tools or programs designed to support retirement distributions.
20. Do you offer a fiduciary investment advice and a non-fiduciary education option related to retirement distributions? Please describe.
21. Do you provide communication and education material in a foreign language? If so, what language(s) and what material in which channels?
22. Do you create all of your communication and education material in-house or through third-parties?
23. Describe the process you use to help plan sponsors measure the effectiveness of employee education efforts.

24. Financial wellness is a program or set of programs designed to improve employees' financial behavior and outcomes. Please describe in detail what programs you provide to participants.
 - a. Describe any technology, information, tools and live coaching your company provides to participants within the financial wellness programs.

CONVERSION *(FOR EXISTING PLANS IF APPLICABLE)*

Informational Guide: Conversion is offered in two formats, one for existing plans or one for new plan formations. Select the one appropriate for your situation. For existing plans, there are vast differences in the way investments are transferred during conversions and how “black-out” periods are handled. Your goal is to minimize the financial and market risks to employees during the conversion process.

1. Explain your conversion process, including time frame, based on the options available (i.e., mapping, etc.).
2. Is a “black-out” period required? If yes, how long is it and what is restricted or not available during that time?
3. What involvement will be required from us during the conversion process?
4. Do you provide a dedicated conversion team?
5. What conversion audit reporting do you provide?
6. Describe your process to ensure accurate conversion of all historical data.
7. Do you have any limitations as to the format/media of conversion records?
8. Please describe all communications typically provided to participants during the conversion process.
9. How are investments handled during the conversion process?
10. How does your system handle conversion/set-ups of pre-existing loans from another recordkeeping system?
11. Please describe how the participant web and call center are introduced into the conversion process including any authentication communications for participants.
12. How do you monitor the effectiveness and quality of your conversion process and team?

IMPLEMENTATION *(FOR NEW PLANS IF APPLICABLE)*

1. Explain your implementation process including time frame. What is the minimum time frame needed to ensure a smooth implementation?
2. What involvement will be required from us during the implementation process?
3. Do you provide a separate team apart from the ongoing servicing team for implementation responsibilities?
4. Describe your enrollment program for our employees.

SYSTEMS CAPABILITIES AND HARDWARE

Informational Guide: The provider's computer system and software is at the heart of its processing capabilities. It is important to know how old the system is, how it is maintained, whether it can be upgraded to employ the most current technology, and whether it has features to allow for on-line access and reporting.

1. Describe the hardware platform and software system you will use to record keep and administer our defined contribution plans.
2. Was the software developed internally, leased, or bought from another provider? Who has the ultimate responsibility/authority to make sure the software remains current to laws, regulations, client needs, etc.?
3. If your software was leased or purchased, please indicate whether you currently utilize the provider from whom you purchased the system for system enhancements and maintenance. If yes, then please indicate whether you are on a current release, or how many releases you have to install to become current.
4. Please describe your platform architecture and operating environment, providing detail on which aspects are real time versus batch processing, whether and how your platform incorporates web services in linking to other providers, and how current and historical data is made available to various reporting and access functions.
5. How often is the system upgraded?
6. Please describe your system enhancement and release process and timeline including the frequency of the releases, how projects are prioritized, how enhancements are designed, and how quality control is ensured.
7. What system enhancements do you have planned over the next three years for:
 - a. Data management and retrieval
 - b. Core recordkeeping system
 - c. Service technology
 - d. Website
 - e. Mobile site/apps
 - f. Call center and VRS
 - g. Social media
 - h. Integration with external parties

8. Describe your documented disaster recovery plan. How often do you test your recovery system?
9. Describe your maintenance and backup procedures including daily backups, retention timetable and off-site backup storage approach. Where are your off-site backup facilities located?
10. Describe the method of maintaining plan sponsor and participant history on the system.
11. Are internal controls of your recordkeeping system audited by an independent accounting firm on an annual or more frequent basis? If so, please provide a copy of the most recent report.
12. Describe any capabilities that exist in your system for customization for our plan.
13. Describe your system's maximum limits with regards to the following:
 - a. Investment funds
 - b. Money types
 - c. Loans
 - d. Transfers
 - e. Vesting schedules
 - f. Eligibility formulas
 - g. Other
14. Please provide ongoing data layouts if specific layouts are required.

CYBER SECURITY

Informational Guide: The SPARK Institute created a Data Security Oversight Board (DSOB) in 2016. This Board is made up of heads of security and risk at our member firms and representatives from the plan consultant community.

