

New York State Deferred Compensation Plan Bidders' Questions & Answers

General

1. Can the current logo be used exclusively for the purposes of responding to this proposal?
Yes.
2. Do you have specific measurable goals in place to monitor the success of your retirement plan(s) or progress toward specific retirement plan goals (e.g., participation rates, income adequacy targets)? If so, what are they and how successful have you been in meeting those goals in the past?
Currently, there are certain performance criteria that must be met. For example, Account Executives, in the aggregate, shall meet directly (either individually or in-group meetings) with an average of 5,000 participants per month. The remaining performance criteria are more operational.

Additionally, the plan would like to achieve higher participation rates, among both employees and employers. There are strategies in place to increase participation and deferral rates for participants. Reps also meet with at least 120 non-participating employers per year to encourage participation. Another goal is to educate retired and late-career participants about tradeoffs between rollovers and continued plan participation. Improving diversification is another goal.
3. Do you or will you allow offshore activities for backroom processing?
Yes, for backroom processing. Please note that participant facing activities should be handled onshore.
4. Would you please verify this is one legal plan, and not separate plans for each of the 1,400 employers?
Yes, this is one legal plan.
5. How many offices are provided by the state for the ASA to lease? Where are they located? What are the current lease agreements? How many square feet? And what is the lease term?
The only office that the ASA leases is in Troy, NY. The State provides no offices for the ASA. The building is 4,678 square feet and the lease expires April 30, 2016.
6. Do all participants have an email address and phone number on file?
As noted in the RFP, 36% of participants have an email on file. Phone numbers are requested in the enrollment application but are not required and are often not updated.

Call Center

7. What are the top 5 topics you receive calls about in the customer service center?
It varies, but loans, distributions, deferrals, exchanges, and internet inquiries are common. See below for more detail – note this only reflects the month of December.

Type of Telephone Inquiries	Number of Calls in Dec 2014
Benefits	
Age 50 Catch-Up	175
Beneficiary	411
Catch-up	248
Roth 457 Inquiry	62
Distributions	2,533
Employer Calls	79
Loan	4,239
Military Service Credit	0
Rollovers	968
Service Credit	62
Small Inactive Account	11
Unforeseeable Emergencies	495
Total	9,283
Transactions	
Address Change Request	332
Asset Allocation	56
Defferals	2,528
Enrollment	749
Exchanges/Allocations	1,047
Internet	1,238
Name Change	17
VRU (Pin #)	23
Total	5,990
Response to Mailing	
Fees/Charges	118
Fund Closure Letter	0
International Funds / Separate Accts	0
Statements	101
Total	219
Service Inquiries	
Account Balances	659
Fund Information	242
Literature Requests	602
Mailings	265
Escalated Calls	11
Other	715
Total	2,494
Plan Questions	
Account Executives	220
Death Benefit	180
Direct Deposit	56
Equity Wash Concerns	0
General Information	304
Life Expectancy	0
Power of Attorney/LPOA	11
Qualified Domestic Relations Order	45
Required Minimum Distribution	805
Tax Questions	146
Termination of Employment	270
Total	2,037
Total Inquiries for December 2014	20,023

8. How is Customer Service provided today for Benefits? Please describe if the delivery model varies by population, geography, or organizational unit. Does anyone require special handling?
Customer service is provided through the dedicated call center, the HELPLINE. Calls come into the call center and are not pre-screened. Escalated calls are handled by supervisors or the call center manager.

9. Is it the State's preference to maintain the current call center? What impact to the proposal scoring would occur by using something other than a dedicated, separate call center located in Capital Region of New York State? Similarly, what would the impact be of using a mix of licensed representatives and representatives who are not required to be licensed where only licensed representatives are supporting topics that would require the licensing?

The preference is to offer a separate, dedicated call center. However, New York State is open to considering the use of the ASA's existing call center. Should you propose one of your existing call centers, the Board requests that the phone representatives are 100% dedicated to the New York State Deferred Comp Plan. If a remote call center is proposed, please provide two quotes. All reps are required to hold a Series 6 license. Many calls start with simple requests but are followed by questions or requests that require licensure.

10. Please provide the volume of calls that occur between 8-11 pm Monday-Friday and 9-6 on Saturdays. Please see Attachment 5: HELPLINE Call Volume for Saturday volume. The average number of calls that occur between 8 PM -11 PM is 15 calls per day.

