**APPENDIX A: TECHNICAL QUESTIONNAIRE**

**A. ORGANIZATION AND CLIENT SERVICE**

1. Provide a brief overview of your company and history of your organization including an organizational chart of the primary functional areas of your overall operations. Please describe any parent/subsidiary/affiliate relationships.
2. Please provide a history of your firm’s involvement in defined contribution and deferred compensation plan administration services.
3. Discuss any recently announced or upcoming changes to ownership or leadership structure, including any pending agreements to merge or sell the company or its parent.
4. Are you currently participating in any alliances or joint marketing efforts? If so, please describe in detail.
5. Does your firm maintain a broker-dealer? Please describe what services, if any, are provided by your firm’s broker-dealer in connection to providing services to the Plan.
6. Provide a clear statement outlining whether the firm or any officer or principal has been involved in any litigation(s) and/or active or settled governmental investigation(s) surrounding its defined contribution mutual fund, annuity, TPA, recordkeeping, education services, and/or universal life services. Please explain the issue(s) and any resolution(s).
7. Identify your firm's target market and primary area of focus.
8. What insurance does your firm have against liabilities incurred through servicing plans of this type (Fiduciary insurance, E&O, etc.)?

|  |  |  |  |
| --- | --- | --- | --- |
| **Type of Insurance** | **$ Amount of Coverage** | **$ Amount of Deductible** | **Provider** |
|
| Professional Liability (E&O) |  |  |  |
| Cyber Liability and Privacy Breach Insurance |  |  |  |
| Fidelity Bonds |  |  |  |
| Directors & Officers Liability (D&O) |  |  |  |
| Primary General Liability / Automobile Liability |  |  |  |
| Excess / Umbrella Liability |  |  |  |
| Property |  |  |  |
| Workers Compensation / Employers Liability |  |  |  |
| Other - Describe |  |  |  |
| Other - Describe |  |  |  |

1. Provide your credit ratings from AM Best, Moody's and Standard & Poor's (if applicable).

|  |  |
| --- | --- |
| **Moody's** |  |
|
| **Standard & Poor's** |  |
| **AM Best** |  |

1. Indicate the total number of participants and total value of assets ($ Million) in all defined contribution and deferred compensation plans for which you provide recordkeeping services as of 12/31/2020.

| **Plan Type** | **Total Plan Count** | **Total Participant Count** | **Total Asset Value ($)** |
| --- | --- | --- | --- |
| Governmental 457(b) |  |  |  |
| 401(k) |  |  |  |
| Governmental 401(a) |  |  |  |
| ERISA 403(b) |  |  |  |
| Non-ERISA 403(b) |  |  |  |
| Other (description): |  |  |  |

1. Indicate in the tables below the approximate number of each retirement plan type you administer by number of participants and assets as of 12/31/2020.

|  |  |  |  |
| --- | --- | --- | --- |
| **# of Participants** | **Governmental 457(b) Plans** | **Other DC Plans** | **Total** |
| *< 1,000* |  |  |  |
| *1,000 – 4,999* |  |  |  |
| *5,000 – 9,999* |  |  |  |
| *10,000 – 24,999* |  |  |  |
| *25,000 – 49,999* |  |  |  |
| *>50,000* |  |  |  |
| **Total** | 0 | 0 |  |
| **Asset Size** | **Governmental 457(b) Plans** | **Other DC Plans** | **Total** |
| *< $25 Million* |  |  |  |
| *$25 Million - $99 Million* |  |  |  |
| *$100 Million - $499 Million* |  |  |  |
| *$500 Million - $999 Million* |  |  |  |
| *$1 Billion - $4.99 Billion* |  |  |  |
| *>$5 Billion* |  |  |  |
| **Total** |  |  |  |

1. Indicate the number of DC plans, assets, and participants gained and lost in the last three years, both in numerical form and as a percentage of your total DC administration services client base.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Year Ending** | **# of Plans Gained** | **Assets ($) Gained** | **# of Participants Gained** | **# of Plans Lost** | **Assets ($) Lost** | **# of Participants Lost** | **Prior Year Ending Total # of Plans** | **Prior Year Ending Total Assets ($)** | **Prior Year Ending Total # of Participants** |
| 2018 |  |  |  |  |  |  |  |  |  |
| 2019 |  |  |  |  |  |  |  |  |  |
| 2020 |  |  |  |  |  |  |  |  |  |

1. Provide details on the turnover in your governmental 457(b) Plan client base in the following table format:

|  |  |  |
| --- | --- | --- |
| **Unless specified, for 12 Months Ending** | **Governmental 457(b) Plans Gained** | **Governmental 457(b) Plans Lost** |
| **(# and Assets)** | **(# and Assets)** |
| 12/31/2020 | | $ | | $ |
| 12/31/2019 | | $ | | $ |
| 12/31/2018 | | $ | | $ |
| 12/31/2017 | | $ | | $ |
| 12/31/2016 | | $ | | $ |