SPARK's DSOB worked with cyber security experts and major audit firms to develop an Industry Best Practice to enable members to certify to their clients the efforts they employ to protect a client's valuable data. Under this Best Practice, member firms use an independent third-party evaluator to confirm necessary controls are in place in 16 key areas of cyber security.

While use of the Best Practices is completely voluntary, it is the opinion of SPARK and its members that this third-party evaluation is the best means of communicating to clients the extraordinary investment the industry devotes to securing plan and participant data.

When evaluating a service provider's capabilities, SPARK suggests you first ask a provider the following question and get the necessary report:

Do you adhere to the SPARK Institute's Best Practice on cyber security? If so, please provide a copy of your SOC2 or AUP report that aligns with SPARK's 16 control objectives.

If a firm does not follow SPARK's Cyber Security Best Practices the following Control Objectives should be addressed. Please keep in mind that answers to these questions are provided by the vendor and not validated or attested to by any independent source.

1. For each of the 16 control objectives listed below please describe how you support each specific control objective, your test procedures, and your most recent testing results.

	CONTROL OBJECTIVE	DESCRIPTION
1	Risk Assessment and Treatment	The organization understands the cyber security risk to organizational operations (including mission, functions, image, or reputation), organizational assets, and individuals.
2	Security Policy	Organizational information security policy is established.
3	Organizational Security	Information security roles & responsibilities are coordinated and aligned with internal roles and external partners.
4	Asset Management	The data, personnel, devices, systems, and facilities that enable the organization to achieve business purposes are identified and managed consistent with their relative

	CONTROL OBJECTIVE	DESCRIPTION
		importance to business objectives and the organization's risk strategy.
5	Human Resource Security	The organization's personnel and partners are suitable for the roles they are considered for, are provided cyber security awareness education and are adequately trained to perform their information security-related duties and responsibilities consistent with related policies, procedures, and agreements.
6	Physical and Environmental Security	Physical access to assets is managed and protected.
7	Communications and Operations Management	Technical security solutions are managed to ensure the security and resilience of systems and assets, consistent with related policies, procedures, and agreements.
8	Access Control	Access to assets and associated facilities is limited to authorized users, processes, or devices, and to authorized activities and transactions.
9	Information Systems Acquisition Development	A system development life cycle (SDLC) to manage systems is implemented; a vulnerability management plan is developed and implemented and vulnerability scans are performed.
10	Incident and Event Communications Management	Response processes and procedures are executed and maintained to ensure timely response to detected cyber security events.
11	Business Resiliency	Response plans (Incident Response and Business Continuity) and recovery plans (Incident Recovery and Disaster Recovery) are in place and managed
12	Compliance	Legal requirements regarding cyber security, including privacy and civil liberties obligations, are understood and managed.
13	Mobile	A formal policy shall be in place and appropriate security measures shall be adopted to protect against the risks of using mobile computing and communication facilities.
14	Encryption	Data-at-rest is protected and data-in-transit is protected.
15	Supplier Risk	Ensure protection of the organization's assets that are accessible by suppliers.
16	Cloud Security	Ensure protection of the organization's assets that are stored or processed in cloud environments.

INVESTMENTS

Informational Guide: There has been a steady increase in both the number and types of investment options offered in defined contribution plans. A provider's ability to offer a comprehensive selection that incorporates a variety of asset classes and vehicles is important to assure that employees can adequately diversify and allocate their contributions, regardless of age or personal status. The following is a list of key questions to include in the RFP to be able to perform an analysis of a provider's investment services and offerings. These questions should be reviewed and modified as necessary depending on whether this is an RFP for 'bundled' services or for recordkeeping only.

1. Discuss your organization's ability to provide investment vehicles for defined contribution plans. Be sure to disclose if you are providing these vehicles in-house or through external managers.
2. Please describe any fiduciary services your organization provides to advise us on the investments in the plan.
3. To the extent we wish to comply with 404(c), how can you assist us?
4. How long have you been providing investment services?
5. Please identify the number and types of investment vehicles you would make available to us. *(Identify any specific needs you have as part of this question.)*
6. For each investment vehicle identified above, please complete Exhibit I including the following information:
 - a. the inception date,
 - b. the name of the investment/portfolio manager,
 - c. a biography of the manager,
 - d. the investment vehicle objective,
 - e. the investment philosophy,
 - f. the expense structure (including any loads, load waivers, management fees, other expenses, 12b-1 fees, fee subsidies, etc.),
 - g. the comparative index(s) used by the manager, and
 - h. withdrawal provisions (including restrictions on transfers).
7. For each investment vehicle, provide the investment's stated benchmark, the investment's peer group category if available, and the annualized return for the 1, 3, 5 and 10-year (or since inception) periods ending on the last calendar quarter. (See Exhibit II)