Also, total calls 8 AM – 11 PM Mon-Fri for 2014 = 227,966 (including Saturday 9:00 AM – 6:00 PM 2014 total 236,935).

11. Is the call center location leased by the ASA?

Yes (located in Troy, NY).

12. Do the call center representatives have a non-compete agreement?

No.

13. Are the hours for the call center negotiable?

It would be preferable to continue the same hours. However, the State is willing to consider other hours.

14. Can you provide job descriptions for each of the following:

-1 office manager

Main responsibilities include:

- consolidating and communicating weekly, monthly, and quarterly Account Executive reports and schedules
- coordinating employer outreach mailing and new employer enrollments
- territory database management
- maintain and process office mail, supplies
- general communication and administrative functions for the office
- respond to participant emails from NYSDCP Web site

-1 internal sales specialist

Main responsibilities include:

- function as the main point of contact for employer payroll officials
- function as the main point of contact for the Office of the State Comptroller
- work to help resolve employer and payroll related issues
- provide training to the Account Executives on payroll and processing issues
- coordinate incoming plan conversion
- special projects as assigned
- Escalated participant issues and resolution

-4 managers

Main responsibilities include:

- Scheduling and Calendar for Helpline Reps
- Coaching of the Helpline Supervisors and Reps
- Weekly Update for the NYSDCP Team
- Daily Huddle with Supervisors to review calls and quality
- Monthly One on One quality reviews with the Helpline Reps
- Monthly Team Meeting for training, engagement, and updates
- Team Engagement Planning
- Monthly Engagement Activity
- HELPLINE Training Oversight
- Board Office Issues and Resolution
- Escalated participant issues and resolution

15. Do any of the call center employees work with/assist the Field Service staff?

Yes.

16. Do any of the field service staff report to the managers in the call center?

No. They report to the Program Director who is also located in the Troy Call Center Office. The Troy Call Center Managers and Associates also report to the Program Director.

Onsite Representatives/Education/Advice

17. Will you please provide information on the number of group and individual meetings the Account Executives currently hold annually, the number of locations that receive these, the topics of the seminars held, and any information on the outcomes from these meetings?

Please see below for 4Q2014 activity. Note that there is a requirement to meet with 5,000 participants monthly. Additionally, there is a requirement for Account Execs to meet with at least 120 employers that are not yet participating.

Booths	Participants at Booths	Workshops	Participants at Workshops	Individual Meetings	Participants at Indiv. Mtgs	Client Relationship Meetings	Participants at CR Mtgs	Total Participants Seen
463	18940	164	4594	2963	2963	235	395	26892

New Employer Outreach Meetings	New Employer Outreach Meeting Attendees	Adoptions	Enrollments by Account Exec	Deferrals Changed
36	80	23	1613	281

18. Please provide the number of individual counseling/educational sessions conducted for each of the last three years?

Please note that the data provided is based upon the Plan's Year, which is 3/31 to 04/01. Information for 2014 is for 10 months, 3/31/14 to 1/31/15.

2012 – 56,346

2013 – 68,351

2014 – 58,775

19. In addition to the GOER pre-retirement seminars, please provide the number of group meetings conducted for each of the last three years?

Please note that the data provided is based upon the Plan's Year, which is 3/31 to 04/01. Information for 2014 is for 10 months, 3/31/14 to 1/31/15.

2012 – 699

2013 – 650

2014 – 605

20. Are there any independent Registered Investment Advisors (RIAs) who currently work with plan participants that are paid through fee billing to the participant accounts in the Plan?

No.

21. Could you please provide any information on the level of Account Executive activity that is related to services to existing participants vs. services to enroll new participants?

Activity for the Account Executives is approximately 70/30. 70% of time for the Account Executives is devoted to services of existing participants. 30% of time is devoted to services to enroll new participants.

22. Does the current service model include onsite Account Executives taking service related phone calls from participants that might also be handled by the call center?

No.

23. Are there currently office locations for walk in services? If so, how many, and what is the volume of the activities at those locations?

Participants may walk into the call center location in Troy. The Troy call center has approximately 40 participants walk in a month or 450-500 a year.