1. Provide details on the turnover in your DC Plan client base in the following table format:

|  |  |  |
| --- | --- | --- |
| **Unless specified, for 12 Months Ending** | **DC Plans Gained** | **DC Plans Lost** |
| **(# and Assets)** | **(# and Assets)** |
| 12/31/2020 | | $ | | $ |
| 12/31/2019 | | $ | | $ |
| 12/31/2018 | | $ | | $ |
| 12/31/2017 | | $ | | $ |
| 12/31/2016 | | $ | | $ |

1. What are your client retention statistics for each of the last three years?

|  |  |  |
| --- | --- | --- |
| **Year (or YTD period)** | **Client Retention %** | **% of Clients that Left Due to Services Provided by Your Organization (i.e. not merger, etc.)** |
| 12/31/2020 |  |  |
| 12/31/2019 |  |  |
| 12/31/2018 |  |  |

1. What is the average client relationship duration (in years)?
2. What are the firm’s diversity & inclusion goals and metrics, and what is the timeline for achieving those goals?
3. Please fill out the table below for your U.S. employee base as of 12/31/2020:

|  |
| --- |
|  |
| U.S.  Female % | U.S.  Minorities % (1) | U.S. Underrepresented Minorities % (2) |
| **Board of Directors** |  |  |  |
| **Senior Management** |  |  |  |
| **Recordkeeping Client Service Personnel** |  |  |  |
| **Call Center Representatives** |  |  |  |
| **Other Employees Not Included Above** |  |  |  |
| **Total** |  |  |  |

(1) Given that the classification of a minority differs by region, data is based on the U.S. population only at this time; excludes Caucasians

(2) Includes African-American, Black, American Indians/Alaskan Natives, and Hispanic/Latinx only

1. Please list all individuals at the firm whose primary responsibility is increasing firm racial diversity of underrepresented minorities, or increasing the numbers of women. Please include their name, bio, and year hired for their current position.
2. Please list programs for recruitment of underrepresented minorities or women and number of years your firm has participated or sponsored such programs.
3. Does your organization apply diversity and inclusion thought leadership to analyze participant data and improve retirement outcomes?
   1. If so, describe.
   2. If not, discuss why not.
4. Would you consider yourself a fiduciary or co-fiduciary in the performance of administration services to the plan? (Yes or No) If yes, what limitations exist?
5. Attach a copy of a recordkeeping services contract as well as other documentation that would be required to enter into a relationship with your firm (trust agreement, etc.) **[See Additional Materials Requested]**
6. Please clearly describe the team that would work directly with CMS, ISBI Staff, and the Board during the transition and on an ongoing basis. Why do you consider this team to be a good fit for the relationship?
7. Which individual or team would have overall responsibility for the relationship? Who will have primary responsibility for the relationship on a day-to-day basis? Where are these professionals located?
8. Provide a summary of the professional credentials of your proposed team clearly identifying years of experience in the industry, with your firm, and total/similar client relationships.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Role** | **Name / Title** | **Office Location** | **Year Joined Your Firm** | **Years of Industry Experience** | **Total Number of Current Client Relationships** | **Number of Current Relationships of Similar Size and Complexity to the Plan** |
| Executive Sponsorship |  |  |  |  |  |  |
| Relationship Management |  |  |  |  |  |  |
| Day-to-Day Account Management |  |  |  |  |  |  |
| Day-to-Day Account Support |  |  |  |  |  |  |
| Transaction Processing Support |  |  |  |  |  |  |
| Communications Support |  |  |  |  |  |  |
| Compliance Support |  |  |  |  |  |  |
| Implementation Support |  |  |  |  |  |  |
| Others (Add additional rows as needed) |  |  |  |  |  |  |

1. Disclose the professional turnover rates for relationship management, client service, and participant service personnel in your recordkeeping division over the past three years.

|  |  |
| --- | --- |
|  | **Average Annual Turnover Rate**  **(past three years)** |
| Relationship Management |  |
| Client Service |  |
| Participant Service |  |

1. Describe how your firm works to keep professional turnover rates to a minimum. If turnover does occur, describe actions taken to ensure that relationship satisfaction is maintained and that there is no interruption to ongoing client initiatives.
2. Describe your approach to working with plan sponsors to determine areas for potential improvement to a plan and/or implementing best practice approaches.
3. Provide contact information for at least three similarly sized references that can speak to your firm’s capabilities. Please provide at least one reference with greater than 25,000 participants and at least one reference who can speak to the relationship / client service team proposed within the RFP. References that are governmental 457(b) plan sponsors are preferred, and at least one reference must be a governmental 457(b) plan. For each reference, provide a brief description of the plan size, type, and services provided.
4. Do you guarantee service performance? If so, please describe and include samples of items that you would agree to as part of a contract for plan administration services clearly specifying any penalty compensation. **[See Additional Materials Requested]. (Please also complete the Service Performance questionnaire as part of your Appendix B – Fee Proposal.)**