8. For each investment vehicle, provide the standard deviation. (See Exhibit III)
9. For each investment vehicle identified, please indicate whether there are lower-priced share classes or tiers available and, if so, relevant information about these lower-priced share classes or tiers including their associated fees. Please indicate why these lower-priced investments were not identified in those being available to our plan.
10. For each balanced asset allocation and/or life style investment vehicle, provide the asset breakdown by cash, stocks, and bonds as of the last three calendar quarters.
11. For any target date investments, please provide an overview of the asset classes and vehicles utilized, the asset allocation as of the last three calendar quarters as well as the asset allocation glide path, whether the fund is managed to or through retirement, and the number of years between the introduction of a new fund.
12. For any fund of funds investments, please provide an overview of the asset classes, the approach to asset allocation, the managers and vehicles utilized and how they are selected and managed, total expenses of the investment, and the allocation to each asset class and manager for the last three calendar quarters, and on an annual basis since inception if available.
13. For each income investment vehicle, provide the average maturity, average duration, average yield, and average quality as of the latest three calendar quarters.
14. For a stable value investment with guaranteed interest, describe the current and minimum interest rate guarantees, how interest is credited, the frequency of rate changes, and any withdrawal restrictions. Furthermore, provide the make-up of the underlying portfolio including asset type, grade and percentage breakdown.
15. For a pooled stable value investment vehicle, provide the structure of the portfolio by sector and maturity distribution. Also provide the credit quality, credit quality minimum guarantee, average quality, average maturity, modified duration, liquidity percentage, and yield to maturity. Furthermore, provide any liquidation restrictions at the participant and plan levels.
16. For each investment vehicle, articulate the investment strategy used by the manager to add value to benchmark(s) identified.
17. For each investment vehicle, identify the total defined contribution assets under management as of the end of each of the last 3 calendar years.

18. Does your organization offer a self-directed brokerage window as a potential investment option? Please fully describe the service and fees associated with the administration of the brokerage accounts.
19. Does your organization offer any capabilities for participants to opt into a model portfolio? If so, please describe.
20. Can you offer custom target date portfolios? If so, please describe.
21. Does your organization offer portfolio unitization services? If so please describe.
22. Describe how your firm handles float and how such approach is disclosed.
23. If you have any additional information you would like to provide on the investment vehicles identified above, please do so as a part of the supplemental materials to your responses.

Informational Guide: To perform a more comprehensive analysis of a provider's investment options, the following are additional questions that may be included in the RFP.

24. For each equity investment vehicle, provide the top ten holdings as of the last three calendar quarters.
25. For each equity investment vehicle, provide the sector breakdown as of the last three calendar quarters.
26. For each income investment vehicle, provide the sector breakdown as of the last three calendar quarters.
27. For each international or global investment vehicle, provide the dollar-weighted average of the investment's allocations in each country.
28. For the money market investment vehicle, provide the 7-day current yield as of the last three calendar quarters.
29. For each investment vehicle, where appropriate, provide the alpha, beta, R^2 , and Sharpe Ratio.

TRUSTEE SERVICES

Informational Guide: Outside trustee services can provide a layer of fiduciary protection for you, the plan sponsor, and can handle miscellaneous services such as 1099 check issuance and Form 5500 financial reporting.

1. Will you allow us to self-trustee the plan?
 2. Will you act as or provide availability to trustee services?
 3. Will you work with an independent trustee?
 4. If you provide trustee services, what fiduciary responsibilities do you accept? Do you limit such responsibilities in any way?
 5. Describe “checks and balances” employed in your trust accounting system.
 6. Will you trustee outside investment funds?
 7. What is your turn-around time on payment issuance?
 8. What are the options for payment? (e.g., check, wire, ACH, etc.)
 9. Do you process individual state tax withholding?
 10. Do you provide information to plan participants regarding options on distributions?
 11. Do you have a limit on the number of checks/wires/ACH available to participants who rollover their distributions?
 12. Do you provide consolidated year-end ERISA reports for Form 5500 filings?
 13. Do you maintain all loan documentation (i.e., promissory notes) as part of your files?
 14. Is your trust accounting system integrated with your recordkeeping system?
- (If applicable)*
15. Will you allow us to maintain an independent GIC portfolio with your trust as custodian of the contracts? If so, describe procedure.

