

Responses to questions asked regarding RFP 171-1112

| Q1 | The RFP notes that electronic submission of the proposal is the preferred method. Please confirm whether the address for submission is your email address, or another address. | | | | | | | | |
|--|---|----------------|-------------------------------|-----------------------|----------------|-----------|----------------|------------------------------------|--------------|
| A1 | Please direct electronic submissions to Lola.Evans@polkcountyiowa.gov | | | | | | | | |
| Q2 | Will the 457 plan continue to be employee voluntary, or will any type of matching or employer contributions be involved in this plan or another plan? | | | | | | | | |
| A2 | The 457 plan will continue to be an employee voluntary plan. | | | | | | | | |
| Q3 | What is the 401(a) plan? I am not familiar with it. | | | | | | | | |
| A3 | The 401(a) plan is an employer sponsored, qualified retirement plan established to receive Employer Contributions and Eligible Rollover Contributions. Polk County matches the employee deferral based on the following: | | | | | | | | |
| One (\$1) dollar for every two (\$2) dollars contributed by the participant, up to a maximum of: | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Employee Group</th> <th>Maximum Employer Contribution</th> </tr> </thead> <tbody> <tr> <td>AFSCME/Non-bargaining</td> <td>\$60 per month</td> </tr> <tr> <td>TEAMSTERS</td> <td>\$40 per month</td> </tr> <tr> <td>Department Heads/Elected Officials</td> <td>1% of salary</td> </tr> </tbody> </table> | | Employee Group | Maximum Employer Contribution | AFSCME/Non-bargaining | \$60 per month | TEAMSTERS | \$40 per month | Department Heads/Elected Officials | 1% of salary |
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| Q4 | I received the request for proposal for the Polk county Deferred Compensation 457 and 401(a) programs from the website; it is a total of 12 pages and ends with page 7, question 7. Is this the whole proposal, or did not all of the pages get posted to the bid web site? | | | | | | | | |
| A4 | The first 5 pages are instructions. We have updated the page numbers and reposted the RFP to eliminate confusion. In addition, we added the table to question 6 within Organization and History . It is now a total of 13 pages. | | | | | | | | |
| Q5 | Please provide a breakdown of plan assets by plan – 457 vs. 401a. | | | | | | | | |
| A5 | Refer to Attachment A | | | | | | | | |