Additionally, participants may walk into the NYSDCP Board Office (in Albany), which is staffed by an Account Executive two days a week, Monday and Wednesday 10:00 a.m. – 4:00 p.m. Monday activity is 8-10 individual consultations and Wednesday approximately 5-7 consultations. In addition, the ASA holds a Booth at the State Plaza on Wednesday with approximately 30-40 State employees visiting the booth. The annual State Plaza activity for consultations and booth for these dedicated days is approximately 700-750 consultations and 1,500 booth contacts.

24. Does field HR play any role in supporting retirement plan questions or helping with escalations? If so, please describe how this works.

No.

25. What impact to the proposal scoring would occur by using less than 17 field representatives in place today?

The preference is to maintain 17 reps. However, if you have an alternate proposal, please provide that as a part of your RFP response.

26. Do the field representatives have a non-compete agreement?

No.

27. How many field reps must speak Spanish?

Two reps currently speak Spanish. It would be preferred to maintain this level.

28. Does Nationwide Retirement Services provide participant investment advice. If yes, through which channels? If no, is the plan interested in adding these advice services?
Not currently. This is under consideration. See RFP questions 2.13.12 and 2.15.12.

29. Is it the State's preference to maintain the current offices for the reps?
Account Executives maintain a home office and are required to travel to various locations to meet with employees and employers.

Participant Services/Communication

30. How would you rate the overall effectiveness of your current communication and education efforts? What is that rating based on?
The current communications are very effective. This is based on industry experiences.

31. Do you currently translate materials to Spanish? If so, which materials are translated? How do you currently handle the translation process and what are your expectations going forward?
Materials are not translated into Spanish. However, there are two Spanish speaking representatives. We would expect this to remain similar going forward. Some brochures are also in Spanish.

32. It appears the balances for term/retired participants decreased dramatically since 2012, was there a campaign completed around this?
No, there was no campaign to do so. The Plan encourages participation after termination/retirement.

33. Would the State be open to moving to online default for participant statements? Could the quarterly employee newsletter be delivered electronically?
The State would consider this. In general, the State would like to give participants the option to opt out of paper statements if this is their preference. Currently, newly enrolled participants are defaulted to online delivery, but can opt out. Existing participants may enroll in online delivery. As for the newsletter, yes, this can be delivered electronically. Currently, the newsletter is electronic for those that have selected e-delivery.

34. Please confirm if all communication materials and channels such as participant website, call center, participant forms and mailings are completely white-labeled to the Plan and contain no reference to Nationwide Retirement Services.
Yes, materials are fully branded to the Plan. Please see www.nysdcp.com to view the website. Additionally, you may view the forms here. The call center is also branded to the plan, and so are the field reps (i.e., business cards).

35. What additional new website functionality is the Plan interested in?
We are interested in seeing all your website functionality as well as any technology enhancements you have in progress.

Plan Sponsor Services

36. Please describe the current employer Plan Sponsor web services provided by Nationwide Retirement Services. Are there any changes in these services that are desired by the Plan?
A web portal is provided by the ASA. The current web services are limited to pulling requested reports. Most of the reports requested are sent directly to the Plan Sponsor. Those reports can be

placed on the Web site for the Plan Sponsor. As a part of the RFP response, please provide information regarding your plan sponsor website's capabilities.

37. What is the role of the ASA for creating content for the quarterly newsletter?

The ASA is primarily responsible for the creation of the content for the quarterly newsletter. The Board may recommend certain topics, and they will also review content and provide feedback.

38. Please describe the current NYDCP plan reporting provided by Nationwide Retirement Services? Is separate tracking and reporting provided for each participating employer/agency? If yes, please describe.

Custom reports and queries are generated upon request. The most commonly used report is the Monthly Report, which is provided as Attachment 8 in the RFP attachments.

Recordkeeping/Payroll/HR

39. Is the collection of demographic data via the Enrollment Application a requirement of the State or something that could be delivered by the employer by a data feed?

While this is not a requirement to be collected via the Enrollment Application, it is unlikely that it could be delivered by a data feed. Currently, demographic information is only obtained by completion of enrollment application.

40. Will paper forms continue to be required for all participant requests where they are currently available (i.e. enrollment, deferral changes, name/address/beneficiary changes, etc.)? If not, which must remain in place?

Yes, it the preference to continue to have these paper forms available.

41. Is there a strategy for transitioning more employers to a form of electronic delivery for payroll files? If not, are they open to developing a strategy to transition during the term of the agreement?