INTEGRATED PLANS AND PROGRAMS

Informational Guide: Many providers offer multiple plan types and benefit programs to companies and participants that are either integrated with or supplemental to the defined contribution plan. This section is designed for the provider to showcase the breadth of services offered.

1. Describe in detail the capabilities your company has beyond defined contribution plans. Please indicate if the plan types and services are integrated with the defined contribution platform. If they are integrated, please describe how.

	Integrated	Not Integrated
Money Purchase		
Thrift Savings		
Combination		
403(b)		
457		
HSA		
Defined Benefit		
Non-Qualified		
529 plan		
HR Services		
Payroll Services		
Other		

REFERENCES

Informational Guide: It is important to probe both current and former clients of prospective providers regarding their experience and level of satisfaction in service areas of specific interest to your plan.

1. Please provide three references of current clients who have similar plan demographics (i.e., size and plan design). At least one of the three should have converted within the last year. Please provide client name, contact name, address, phone number, services provided, and year they became a client.
2. Please provide three references of former clients who had similar plan demographics to ours (i.e., size and plan design). At least one of the three should have left within the last year. Please provide former client name, contact name, address, phone number, services provided, and year they became and the year they ceased to be a client and the reason(s).

EXPENSES

Informational Guide: Because there is no uniform pricing for services, a thorough breakdown and analysis of all expenses and fees related to plan services is required. Additionally, proper 408(b)(2) disclosures should be provided by each respondent.

Please attach a schedule of all expenses covering each of the services and activities identified on the following listing. Also, please identify if the expense is:

- One time or on-going
- Performance adjustable charge
- Breakpoint impacted
- Discount oriented
- Participant paid (direct or account adjustment)
- Plan sponsor paid (billed and billing frequency)
- Paid through indirect compensation from third parties
- Managed through an ERISA/plan expense account
- Guaranteed (and length of guarantee)
- Accounted for or accrued in determining daily investment share/unit value

Use the specific information provided in this RFP about our plan in determining and illustrating your expenses. If assumptions are necessary, please fully explain your assumptions and quote the related expenses on a unit cost basis, if possible.

In addition to the expense schedule, please respond specifically to the following:

1. What are the start-up/conversion costs?
2. For how long will you guarantee specific expenses?
3. What are the factors you consider in determining future increases and when they are to occur?
4. Are there additional charges made at the time of plan changes we initiate or legislated or regulated changes? Please address the differences should we use a prototype or individually designed plan.
5. Are there any termination fees and/or minimum length of time the plan must stay with your company?
6. Describe what plan consulting services are included and related hourly charges and out-of-pocket expenses.
7. Describe any fees associated with fiduciary services.
8. How are expenses adjusted if a sizable number of participants are added or removed from the plan (such as through acquisition or divestiture or partial plan termination)?
9. Do you offer any expense arrangement whereby we share in your firm's upside potential as participants and plan assets increase over time?
10. If you offer any type of revenue sharing or offsets to your fees and expenses, please identify and describe such arrangements.
11. Please describe any other indirect compensation arrangements that may relate to the services you would provide to our plan.
12. Please describe any compensation for termination of the contract for services.
13. In addition to the expense schedule, please identify any other service or activity not covered on the "Services and Activities" listing below (e.g., postage, handling, supplies, servicing commissions, etc.). Please be specific.

Fee and Expense Schedule

Use the listing of sample services and activities on the following pages, as well as the information we have provided about our plan to complete the chart below. Identify all assumptions used.

Fee/Expense	Service/Activity Covered	Fee Methodology and Frequency, Guarantee Period, or other Comments
<p>Describe each type of fee or expense being proposed for the plan.</p> <p>Indicate the amount of the fee by type.</p>	<p>Include for each type of fee, all covered services from the Service/Activity Listing.</p>	<p>For each type of fee, describe how the fees are deducted or invoiced.</p> <p>For each type of fee, describe the frequency with which each fee is deducted or invoiced.</p> <p>For each type of fee, define any guarantee period.</p> <p>Include any other notes or explanations for each type of fee.</p>

Assumptions:

Services Not Included

Use the listing of Sample Services and Activities on the following pages, as well as the information we have provided about our plan, to list any services not included in the fee quotes above. For each, please explain why the service/activity is not included in your fee quote.