**B. CYBERSECURITY AND DATA PROTECTION**

1. Describe your firm’s ethics policy and how ethical behavior is encouraged throughout the firm. If applicable, please provide us with a copy of your firm’s ethics policy.
2. Describe your company’s processes and protocols for dealing with cyber threats and how data is secured within the system, including standard and advanced authentication procedures (i.e., PIN, audit trail, confirmations).
3. Has your firm achieved any data protection standards or certifications (e.g. NIST RMF, ISO/IEC 27001, COBIT, COSO, ITIL)? If so, please describe.
4. Does your company conduct periodic security assessments to identify cyber security threats, vulnerabilities and potential business consequences? If yes, describe how often they are conducted.
5. Do you conduct periodic penetration testing? If so, please provide the following information regarding any such testing:
   1. Describe the types of penetration tests were performed (application, network, cloud, other), the frequency of tests, and the entity or entities that performed penetration tests over the past two years.
   2. Do you follow CVSS, OCOAS, or other industry standard scoring? If no, please explain.
   3. What are your remediation timeframes?
   4. Did your testing identify any material vulnerabilities (critical or high)? Were any findings remediated within the timeframes outlined in your policies and procedures?
6. Have any plans retaining your services experienced unauthorized access or distribution of participant and financial data due to a breach of your firm's information systems? If so, please describe fully.
7. What is your timeframe and process for notifying clients in the case of any cyber incident or data breach?
8. What are your company's thresholds for determining a reportable security breach separate from a non-reportable security breach?
9. Has your company experienced a reportable security breach (to clients/regulators) in the last three years? (Y/N) If yes, explain the circumstances and remedial actions taken as a result.
10. Does your organization have an insurance policy in place that would cover losses caused by cybersecurity and identity theft breaches (including breaches caused by internal threats, such as misconduct by the Respondent’s own employees or contractors, and breaches caused by external threats, such unauthorized third-party access to a plan participant’s account and related fraudulent activity)?
    1. If so:
       1. Provide a copy of the policy or other evidence of insurance.
       2. Describe any limitations or exclusions to your policy regarding the items listed above.
       3. Would this policy be used to reimburse fraudulent distributions? (Assuming that the deductible is met.)
    2. If not, do you anticipate obtaining such insurance in the future?
11. How do you assess employees’ security awareness/knowledge? Describe your internal security awareness program.
12. Describe your training process to ensure all personnel who deal with personal identifiable information are trained on adequate protection of that information.
13. Describe your documented disaster recovery plan. How often do you test your recovery system?
14. 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?
15. Describe any advanced authentication procedures your company currently uses for those requesting access to the online applications. (e.g., two-factor authentication, voice biometrics, etc.). Please break out procedures for each of the following user categories.
    1. Your employees
    2. Plan sponsors
    3. Participants
16. Describe the steps that you take to prevent fraudulent distributions from being requested and paid out of the Plan.
17. What security measures are in place when a participant’s bank account, address, and/or contact information are changed online or via a phone representative to ensure that there is no fraudulent activity?
18. Describe what safeguards you have implemented to prevent fraudulent access to participant accounts being gained through social engineering methods.
19. If it is suspected that a potentially fraudulent transaction has taken place:
20. Describe your investigation process. How long does it typically take?
21. At what point is the plan sponsor notified?
22. Describe when corrections can be made.
23. In what situations will you take responsibility for making the participant whole? Clearly state any limitations to doing so.
24. Will your firm share Plan participant data with third parties (e.g. Equifax) for the purpose of learning more about Plan participants? May this information be used of marketing your products and services to these members? If so, please describe fully.
25. Do you have or can you make available a recent SSAE 18/SOC 1 (Type 2 preferred) auditor's report on internal controls (Yes/No)? If yes, please provide the most recent copy covering all service areas covered by this RFP and its scope (attach multiple reports as necessary). **[See Additional Materials Required]**
26. Do you have or can you make available a recent SSAE 18/SOC 2 (Type 2 preferred) report on internal controls (Yes/No)? If yes, please provide the most recent copy covering all service areas covered by this RFP and its scope (attach multiple reports as necessary). **[See Additional Materials Required]**

