

403(b) Plan Recordkeeper Services Request for Proposals
Questions & Answers
1/26/2018

1. How many on site education days, both at conversion and ongoing, would CBH like included in our initial quote?

CBH would like 4 days included for implementation and 4 days ongoing.

2. Who is the current recordkeeping service provider?

This will not be provided at this stage of the process.

- a. How long have they been providing the services for?

See above

- b. Are they eligible to bid again?

See above

3. Will current plan assets move/transfer in bulk or will it be individual transfers?

All of the assets would transfer in bulk, except for the Principal Fixed Income Guaranteed Option.

4. What are the reasons these services are put out to bid? Is it expiration of the contract? Or other reasons? If applicable, please describe other reasons.

Plan assets have grown to such an extent that CBH is trying to reduce administrative costs.

5. We noted page 7, section F stated, “services must be fully bundled and no subcontractors may be used for services listed,” and we also noted page 11, B, contains MBE subcontracting language. Does this language preclude us from submitting meaningful professional MBE subcontracting for participation?

Yes, services must be fully bundled.

6. We noted the M/WBE good faith and efforts participation language. Can a TPA collaborate, hire, and/or pay an MWBE company to provide onsite participant education, enrollment, and/or fiduciary advice?

No, there is to be no outsourcing.

7. Is CBH interested in 3(38) or 3(16) fiduciary services?

While it is not a primary objective of the RFP, feel free to describe your 3(16) fiduciary services.

8. Does the incumbent charge a participant administrative account fee that is deducted from each participant account?

No.

- a. If yes, what is the dollar amount and frequency?

N/A

9. What is the current interest rate on the “Principal Fixed Income Guaranteed Option”? What is the minimum guaranteed interest rate?

The current interest rate is 1.75%; the minimum interest rate is 1.00%.

10. Are there any surrender charges, MVA or restrictions to liquidate the stable value fund and transfer it to a new vendor?

Employer-initiated transfers will be subject to either a 12-month irrevocable advance notice or a 5 % surrender charge, whichever the employer chooses. There are no surrender charges for participant transfers unless the transfers are requested in anticipation of the employer-level liquidation.

11. Are ROTH deferrals currently available or expected for implementation in the Plan? If yes, what are the number of ROTH accounts?

Yes. ROTH deferrals are available. There are currently 6 accounts.

12. Are managed account services available today? If yes,

No.

- a. What is the name of service?

N/A

- b. What is the cost structure?

N/A

13. How many group and one-on-one meetings were provided by the current vendor to employees and plan participants in the last 12 months?

The required conversion and ongoing education days are provided in question #1. The number of days previously provided by the current vendor is not relevant to the proposal.

14. What is the expectation for the number and frequency of group and one-on-one on site meetings to provide plan communication and/or financial education presentations for successful bidder?

Refer to question #1

15. Are the plan communication/education materials currently disseminated by mail or e-mail/electronic method?

These are disseminated through both mail and e-mail.

16. Would CBH prefer participant education and enrollment materials exclusively via electronic means to help control plan costs, or a combination? If hard copy materials are desired for onsite education, please provide desired annual copy production number, and/or home mailing frequency?

A combination of electronic and print communication would be more effective in reaching a diverse audience. The number of communications would be dependent on the quality of same, and the effectiveness of on-site education and personal meetings.

17. Are there any secondary or special language needs based upon the demographics of your employee population that should be addressed in communication materials and/or onsite presentations by financial representatives?

There are no special languages that would need to be considered for communication purposes.

18. Would CBH accept and consider a proposal to provide fiduciary asset allocation advice to participants as an optional service using existing fund line up or external investment options elected by individual employee?

CBH would be open to seeing such a proposal.

19. Can you please clarify the role of Cammack Retirement?

Cammack Retirement is a consultant to CBH. Their role is not relevant to the development of your proposal for recordkeeping services.

- a. Is their service exclusively to assist plan sponsor with selection of TPA services and monitoring of investments at the plan level?

Refer to question #19 above

- b. Is their compensation paid separately by CBH or should advisor compensation be built into TPA platform cost?

Refer to question #19 above

- c. If compensation is to be included in TPA quote, what is the annual dollar amount and/or asset based fee in basis points?

Refer to question #19 above

- d. Will Cammack Retirement have any role in education, communication and/or advice to participants? If yes, please describe.

Refer to question #19 above

20. Would CBH prefer to use lowest cost share class mutual funds with little or no revenue sharing or mutual funds with revenue share to help offset recordkeeping costs?

CBH's preference is for lowest cost share classes.

21. Would CBH prefer fee levelization to equalize fees and more fairly distributed administration & recordkeeping costs among all participants?

Yes. Please describe your fee levelization process and capabilities in your response.

22. Does CBH have a QDIA investment? If yes, what is it?

Yes, the target date investments in the plan.

23. Does CBH have an investment policy statement? If yes, can you please provide a copy?

CBH is in the process of re-drafting its investment policy statement. This document will not be provided at this stage of the process.

24. Can CBH provide us a copy of the plan document?

This document will not be provided at this stage of the process.

25. Could you please confirm the limit of 25 pages include Exhibit I (RFP Questionnaire)?

Correct. The 25-page limit includes Exhibit I (RFP questionnaire).

26. Could you please provide the current crediting rate, current price and GMIR?

Refer to question #9

27. Could you please provide the annual distributions?

Annual Distributions for 2016 and 2017 were approximately \$1.4m and \$2.4m respectively.

28. Could you please confirm the number of eligible employees is 390?

There are 500 eligible employees as of 1/22/18

29. Could you please provide the current number of on-site education days?

Refer to question #13

30. Could you please confirm all assets can be transferred without restriction or penalty?

Refer to question #3

31. What is your Payroll Provider and payroll frequency?

Our payroll provider is ADP, and CBH employees paid bi-weekly.