Services/Activities Not Included	Explanation

SAMPLE SERVICES AND ACTIVITIES

A. Conversion

1. Participant records set up
2. Asset reconciliation
3. Training plan sponsor representatives
4. Coordinating processing
5. Takeover loans
6. Re-enrollment
7. Asset transfer coordination
8. Record transfer coordination
9. Participant regulatory notices
10. Participant communications
11. Transition communications meetings
12. Other (be specific)

B. Employee Communication & Education

1. Generic enrollment material
2. Customized enrollment material
3. Awareness material (posters, tents, etc.)
4. Audio tapes
5. Video
6. Web and mobile sites
7. Generic periodic newsletter
8. Customized periodic newsletter
9. Fiduciary Investment Advice services (of all types)
10. Financial wellness services
11. Person-to-person counseling
12. Retirement planning tools
13. Projected retirement income
14. Pre-retirement planning tools
15. Investment education materials
16. Post-retirement drawdown tools and modeling
17. Initial enrollment/education Meetings
18. On-going enrollment/education meetings (frequency)
19. Other (be specific)

C. Administration

1. New enrollments
2. Employer contribution calculations
3. Vesting calculations and tracking
4. Eligibility calculations and tracking
5. Beneficiary elections and tracking
6. Administration manual
7. Administration manual updates
8. Consulting
 - a. New plans
 - b. Acquisitions
 - c. Plan changes
 - d. Plan divestitures

9. Provider email
10. Text alerts
11. On-line access
12. On-site meetings (& related frequency)
13. Individually designed plan document
14. Prototype plan document
15. Camera-ready SPD
16. SPD copies
17. Wire fees
18. Other (be specific)

D. Trustee Services

1. Plan trustee services
2. Internal stable value investments
3. Internal variable return investments
4. External stable value investments
5. External variable return investments
6. Company stock
7. Loan fund fees
8. Other (be specific)

E. Custodial Services

1. Certified annual statements
2. Audit packages and reporting
3. 5500 schedule reporting
4. On-line access to trust reports
5. On-line access to trust holdings
6. On-line access to trust transactions
7. Asset-based fees
8. Portfolio-based fees
9. Transaction-based fees
10. Other (be specific)

F. Investment Services

1. Communication with external managers
2. Investment fees for internal stable value investments
3. Investment fees for internal variable return investments
4. Brokerage cost on company stock activity
5. Self-directed brokerage option
6. Personalized participant investment advice
7. Fiduciary investment advice to plan sponsors and fiduciaries
8. Front-end loads
9. Deferred sales charges
10. Surrender/withdrawal charges
11. Back-end loads
12. 12b-1
13. Portfolio unitization services
14. Asset allocation portfolios
15. Glidepath design and management
16. Other (be specific)

G. Web, Mobile, Voice Response/800 Line Services/Participant Access

1. Information access via voice response
2. Transaction processing via voice response
3. Information access via service representative
4. Transaction processing via service representative
5. Information access via web
6. Transaction processing via web
7. Information access via mobile device
8. Transaction processing via mobile device
9. Time or processing charges
10. PIN issuance, reissue, changes
11. Fax services for documents
12. Customized script
13. Customized web
14. Other (be specific)

H. Recordkeeping

1. Processing
 - a. Additions
 - b. Corrections
 - c. Reinstatements
 - d. Participant level inter-investment exchanges
 - e. Plan level inter-investment exchanges
 - f. Contribution remittances
 - g. Multiple payroll locations
 - h. Contribution rate change monitoring
 - i. Contribution frequency
 - j. Matching contribution calculations
 - k. Allocation changes
 - l. Withdrawals
 - m. Loan processing
 - n. Loan repayment
 - o. Loan administration
 - p. Periodic distributions
 - q. Annuities
 - r. Rollovers
 - s. Check payments
 - t. Direct deposit
 - u. Other (be specific)
2. Participant Statements
 - a. Quarterly statements
 - b. Confirmations
 - c. Tax statements
 - d. Loan statements
 - e. Confirmation of direct deposit
 - f. Other (be specific)

3. Plan Level Reports
 - a. Summary activity statistics
 - b. Performance standards
 - c. Form 5500 information
 - d. Signature-ready Form 5500
 - e. 11-K
 - f. S-8
 - g. Reporting to IRS
 - h. System queries
 - i. Ad hoc reports
 - j. Special reports
 - k. Audit reports
 - l. Other (be specific)
 4. Plan Sponsor WEB
 - a. Information access
 - b. Transaction access
 - c. Custom reporting
 - d. Ad hoc reporting
 - e. File exchanges
 - f. Additional users
 - g. User ID administration
 - h. User training
 5. Data Preparation
 - a. Compliance testing
 - b. Discrimination testing
 - c. Proxy voting
 - d. Proxy tabulation
 - e. Other (be specific)
 6. Systems Changes
 - a. For plan changes
 - b. For report changes
 - c. Other (be specific)
- I. Termination
1. Transaction
 2. Liquidation
 3. Market value
 4. Mortality
 5. Risk
 6. Other (be specific)