**C. TRUST / RECORDKEEPING / ADMINISTRATION SERVICES**

1. Describe the hardware platform(s) and software system(s) you use to provide recordkeeping and administration services to defined contribution plans.
2. Was the software developed internally, leased, or bought from another provider? Who has the ultimate responsibility/authority to ensure the software remains current to laws, regulations, client needs, etc.?
3. How often is the system upgraded? Describe the number and timing of your annual and periodic core system enhancement cycles fully.
4. Are on-going upgrades provided to your clients automatically, or are they made available on an optional basis subject to agreement of the client?
5. How much customization does your platform allow? Does your platform allow for custom messaging / instructions? Can you differentiate for different plan types and/or different employers? Give examples.
6. Describe the hardware and software system you use for your voice response system. For how many years has this version been in place and when is the next scheduled upgrade?
7. Describe the hardware and software system you use for your internet transaction system. For how many years has this version been in place and when is the next scheduled upgrade?
8. Describe the account services and transaction capabilities available through your participant website.
9. Do you have a mobile application (as differentiated from a mobile-optimized web page) for participant usage? If so, clearly describe the features available (and whether access is inquiry only or transactional).
10. How are website transactions processed and documented?
11. How do you manage peaks in internet usage volume?
12. How often is the data on the website updated?
13. How does the website interface with the recordkeeping system?
14. Are there any transactions that cannot be processed through your website? If yes, please explain.
15. What system enhancements do you have planned over the next three years for:
    1. Your core recordkeeping system?
    2. You participant online interface, including any mobile access channels?
    3. Your plan sponsor online interface?
16. Indicate whether your recordkeeping system accommodates customization of data fields by completing the table below.

|  | **Yes** | **No** | **Possibly** | **Able to Identify Errors?** |
| --- | --- | --- | --- | --- |
| Social Security Number |  |  |  |  |
| Participant ID (employer provided or generated by your system) |  |  |  |  |
| Name |  |  |  |  |
| Address |  |  |  |  |
| Home Phone |  |  |  |  |
| Cell Phone |  |  |  |  |
| Work Phone |  |  |  |  |
| Email Address |  |  |  |  |
| Birth Date |  |  |  |  |
| Death Date |  |  |  |  |
| Gender |  |  |  |  |
| Marital Status |  |  |  |  |
| Marital Status Effective Date |  |  |  |  |
| Hire Date |  |  |  |  |
| Plan Enrollment Date |  |  |  |  |
| Termination Date |  |  |  |  |
| Employment Status Code (i.e. active v inactive, etc.) |  |  |  |  |
| Account Type |  |  |  |  |
| Original Account Holder Name (if QDRO alternative payee or beneficiary) |  |  |  |  |
| Beneficiary Name and Relationship |  |  |  |  |
| Beneficiary Contact Information (address, email, phone, etc.) |  |  |  |  |
| Division / Pay Group |  |  |  |  |
| Other (if applicable, please provide a full list of full data fields supported) |  |  |  |  |

1. Discuss your review of the indicative data and payroll information provided by ISBI providing a clear affirmation of your ability to use this file and process. Clearly identify any areas that would present challenges for your firm to administer, if any.
2. Indicate whether your recordkeeping system is capable of identifying inconsistencies every pay period in the table below.

|  |  |  |
| --- | --- | --- |
|  | **Yes** | **Resolved By** |
| **Illogical Data:** |  |  |
| Duplicate records |  |  |
| Deferral %>0 but deferral = $0 |  |  |
| Deferral %=0 but deferral > $0 |  |  |
| Status terminated but comp > $0 or deferral > $0 |  |  |
| Other (please indicate other illogical data addressed) |  |  |
| **Invalid Dates:** |  |  |
| Birth date out of range <> specified dates |  |  |
| Hire date out of range <> specified dates |  |  |
| Termination date out of range <> specified dates |  |  |
| Hire date > termination date |  |  |