32. How are salary deferral changes currently managed (paper, online, phone)?

Deferrals are or should be done on-line.

33. Is automatic enrollment currently implemented? If so:

Yes

a. What is the contribution rate?

4%

b. Is there auto escalation? If so, at what rate (min-max)?

There is no auto-escalation.

c. Is auto enrollment QACA or EACA?

Auto enrollment was originally established as ACA

34. Do you currently offer loans?

Yes

a. If so, how many outstanding loans?

There is one outstanding loan at a time per participant.

b. Payroll deduct or collateralized loans?

Loans are payroll deduct

35. Are you able to provide a copy of your current Plan Documents?

Refer to question #24

36. Do your participants currently receive fund level advice? Is this offered via website, in person or over-the-phone?

No.

37. We noted on page 2, section I, the document states “benchmark the services and fees of the incumbent service provider versus other service providers,” and “work with the selected provider to reassess plan operations and administration to ensure continued regulatory compliance.” a) Can you please elaborate on what/how you expect your TPA recordkeeper to comply with this request? b) Can you provide us a copy of what you may be receiving now from your current recordkeeper, so we can clearly understand how to meet your expectations?

Page 2, Section I refers to CBH's overall objective for this RFP process. CBH will benchmark the services and fees of its incumbent provider by comparing them with the proposals received from other providers. The responding providers do not conduct this benchmarking.

38. What is your vesting schedule? In several spots in the RFP it references CBH having multiple plans, communicate data for multiple plans, maintain beneficiary designations forms for all plans are two examples. The RFP states this is request is for a 403(b) plan, does CBH have other plans/tax codes?

The vesting schedule is immediate vesting. CBH only has one active plan (403(b) plan) at this time. The reference to multiple plans is to learn about capabilities if CBH ever adds another plan in the future.

- a. If yes, are these plans/tax codes in scope of the RFP and would transition with the 403(B) or would the 403(b) vendor need to communicate with the record-keeper of those plans/tax-codes?

N/A

39. Can Community Behavioral Health (CBH) provide copies of the plan documents?

Refer to question #24

40. What is the turnover rate for employees at CBH?

The turnover rate at CBH was 10% in 2017.

41. The RFP asks about supporting data aggregation. Please confirm if the plan has legacy assets held with prior providers. If so, please confirm the total amount of assets left at each provider?

There is approximately \$685k in legacy assets with AXA.

- a. Do they currently utilize or need information sharing/data aggregation services in the future?

Please describe your capabilities for information sharing in the response.

42. Can you provide the following transactions volumes (if applicable) for the plan for the prior year 2016 and 2017?

- a. Distributions

Refer to question #27

b. In-Service

2016: \$412k / 2017: \$559k

c. Hardships

2016: \$104k / 2017: \$180k

d. Loans

2016: \$972k (129 outstanding loans) / 2017: \$1.08m (144 outstanding loans)

e. RMD

2016: \$5,299 / 2017: \$16,985

43. Are all of the assets in the plan available for transfer? Are there any liquidity concerns such as PUTs in the existing plan?

Refer to question #3

44. Is the 403b plan at CBH in group or individual contracts?

The 403(b) plan is in a group contract.

45. Do you offer Managed Account or Advice Services today?

Refer to question #12

a. If so, who is the current Managed Account provider or Advice provider

Refer to question #12

b. If so, what percentage of the participant population is currently enrolled in Managed Accounts or utilizes Advice

Refer to question #12

c. If so, what is the asset amount in the Managed Account offering

Refer to question #12

46. Who calculates and determines plan eligibility?

Currently, the plan sponsor is determining eligibility.

47. How many total payroll files does CBH receive annually?

26

48. Who is responsible for calculating employer contributions?

Currently, the plan sponsor is calculating employee contributions.

49. Is administration of the plan centralized?

Yes.

a. If not, please confirm the number of contacts

N/A

b. Will email address be provided on the payroll file?

No.

50. Are there any particular pain points with the administration of the plan?

Refer to question #4

51. What is CBH's preferred method of communication to employees?

Electronic and paper communications are our preferences.

52. What percentage of employees have a work email address?

100%

53. The RFP states on page six that the payroll file includes percentage based salary deferrals. Do these feedback files inform the payroll provider of the participant's deferral election? Will hard dollar contribution amounts be sent on the payroll file to post to participant accounts?

The payroll feedback file includes salary deferral percentages (only) at this time.

54. The RFP asks about a micro-site. Do you want [Applicants] to price in a micro-site or charge separately?

Please describe in your response if there is an additional charge to offer a micro-site.

55. The RFP indicates translation services for non-English speaking participants may be required. What languages are being requested? Are translation services needed for the call center or print materials?

Refer to question #17

56. In several spots in the RFP it references CBH having multiple plans, communicate data for multiple plans, maintain beneficiary designations forms for all plans are two examples. The RFP states this is request is for a 403(b) plan, does CBH have other plans/tax codes?

Refer to question #38

- a. If yes, are these plans/tax codes in scope of the RFP and would transition with the 403(B) or would the 403(b) vendor need to communicate with the record-keeper of those plans/tax-codes?

Refer to question #38

57. Do you currently offer managed accounts?

Refer to question #12

- a. If yes, can you please provide the number of participants utilizing managed accounts and the total amount of assets held in them?

Refer to question #12

58. Does CBH currently utilize auto enrollment?

Refer to question #33

59. Are there any restrictions or penalties on assets transferring out of the Principal Fixed Income Guaranteed Option? If so, please describe.

Refer to question #10