Section 2D Supplemental Schedules and Materials

Please provide the following materials along with your questionnaire response:

1. A sample services agreement or contract
2. A copy of your investment contract
3. A copy of your firm's ADV if you offer advisory services
4. A copy of your custodial and/or trust agreement
5. A sample or table of contents of your administrative manual
6. A sample implementation plan and timeline
7. A sample set of standard plan sponsor reports
8. A copy of your standard annual trust statement
9. A demonstration of the plan sponsor and participant website and any mobile capabilities
10. A detailed overview of the technology platform that will be used in servicing our plan
11. Detailed investment information as requested in Exhibits I-III
12. A sample 408(b)(2) compliant fee disclosure
13. A sample 404a-5 participant fee disclosure package
14. A sample participant statement
15. A sample of key participant communications materials including an enrollment kit *(and/or any other plan entry communications if the plan has automatic enrollment)*
16. Other materials you believe would enhance our understanding of your services

Exhibit I

Investment Option (including CUSIP or Ticker, if available)	Objective	Fund Characteristics					Expenses				
		Vehicle Type (M, C, ETF, SA)*	Inception Date	Portfolio Manager	Tenure (years)	Assets (\$mil) as of last calendar quarter	Expense Ratio	Front Load	Rear Load	12b-1	Others

* M = Mutual Fund, C = Collective Trust Fund, ETF = Exchange Traded Fund, SA = Separate Account

Exhibit II

Investment Option (including CUSIP or Ticker, if available)	Benchmark or Peer Group Category	Annual Rates of Return									
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10

Exhibit III

Investment Option (including CUSIP or Ticker, if available)	As of Last Calendar Quarter								
	3 Years			5 Years			10 Years		
	Annualized Return	Risk- Adjusted Return	Annualized Standard Deviation*	Annualized Return	Risk- Adjusted Return	Annualized Standard Deviation*	Annualized Return	Risk- Adjusted Return	Annualized Standard Deviation*

* Calculate using quarterly returns

Section 3 – Provider Evaluation

Properly evaluating the providers responding to the RFP is an important task whether the plan is selecting a provider for the first time, replacing an existing provider, or simply performing due diligence on current providers.

The purpose of the RFP is not to select a provider, but to narrow down the number of providers to those that are most likely to be the best fit for the plan's needs.

The better the information provided in the RFP package, and the more tailored the RFP questionnaire to the needs of the particular plan, the easier it will be to compare responses to the specific needs of the company. Vague information usually leads to generic responses. Similarly, questions that are included which are not appropriate to the plan's situation and needs, can create erroneous assumptions that make answers difficult to evaluate.

Evaluation of responses should utilize a disciplined process as much as possible. There are many factors that determine if a response or set of responses is 'good' or 'bad'. These factors include:

- ***Completeness of the response*** – did the response adequately address the spirit and specifics of the question in a thorough manner?
- ***Attractiveness of the response*** – did the response meet the needs and capabilities desired?
- ***Clarity of the response*** – did the response clearly articulate the respondent's capabilities or approach, or was the response confusing or vague?

As you are evaluating the responses, all of these factors should be considered in your review. In order to assist in providing a disciplined methodology for evaluation, we have included an evaluation matrix and instructions for your use.

USING THE EVALUATION MATRIX

The Evaluation Matrix is the key to selecting as your finalists those providers that most closely match your plan's requirements. The following are tips to make certain you use the Evaluation Matrix to your best advantage.

OVERALL CONCEPT

Once the RFP responses are received, you should complete one matrix for each provider that meets your minimum requirements. After you have completed the matrices for all providers, compare the total scores. The three or four providers with the highest total scores will be your finalists.

If you have more than one reviewer, you should decide how to weight the different reviewer responses, or average the responses to come up with a consolidated score for each provider.

COLUMN 1: CATEGORY

Column 1 on the far-left side of the matrix is a list of every category about which your RFP has requested providers supply information. Make certain that all categories in your RFP are listed in this column.

COLUMN 2: IMPORTANCE WEIGHT

Each category addressed in your RFP will have a different level of importance to your organization and your plan. Before you review any of the responses to your RFP, you need to assign a value to the importance each category holds for your organization and your plan. If there are multiple reviewers, each reviewer will utilize the same importance weighting. All of the values you assign must add up to 100.