1. Discuss your firm’s involvement in ensuring that participant indicative data is free of errors. How will you work with CMS to minimize the time necessary to clean up data?
2. Describe the method of maintaining plan sponsor and participant history on the system.
3. Discuss your review of the Plan Document provided by the Board:
   1. Provide a clear affirmation of your ability to administer the Plan under the terms of the existing plan document (as amended).
   2. Clearly identify any areas that would present challenges for your firm to administer, if any.
   3. Discuss specific administrative requirements your firm would have for the Board to support your effective and compliant administration of the Plans.
   4. Are there any changes that you would suggest to the Board in order to align with current best practices?
   5. Provide any additional evidence of your experience with and abilities to administer similar plans.
4. How do you monitor a plan to ensure it is administered in accordance with its provisions? What controls are in place?
5. Describe the polices, procedures, controls, and reporting you have in place to proactively monitor for and identify potential errors caused by both human / manual entry and system-initiated changes.
6. Discuss your general capabilities and distinguishing or differentiated services provided to participants for:
7. Plan enrollment (especially online enrollment)
8. Investment elections, including default and rebalancing features
9. Beneficiary designation
10. Investment exchanges and reallocations
11. Rollovers into the plan
12. Other transaction/interface categories
13. Default IRA rollovers for small balance participants (or similar solutions)
14. In-Plan Roth conversions
15. Discuss your general capabilities and distinguishing or differentiated services provided to participants for processing distribution requests (including rollovers out). What types of distributions can be processed entirely online, and which require assistance from a customer service representative? Specifically state if there are any differences in the process for rollover to an affiliate IRA vs. a qualified plan or another provider’s IRA.
16. Provide a brief discussion of Federal and State tax reporting for deferred compensation plans including discussion of tax form preparation, and filing and support for tax reporting.
17. Discuss how your system can be customized in collaboration with the plan sponsor, especially online information and process flows (such as enrollment, contribution election, loan request, distribution request, etc.) that are provided to participants. If customization is not easily available, how do you work with plan sponsors looking to make processes more efficient for participants?
18. Please discuss your ability to accommodate auto-enrollment features in your recordkeeping system. Do you provide custom communications to support the adoption of these features?
19. Discuss your ability to support the Plan’s auto-enrollment structure that including having contributions invested in the Stable Return Fund for 90 days and then having the participant’s account balance and investment elections transfer to the age-appropriate target date fund unless an election is made. Do you have any plans that operate under this structure currently?
20. Discuss your experience and ability to create a customized system for the participant to self-certify that they do not have another outstanding loan through any other State sponsored program. The system would also calculate the maximum available loan amount in the event the participant has another outstanding loan balance.
21. Discuss your experience and ability to set up a loan program through which ongoing loan repayments are accepted directly from a participant’s bank account or check and no payroll loan repayments are in place.
22. Discuss your ability to support the Plan’s existing two-tiered process for processing hardship withdrawal distributions due to an Unforeseeable Emergency.
23. Discuss your ability to provide auto rebalancing of investment options.
24. What limitations, if any, exist?
25. Can auto-rebalancing of core investment menu options be provided if a self-directed brokerage account is made available to participants?
26. In the format below, describe your organization’s standards for performance. Assume all data, wires, or other requests are received in reasonably good condition, prior to the cutoff time for the day, and that any required approvals have been received.

|  |  |  |
| --- | --- | --- |
| **Activity** | **Quality Standard (business days)** | **Explanation** |
| Participant contribution file reconciliation and posting (allowing for standard reconciliation and verification of files) | \_\_\_ days\* from receipt of payroll data |  |
| Withdrawals Information Payment Detail provided to custodian bank (check or direct deposit payment details provided date) | \_\_\_ days\* from receipt of request |  |
| Distributions Information Payment Detail provided to custodian bank (check or direct deposit payment details provided date) | \_\_\_ days\* from receipt of request |  |
| Investment transfers into fund processed | \_\_\_ days\* from receipt of request |  |
| Confirmations e-mailed or electronically delivered | \_\_\_ days from execution of transaction or request |  |
| Confirmations mailed | \_\_\_ days from execution of transaction or request |  |
| Participant statements e-mailed or electronically delivered | \_\_\_ days from period end |  |
| Participant statements mailed | \_\_\_ days from period end |  |
| DRO Review and Processing (Assume all documents received in good order) | \_\_\_ days\* from receipt of request |  |
| Review and posting of rollovers into the plan | \_\_\_ days\* from receipt of request |  |
| **\***Assumes days from receipt of data or request received prior to 4 PM ET. If same day, please state “0.” | | |

1. Provide a discussion of Domestic Relations Orders (DROs) and other outsourced document administration services (including powers of attorney, beneficiary documentation, death processing, and others) that you are able to provide. Specific to potential DROs, describe the assistance that you are able to provide plan sponsors in assuring that the participant receives all appropriate data.
2. Provide a brief discussion of checks and balances in place to ensure process and transactional integrity, including plan administration manuals and other controls.
3. Discuss your ability to restrict the access of each client HR/payroll employee to the participant account information for the employees they work with in their divisions/agency.
4. Describe the account services, transaction, and reporting capabilities available through your plan sponsor portal. Also describe your process for training CMS and ISBI Staff on the use of this system.
5. Provide a brief description of the standard monthly and quarterly reporting package that you would provide CMS, ISBI Staff, and the Board as well as the medium(s) used (provide samples). **[See Additional Materials Requested]**
6. What are your ad hoc reporting capabilities? Can your service team members design and prepare ad hoc reports or must programming staff be involved? What types of ad hoc reports are most requested by your other clients? If there are any extra or additional costs for this service, fully describe.
7. Provide a review of the standard hours of account access and transactional availability via customer service call centers, online, and voice response channels.