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| Q6 | Please provide the assets by investment category – equities vs. fix or stable value assets. |
| A6 | Refer to Attachment A |
| Q7 | Provide fund tickers & balances of each existing fund |
| A7 | We are not providing this information at this time. |
| Q8 | Annual distributions? |
| A8 | In the prior plan year ending 06/30/2011, the total distributions from all three active vendors was approximately \$ 785,000 |
| Q9 | Number of duplicate participants in 401 and 457 plans |
| A9 | Each employee who actively contributes after 2002, will have a 457 and 401 account. Terminated and Retired participants prior to 2002, do not have 401 accounts set up for them and will only be listed once in the 457 plan. Refer to Attachment A. |
| Q10 | Are you working with a consultant? |
| A10 | We will be working with a consultant to review the RFP bids. |
| Q11 | What are the assets by provider? |
| A11 | Our intent is to transfer all the assets held with the three active providers to the winning vendor. We do not believe a breakdown by provider is necessary as the bid should be determined based on the overall assets of the plan. |
| Q12 | You list the contributions as \$185,000 per month. What are the contributions by vendor? |
| A12 | We are not providing this information at this time. Refer to Question 11. |
| Q13 | How much of the 25 million in assets is in fixed accounts? By Vendor? |
| A13 | Refer to Attachment A. |
| Q14 | Do any of the current vendors have any surrender charges or transfer restrictions on any assets? |
| A14 | At this time, the Plans are not subject to any surrender, CDSC or MVA charges. |
| Q15 | Please confirm that the \$25 million in assets will be moved to the new vendor by the employer? |
| A15 | The winning vendor will receive all the assets held with the current three active providers. |
| Q16 | Approximately how many account balances are under \$5000 |
| A16 | We are compiling this information, but it is not available at this time. |
| Q17 | Please provide the total number of participant accounts for the 457, including inactive participants. |
| A17 | Refer to Attachment A. The participant account is including terminated and active employees that have balances remaining in either or both of the 457/401(a) accounts. |
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| Q18 | Please provide the total number of participant accounts for the 401(a), including inactive participants |
| A18 | Refer to Attachment A. The participant account is including terminated and active employees that have balances remaining in either both or one of the 457/401(a) accounts. |
| Q19 | For both the 457 and 401(a), please confirm how many of these participants may have accountings with multiple providers, so that we may determine the number of unique participant accounts that would move to one consolidated provider. |
| A19 | We have a small number (probably less than 5) active employees who contribute to two vendors and will be included in the counts twice. This is not a common practice. |
| Q20 | Would the County consider cashing out low-balance inactive accounts, and if so, how would the characteristics of the plan change if those accounts were removed? |
| A20 | Yes, the County would be interested in cashing out inactive accounts with balances below \$5,000. At this time, we do not have the number of individual accounts that would be affected. |
| Q21 | Please provide a breakdown of funds by investment options, including tickers for each provider. |
| A21 | This information will not be provided at this time. |
| Q22 | Please clarify the categories reference in the Organization and History section Question #6? |
| A22 | See answer to question 34. |
| Q23 | How many total plans are there? For example, do each of the three vendors maintain a 457 plan and a 401(a) plan? |
| A23 | Valic and ING have a 457 and 401(a) plan. AXA maintains two separate 457 plans and two 401(a) plans. |
| Q24 | Please provide assets by fund for each plan, and by vendor. |
| A24 | Refer to Attachment A. |
| Q25 | What are the contribution sources for each 401(a)? Is it only pre-tax employer and employee money? |
| A25 | The 401(a) plan is the pre-tax employer money and rollover money. |
| Q26 | Please provide the plan documents that govern the 401(a) and 457 plans. |
| A26 | Plan documents are located on the our website with the RFP http://www.polkcountyiowa.gov/GeneralServices/Pages/currentBids.aspx |
| Q27 | How many new employees have enrolled in the plan during each of the past three years? |
| A27 | From 07/01/2008 through 06/30/2011, we hired 316 eligible participants, 73 enrolled. |
| Q28 | Please provide the number of "unique" participants, counting a participant in a 401(a) and 457 plan only once. |
| A28 | We have 812 active employees contributing. Each employee who currently contributes will have one 457 plan and one 401(a) plan established. |

| Q29 | If there are any penalties/termination charges associated with terminating your current providers (MVA, CDSC, 12 month put, etc), please identify those charges and whether the new vendor will have to assume these in order to transfer participant accounts whole. | | | | | | | | | | | | |
|----------------------------|--|----------------------------|--------------|------------------|--|----------------|--|------------------|--|-------------------|--|--------------|--|
| A29 | At this time, all three plans are not subject to a MVA or fees/penalties to move vendors. | | | | | | | | | | | | |
| Q30 | XYZ currently administers a plan for Polk County (it is currently “walled off” to participation) that has approximately \$475,000 in assets and 14 participants, How are these assets addressed in this RFP? | | | | | | | | | | | | |
| A30 | Inactive Plans are not addressed in this RFP. | | | | | | | | | | | | |
| Q31 | Do any of the plans maintain any life insurance policies for participants? If yes, who is the provider and how many participants have outstanding policies? | | | | | | | | | | | | |
| A31 | There are no life insurance policies. | | | | | | | | | | | | |
| Q32 | Do any of the current providers offer a self directed brokerage account? If yes, who is the provider(s) and how many participants utilized the brokerage window? | | | | | | | | | | | | |
| A32 | No, there are no self-directed brokerage accounts. | | | | | | | | | | | | |
| Q33 | Would you please provide a breakdown of assets in the plan (i.e. fund balances, including stable value/fixed accounts)? | | | | | | | | | | | | |
| A33 | Refer to Attachment A | | | | | | | | | | | | |
| Q34 | Under “Organization and History (P. 8, Q. 6), the County asks, “how many defined contribution plans do you currently administer (bundled services) in the following categories”. However, nothing follows “categories”. Would you please itemize the categories? | | | | | | | | | | | | |
| A34 | <table border="1"> <thead> <tr> <th>Number of Employees</th> <th>Plans</th> </tr> </thead> <tbody> <tr> <td>Under 100</td> <td></td> </tr> <tr> <td>100-499</td> <td></td> </tr> <tr> <td>500-4,999</td> <td></td> </tr> <tr> <td>Over 5,000</td> <td></td> </tr> <tr> <td>Total</td> <td></td> </tr> </tbody> </table> | Number of Employees | Plans | Under 100 | | 100-499 | | 500-4,999 | | Over 5,000 | | Total | |
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| Total | | | | | | | | | | | | | |
| Q35 | Are the current contracts individual or group contracts? | | | | | | | | | | | | |
| A35 | The current contracts are group contracts. | | | | | | | | | | | | |
| Q36 | Will the new single vendor receive all the existing assets from all providers? | | | | | | | | | | | | |
| A36 | The new vendor will receive all the existing assets held in the three current providers. It is our hope that assets held with the inactive providers will transfer at a future date. | | | | | | | | | | | | |
| Q37 | How many years is this contract award for? | | | | | | | | | | | | |
| A37 | This is negotiable. | | | | | | | | | | | | |
| Q38 | How will we receive answers to our questions. Via email or on a website? | | | | | | | | | | | | |
| A38 | Questions will be compiled and answered through this document format. | | | | | | | | | | | | |
| Q39 | How much is in the 457 and how much is in the 401a? | | | | | | | | | | | | |
| A39 | Please refer to Attachment A. | | | | | | | | | | | | |