For example, of the 15 categories in Column 1, you may decide that a provider's organization and history will count 10% in your decision of whether you believe that provider would be appropriate for your needs. You would write 10 in the first box in Column 2.

You may then decide that Client Service and Quality Assurance will count 25% in your decision-making process. You would write 25 in the second box in Column 2.

You should assign values until you have:

- Assigned a percentage value to each category, and
- All of the numbers you have entered in Column 2 add up to 100.

COLUMN 3: PROVIDER VALUE (0-5)

After completing the information in Columns 1 and 2, you are ready to make a copy of the matrix for each provider and to begin reviewing individual provider responses to your RFP. You may want to review all provider responses for a

category to determine the worth of each response in relation to another. In the end, however, you need to value each provider's response separately.

You will assign a value to each provider's response to each category of information requested by your RFP. You may assign a provider value from 0 to 5 for that provider's response for a particular category. A 0 is the lowest rating you can give and a 5 is the highest.

For example, you may judge that the information the provider XYZ supplies about their firm's organization and history is extremely complete and useful to you and that it carries a value of 4. On the other hand, you may determine that the information XYZ provides about Client Service and Quality Assurance is vague and leaves many questions unanswered, earning a value of 2 from you.

Keep in mind that the provider's response may be complete but that the information it supplies is of little value to your organization or plan. In that case, the value would be toward the lower end of the spectrum. Don't be hesitant to use the entire 0–5 scale.

You should go through a provider's RFP response until you have assigned a provider value for each category in Column 3. Then, move into the next provider's RFP response and complete Column 3 for it. Continue the process for all the providers who have responded to your RFP.

COLUMN 4: TOTAL

In Column 4, you will determine a provider's "score" for each category of information requested by your RFP and a total score for their entire proposal.

Start with the first category on the Evaluation Matrix, Organization and History. Multiply the importance value you entered for that category in Column 2 times the provider value you assigned it in Column 3 and enter the result in Column 4—Total. Continue this process until you have calculated a total for each category.

For example, for Organization and History, if you have entered 10 in Column 2 and 4 in Column 3, you would multiply: $10 \times 4 = 40$. You would enter 40 in Column 4.

For Customer Service and Quality Assurance, if you have entered 25 in Column 2 and 2 in Column 3, you would enter 50 in Column 4 ($25 \times 2 = 50$).

Once you have a total “score” entered for each category, add all of the numbers in Column 4 together for that provider’s total “score.” Continue the process until you have calculated total scores for all providers who have responded to your RFP.

CHOOSING THE FINALISTS

A perfect score on the Evaluation Matrix would be 500. Once you know each provider’s total score, pick the three or four with the highest scores as your finalists.

NOTIFYING THE RESPONDENTS

Responses to RFPs take quite an amount of time and effort and, as a courtesy, each respondent should be notified as to whether:

- They met the minimum standards in their response
- They are a finalist or not

If they are selected as a finalist, a discussion as to next steps and the timing of those next steps should be part of the conversation.

Next steps may include such activities as site visits, follow-up questions and responses, a formal presentation, contractual discussions, refinement of investment and service recommendations, etc.

DOCUMENTATION

It is important that you document your service provider selection and decision-making process for purposes of fulfilling your fiduciary obligations. Additionally, it is important that you retain such documentation in your files.

EVALUATION MATRIX

CATEGORY	IMPORTANCE WEIGHT (MUST ADD UP TO 100)	PROVIDER VALUE (0-5)	TOTAL
Column 1	Column 2	Column 3	Column 4
Organization & History			
Client Service/Quality Assurance			
Recordkeeping/ Administration			
Company Stock			
Regulatory Services			
Loans			
Reporting			
Participant Experience and Service (web, mobile, VRS, call center, and communications & education programs)			
Conversion or Implementation			
Systems Capabilities & Hardware			
Cyber Security			
Investments			
Trustee Services			
Integrated Plans and Programs			
References			
Fees and Expenses			
TOTAL	100		

Section 4 – Glossary

ADP/ACP - Two non-discrimination tests — actual deferral percentage test (ADP) and actual contribution percentage test (ACP) — which are used to ensure that no plan discriminates in favor of highly-compensated employees in the areas of contributions and benefits.

Alpha - A mathematical estimate of the amount of return expected from an investment's inherent values, such as the rate of growth in earnings per share.

12b-1 fee - A fee assessed on certain mutual funds or share classes permitted under an SEC rule to help cover the costs associated with marketing and selling the fund. 12b-1 fees may also be used to cover shareholder servicing expenses.