|  |  |  |  |
| --- | --- | --- | --- |
| **Call Center** | **Open (AM/PM)** | **Close (AM/PM)** | **Time Zone** |
| Monday - Friday |  |  |  |
| Saturday |  |  |  |
| Sunday |  |  |  |
|  |  |  |  |
| **Online** | **Open (AM/PM)** | **Close (AM/PM)** | **Time Zone** |
| Monday - Friday |  |  |  |
| Saturday |  |  |  |
| Sunday |  |  |  |
|  |  |  |  |
| **Voice Response Channel** | **Open (AM/PM)** | **Close (AM/PM)** | **Time Zone** |
| Monday - Friday |  |  |  |
| Saturday |  |  |  |
| Sunday |  |  |  |

1. Provide statistics related to actual performance related to account access standards, for the last four calendar quarters.

|  | **4Q 2020** | **3Q 2020** | **2Q 2020** | **1Q 2020** |
| --- | --- | --- | --- | --- |
| Website "up time" (days) |  |  |  |  |
| Number of calls |  |  |  |  |
| Average call length (seconds) |  |  |  |  |
| Average response time (seconds) |  |  |  |  |
| Quality Standard for # of sec. on hold during transfers (seconds) |  | | | |
| Actual average # of sec on hold during transfers (seconds) |  |  |  |  |
| Percentage of calls requiring follow-up (%) | % | % | % | % |
| Quality Standard for call abort rate (%) | % | | | |
| Call abort rate (%) | % | % | % | % |
| Average # of calls monitored by supervisor on a monthly basis | /month | /month | /month | /month |

1. Provide an overview of your organization’s call center(s) including the number of customer service representatives (“CSRs”) currently employed to service your DC recordkeeping clients and management structure. Where are the CSRs for these clients located and how many are at each site? How does each site act as a backup for the others?
2. Discuss training provided to CSRs before they are allowed to handle incoming calls. Do you require any certifications and licenses?
3. Discuss your case management procedures for calls that have service issues. With respect to complaints, what is the follow-up procedure for complaints about CSRs?
4. Do you monitor and/or tape toll-free calls? If you tape calls, how long are tapes stored (in years)? Can representatives of plan sponsors review recorded calls for quality assurance? Can recorded calls and/or transcripts be provided to plan sponsors, when needed, to investigate inquiries / claims?
5. Discuss how CSRs are compensated, including all components of compensation. If your CSRs receive any form of commission-based pay, provide a detailed description of how their commission is earned, and whether there is any financial incentive for representatives to recommend one product over another.
6. If a participant elects to move from the website to a call center service representative, describe the interface between the website and the service representative.
7. What kinds of web and phone services are available to participants for whom English is a second language?
8. What kinds of ADA compliant accessibility / foreign language support features are available to participants through your web, mobile, and phone services?