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| Q40 | Are the assets in each of the plans “moveable at the plan level”, or are they “individual contracts with each participant”? |
| A40 | All three Plans are group contracts and can be moved at the plan level. |
| Q41 | For initial and ongoing participant education and communication, what languages (English, Spanish, etc....) do you need us to support? |
| A41 | At the current time, we only need communication material in English. |
| Q42 | I would like to request a MSWord version of the Q&A part of the RFP, which would make it much easier for us to provide a response. |
| A42 | Please send an email to Lola.Evans@polkcountyiowa.gov if you want the RFP in word format. |
| Q43 | How can we best assist Polk County employees in meeting their retirement income goals? Is it an ongoing series of group meetings, is it meeting one on one with each individual employee, perhaps a series of campaigns based on the life stage of each participant or weekly text messaging? |
| A43 | The vendor's educational program should be a combination of several different modes of communication. At a minimum, the county will expect the winning vendor to commit to being on-site one day per quarter to provide participants either group or one-on-one meetings. |
| Q44 | Referencing the Loans section on page 10; how soon after consolidation to a single vendor does Polk County intend to offer a loan program (e.g. 30 days, 60 days, etc.)? |
| A44 | We would like to implement this feature as soon as administratively possible for our employees, but hope that it would not be longer than 60 days after implementation. |

Attachment A

| | 457 | | | | 401a | | | | Total 457/401a |
|----------------|----------------------|----------------|-----------------|---------------|----------------------|--------------|-----------------|--------------|------------------------|
| <u>Company</u> | <u># of Accounts</u> | <u>Fixed</u> | <u>Equities</u> | <u>Total</u> | <u># of Accounts</u> | <u>Fixed</u> | <u>Equities</u> | <u>Total</u> | |
| Valic | 96 | 154,548.60 | 1,327,298.63 | 1,481,847.23 | 90 | 31,031.14 | 205,789.38 | 236,820.52 | 1,718,667.75 |
| ING | 621 | 1,901,187.57 | 7,526,781.03 | 9,427,968.60 | 622 | 450,115.17 | 1,923,952.57 | 2,374,067.74 | 11,802,036.34 |
| AXA | 296 | 3,176,903.33 | 6,932,194.89 | 10,109,098.22 | 259 | 251,464.69 | 447,198.34 | 698,663.03 | 10,807,761.25 |
| TOTALS | 1013 | \$5,232,639.50 | \$15,786,274.55 | 21,018,914.05 | 971 | \$732,611.00 | \$2,576,940.29 | 3,309,551.29 | \$24,328,465.34 |