Annualized return - A mathematical means of expressing a rate of return for a period greater or less than one year in terms of twelve months.

Average duration - A measurement used in the determination of price volatility to changes in interest rates of fixed income securities.

Average maturity - The mean average of time based on the due date of each debt instrument in the fund.

Average yield - Expressed as a percentage, it represents income return on a portfolio of investments for a twelve-month period.

Beta - A mathematical means of measuring a stock's relative volatility in relationship to the rest of the stock market.

Black-out - A period of time during the conversion, where certain plan actions are not permitted to occur because insufficient information is available to process the requested action. Normally, a black-out period is imposed at the beginning of a plan conversion and lasts until individual participant account records and assets are reconciled by the recordkeeper.

Credit quality - An assessment of the factors that determine the financial soundness of the fixed income security and used in the determination of Grade.

Discrimination Testing (ADP/ACP) - See ADP/ACP above.

ERISA - The Employee Retirement Income Security Act of 1974 (ERISA) is an act of Congress encompassing both Internal Revenue Code and Department of Labor provisions.

Fiduciary - Any person who has discretion or control over a plan's assets, has discretionary authority for managing the plan, or provides investment advice for a fee, direct or indirect.

404(c) - A section of ERISA which provides relief to plan fiduciaries from some fiduciary responsibility for plan investments if participants have a certain amount of control over the assets in their accounts.

Grade - A letter ranking system which identifies the potential risk of default of a fixed income security.

In kind - Benefit distribution in actual shares of stock.

Individually designed plan - A plan tailored specifically to meet the needs of the plan sponsor. No pre-approval by the IRS exists. For approval, the document must be submitted by the plan sponsor's legal representative.

Investment philosophy - The underlying concepts to be employed by the portfolio manager in managing the fund.

Investment strategy - The method by which the portfolio manager manages the fund in the attempt to fulfill the fund's investment objective. This would include identifying the types of investments to be held in the portfolio at any given point in time.

IRC 415(c) limitations - The overall maximum limits on annual contributions and benefits with respect to participants.

Monitoring of elective deferrals (402(g)) - The limit on the amount of elective deferrals a participant may exclude from current taxation.

Offset to expenses - There is potential for certain types of savings resulting from the elimination of duplicate expenses by the organizations involved in the alliance or joint venture. These savings may be passed on to the plan sponsor in the form of reduced (offset) expenses which would otherwise be incurred had the organizations been retained on an individual basis.

PIN - A Personal Identification Number (PIN) is a security measure used to limit access to account information to an authorized individual.

Prototype plan document - An Internal Revenue Service-approved plan sponsored by a bank, insurance company, mutual fund or other organization approved by the IRS that is made available for adoption by a client of the sponsoring organization.

Qualified Domestic Relations Order (QDRO) - A judgment, decree or other order made pursuant to a state domestic relations law that creates a right for an alternate payee to receive some or all of a participant's benefit in a qualified plan.

R² - Indicates the accuracy of alpha and beta. This figure is normally used to identify funds which react differently to the market in order to add diversity to their portfolio.

Registered Investment Advisor - An investment advisor registered with the Securities and Exchange Commission or a state's securities agency. RIAs have a fiduciary duty to their clients, which means they have a fundamental obligation to provide expert investment advice, always acting in their clients' best interests.

Required Minimum Distributions - Provisions requiring the distribution of at least a minimal amount of retirement benefit based on the age and life expectancy of the employee and his/her beneficiary.

Sector breakdown - The identification of securities within a fund by major industry classifications (examples: utilities, energy, finance, etc.).

Sharpe Ratio - A risk-adjusted measure developed by Nobel Laureate William Sharpe. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the funds historical risk-adjusted performance. The Sharpe Ratio is calculated for the past 36-month period by dividing a funds annualized excess returns by the standard deviation of a funds annualized excess returns.

SPD - A Summary Plan Description (SPD) is a written description of the plan designed to provide a participant or a beneficiary with a detailed yet understandable overview of how the plan works.

Standard deviation - Indicates the volatility of a fund's total returns. Unlike alpha, beta and R-squared (R²) which rely on a fund's relationship to the market, the standard deviation is fund specific.

Top-heavy testing (416(c)) - Testing which will identify whether more than 60% of a plan's benefits are for key employees and if so will result in the acceleration of vesting and minimum benefits or contribution standards.

Yield to Maturity - The rate of return on an investment that accounts for the cash difference between a bond's purchase price and its maturity value, as well as the interest received from owning the bond.