**D. COMMUNICATION AND EDUCATION SERVICES**

1. Provide a brief description of your firm's background and experience in providing both templated and custom communication and education materials.
2. Discuss how you work with plan sponsors on creating and implementing a strategic plan for participant engagement and communications, including using plan data to identify different campaigns and reviewing the effectiveness of those campaigns.
3. Provide a brief description of your standard participant-level statements and documents (provide samples, including quarterly and annual statements and other standard confirmations/documents that Plan participants might use). **[See Additional Materials Requested]**
4. Discuss the key elements provided as part of a standard communication and education package included in your proposal. (Provide samples of materials that may be used by the Plan.) **[See Additional Materials Requested]**
5. Provide a discussion of non-standard elements to a communication and education package you may provide for an additional charge.
6. Review how communication and education materials are produced and fulfilled (i.e. in-house or through third-parties).
7. Review how onsite investment education services are provided including a summary of the type of costs, if any, which apply for these services.
8. Describe any / all participant tools / educational materials, philosophy, and process for delivering participant education and advice. Are there any meeting attendance requirements / limitations? If so, please describe.
9. Discuss your firm's offering of onsite and phone representatives (including the use of live and pre-recorded webinars) to provide investment education to participants. For each of the sub-questions below, differentiate as needed between onsite, phone, and webinar support representatives. (Please respond to reach item below individually.)
   1. Provide a review of how onsite investment education services would be provided to Plan participants, including general, partially dedicated, or fully dedicated staff and proposed staffing levels.
   2. What are the required credentials, licenses, and training for the onsite registered representatives? Discuss why you require such licensure.
   3. Discuss how your firm identifies optimal personnel and manages professional development, periodic turnover, and incorporates client preferences into staffing models.
   4. Provide a discussion of how the proposed representatives (as well as their supervisors) are compensated and include all components of compensation. What portion of salary is available as a bonus, and what metrics are used to determine this bonus? Please note that as requested in the scope of services, any representatives must be on a salary plus bonus structure.
   5. Will your company’s proposed representatives help participants with:
      1. Determining asset allocation?
      2. Selecting appropriate investment vehicles?
      3. Understanding all the fees involved with your company’s services and investment options?
      4. Investment related questions?
      5. General questions related to retirement plans offered by clients?
      6. Retirement planning?
   6. How do your employees handle requests from members seeking additional information or support in purchasing non-plan products or services?
10. Do you provide advice / guidance services to participants, either in-person or over the phone? If so, please provide the information requested below. If advice services are available without including a managed accounts program, please describe the differences, if any, specific to each of the items. (Please respond to reach item below individually.)
    1. What are the required credentials, licenses, and training for these representatives?
    2. Will your representatives provide investment or rollover recommendations to participants? If so, will you act as a fiduciary with respect to these recommendations?
    3. Do your representatives have discretion with respect to the advice that they provide, or do they use a standardized advice program maintained by your organization?
    4. What types of products outside of the investments available through the plan are your representatives authorized to discuss with participants? (e.g., IRAs, annuities, brokerage accounts, etc.)
    5. Please list all outside products that may be discussed.
    6. If representatives are authorized to discuss any other products, can they do so proactively, or only if specifically requested by a participant?
    7. Please provide copies of your Form CRS and any other disclosure documents that would be provided to participants as part of this service **[See Additional Materials Requested]**
    8. How is this service addressed as part of your services agreement? Will you indemnify the plan sponsor for these services? Will you commit to providing any recommendations as a fiduciary and/or in accordance with the SEC’s Regulation Best Interest within the services agreement?
11. Affirm in writing, your firm’s willingness to provide plan education and communication support with a strict rule against any cross-selling of non-plan services or investment products by employees who directly or indirectly support Plan participants and to provide and maintain appropriate controls to limit and inhibit such services. Are you willing to apply monetary penalties to staff that do not follow such guidelines? In addition, describe the steps that your firm would take to ensure compliance, including your willingness to undergo a regular audit by an independent third-party.
12. Provide a discussion of resources your firm offers to support IRA rollovers and/or retirement distributions including a detailed discussion of any revenue to your firm or affiliates generated and transparency of reporting thereof. Furthermore, are your representatives compensated directly or indirectly (including as a consideration in determining any bonuses or other rewards) for the transfer of Plan assets to non-Plan products or services?
13. Does your firm employ or contract with individuals or entities who do not provide services directly to Plan participants, but who do (or may) promote, market, recommend or solicit non-Plan products or services to State of Illinois employees or Plan participants? If yes, please describe.
14. Discuss how your firm helps plan sponsors measure the effectiveness of employee education efforts, especially those geared towards improving participants’ retirement readiness and overall financial wellbeing. What data and metrics are available for plan sponsors to consume, and how is this data made available to as well as proactively presented to plan sponsors?
15. Discuss how you work with plan sponsors to determine the success of a given campaign and encourage sustainment, as well as how unsuccessful campaigns can be modified.
16. Provide a brief discussion of your financial wellness programs, if any. Clearly outline any additional costs associated with such service.
17. Provide a list of topics your financial wellness programs include.
18. Please comment upon and provide any empirical evidence supporting the ways that participants have benefited from use of your financial wellness offerings.
19. Describe the controls in place to ensure accuracy of analysis, data integrity, and other system capabilities for financial wellness and/or investment education and advice online tools or calculators used (either online or with onsite/call center representatives).
20. What reporting options, if any, are available to Plan Sponsors regarding financial wellness utilization?
21. Describe any upcoming anticipated enhancements to your financial wellness offerings.
22. Provide samples of relevant participant education / advice / wellness materials that showcase your company’s ability to provide the desired scope of services. **[See Additional Materials Requested]**

**E. COMPLIANCE SERVICES**

1. Provide a summary discussion of your compliance and regulatory resources and the teams that are leveraged.
2. Provide a general review of how your firm helps ensure that plans remain in compliance and how your firm monitors the plans to ensure it is administered in accordance with its provisions. What controls are in place?
3. Provide a discussion of the audit support that you would be able to provide to CMS and the Board.
4. Provide a discussion of other types of outsourced services.

**F. INVESTMENT MANAGEMENT & ADVICE SERVICES**

1. Discuss how trustee services are provided (i.e., directly, via affiliate, via third-party, etc.), additional fees for trustee services, and any limitations that exist on holding assets. (Note that explicit fees for trustee services are requested as part of your Appendix B – Fee Proposal.)
2. Discuss your trust interface and its integration with the recordkeeping platform, plan sponsors, and investment managers.
3. Please explicitly affirm that you can support all of the investment options currently available to the Plan’s participants. Identify any exceptions that may apply.
4. Discussion your ability and willingness to provide the Board access to institutional class shares of mutual funds that do not provide embedded revenue sharing and structuring a flexible "tack-on" fee structure, in either an asset-based or per-participant manner that creates a revenue-neutral arrangement to pay for plan administration expenses. Provide a detailed explanation of your firm's position on this topic.
5. Please provide a complete list of all the mutual funds and DC-eligible collective funds available through your proprietary and alliance networks including revenue sharing or negotiated administrative service credits received by your firm. **[See Additional Materials Requested]**
6. Discuss revenue or cost-reductions received by your firm’s recordkeeping unit or corporate parent through a client’s use of both affiliated and non-affiliated investment management offerings that may provide revenue sharing including shareholder servicing fee credits (such as sub-TA fees). How will these be disclosed? Will a portion or all of these be made available to and subject to a credit to the Plans for equitable allocation or use for qualified plan expenses?
7. Discuss your ability and willingness to provide the Plan with administration of custom / “white-label” funds (for core and target date fund options) in a single or multi-manager format using custom NAVs or Unitized Valuations. Provide a detailed discussion of your abilities and service offerings, including any additional fees that may be assessed.
8. Discuss your ability and willingness to provide the Plan with fund fact sheets for white label funds. Provide a detailed discussion of your abilities and service offerings, including any additional fees that may be assessed.
9. Discuss your organization's ability to provide services related to a Self-Directed Brokerage Account, indicating capabilities working with other SDBA providers and/or proprietary or vended services.
10. Describe your transition process in the event funds are added, replaced, or eliminated in the future.
11. Are there any limitations, conditions, and/or additional costs that would apply for fund changes?
12. Has your firm implemented any “retirement income” services, products, or solutions for any of your clients? If so, please list and describe the services, products, and/or solutions available on your platform.
13. If the Board were to adopt a retirement income service, product, or solution that is currently or prospectively available in the marketplace and is not on your platform, would you be willing to implement the Board’s chosen solution? Please discuss any limitations or fees that may be present.
14. Describe all participant-level managed account services available through your platform offerings. If advice is offered, is it in-house or via a third party?
15. If your firm provides investment advice and managed accounts at the participant level using an online advice provider, please identify the providers available on your platform in the table provided.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Vendor** | **Type (Select Direct, Sub-Advised, or Proprietary)** | **Offered Since Year** | **Number of Clients Using the Vendor** | **Number of Participants Using the Vendor** | **Average Rate of Utilization** |
|  |  |  |  |  |  |

1. Discuss revenue sharing or cost-reductions received by your firm’s recordkeeping unit or corporate parent through a client’s use of managed account offerings. How will these be disclosed? Will a portion or all of these be made available to and subject to a credit to the Plan for equitable allocation or use for qualified plan expenses?

**G. IMPLEMENTATION SERVICES**

**Incumbent Only Questions:**

1. What associated new and updated services, alternative models, etc. might CMS, ISBI Staff, and the Board expect to receive from a continuation and expansion of its relationship with your organization? Describe how (and under what timeframe) these services would be provided.
2. Describe the approach your firm would take to de-conversion should the RFP process result in another firm being selected. Include explicit detail about the support (and any fees for such support) that would be provided for the successor recordkeeper including, but not limited to, provision of complete records of historical participant activity, support during reconciliation activities, and post-conversion research activities.

**Non-Incumbent Only Questions:**

1. Provide a review of the resources your firm has to provide implementation services for transitioning clients.
2. What group or unit will serve as the transition team in planning and implementing the transition of the Plan? Identify the individuals and specify the team leader and the roles each member will serve in the transition. Also, describe their experience and how they are related to the client administration team. Include the team members’ professional biographical information.
3. What is the role of the transition team during implementation? Will our ongoing service team be involved in the transition? Will there be overlap with the transition team?
4. Provide distinguishing details of your firm’s process when conducting an initial plan review and best practice recommendations and how such recommendations are incorporated into the transition process.
5. Provide a review of how your firm would implement a transition process to bring the Plans onto your platform. This review should include an explicit estimate of the timeline required and include a sample draft transition plan**. [See Additional Materials Requested]**
6. What lead-time is required for a typical large governmental 457(b) plan client transition, and how might our transition be different?
7. Provide a discussion of the involvement and time required from CMS and ISBI Staff during the implementation process.
8. Discuss your organization’s experience transitioning from T. Rowe Price? What particular nuances, if any, are notable?
9. Provide a detailed description of your last comparable conversion judging similarity by relative plan size and complexity. Include details of specific problems that occurred and the solutions implemented, timeline, etc.
10. What changes, if any, should the Board expect to make as part of a transition?
11. Discuss the historical data necessary to accurately and completely transition the Plan over to your systems and processes. Explicitly describe your support expectations from the prior recordkeeper including, but not limited to, provision of historical records, support during reconciliation activities, and post-conversion research activities.