Each quarter, larger pay centers are approached about moving to electronic submission, but there is no requirement.

42. How many of the payroll files are submitted in a hard copy format (i.e. hand written)?

There are less that 20 that come in "hand written". The vast majority of payroll files (Approx. 1,300) are submitted in Excel. The remainder are submitted electronically.

43. What plan features can adopting employers select; for example, ROTH?

All plan provisions are the same across employers, with the exception of Roth. Each employer may decide whether or not to offer Roth. Some are unable to do so because of their payroll.

44. Does the State have any plans to consolidate payrolls?

No, not at this time. However, each quarter, the field representatives encourage employers to move to an automated approach.

45. Terminated participants may take distributions but must leave \$500 in the plan for 45 days. We assume this is in place due to negative contributions or adjustments. How many negative contributions and/or payroll adjustments do the agencies make annually?

This is in place because of trailing or delayed contributions from employer payrolls. Employers will generally make one or two minor adjustments during the year to adjust for over deferrals and payroll remittance errors. There is an average of 1,400 total adjustments on an annual basis.

46. Can you elaborate on the deferral feedback process with the various agencies? It appears reports are generated and the agencies update their payroll manually.

There are two groups of employers with the Plan. The primary employer for State agencies communicates payroll electronically from the Office of the State Comptroller (OSC). All of the information from the various State agencies is transmitted to OSC electronically and all deferral changes for State employees are sent back to OSC by electronic transmittal.

Local employers will receive deferral changes and other reports by hard copy mail. Deferral change reports are generated and mailed 10 to 14 days prior to the payroll date.

47. What is the role of ASA for remittance billing to employers?

Participating employers receive a Payroll Invoice and a Change Notice. The Payroll Invoice shows all deferrals and the Change Notice just what has changed. Larger employers often just want the Change Notice and can opt out of the Payroll Invoice.

48. Who manages the deferral elections? Recordkeeper or each employer?

-Does it differ employer to employer?

-What file is required on the outbound file as described in 2.11.13? Who does it go to?

Initial deferral elections are provided through the Enrollment Form. Ongoing deferral changes are updated at the ASA (participants can make their deferral changes online or through the HELPLINE), and provided to employers by hard copy or electronically. The deferral information is sent directly to the employer's payroll contact. The referenced outbound file is the payroll deduction feedback file whereby the ASA has to report any deferral rate changes to the individual employer. See question 46 for more information.

49. Who maintains participant salary deferral elections, the recordkeeper or the employer?

The ASA/Recordkeeper. Initial deferral elections are provided through the Enrollment Form. Ongoing deferral changes are updated at the ASA – participants can make their deferral changes online or through the HELPLINE.

50. How many paper records are currently maintained by the ASA?

NRS has maintained paper records for the Plan since 2003. All paper forms are stored in a secure offsite facility. In addition to the retention of hard copies, all forms are imaged electronically. The number of documents retained is unavailable at this time.

51. Please describe the current process for special final 3-year catch-up? Who maintains prior salary deferral history for this purpose? How is the applicable Normal Retirement Age definition administered?

- Participant provides information about when they started with the employer, the date that they initiated the account, and the year that they intended to retire.
- The Account Executive or the HELPLINE verifies the information with the employer and then uses statements/recording keeping system to determine the credits available.
- The Account Executive or the HELPLINE completes the Retirement Catch-up form with the available amounts and sends to the participant.
- When the form is returned in good order, the information is updated on the participant's account and the new deferral with catch-up is communicated to the employer.

Most of the salary deferral history is maintained by the record keeper. On rare occasions, we have to reach out to the employer. As for the definition, we follow the definition used by the State Pension Plan, and the Retirement Age assists us in determining eligibility.

52. Are there any restrictions on any of the assets? No (with the exception of certain investment fund specific restrictions such as mutual fund round trip restrictions – see Attachment 9: Fund Trading Restrictions for more detail). Will all of the assets transfer within 90 days of conversion? Yes.

53. Please describe the current process for UEW administration.

As described in the Administrative Manual that is attached to the RFP: When a Participant wishes to make an Unforeseeable Emergency withdrawal, he/she must first call the HELPLINE to make the request. A HELPLINE Representative will discuss the requirements with the Participant. If the Participant believes he/she is qualified for an unforeseeable emergency withdrawal, a hardship packet is sent within three business days following the request date.

After completing the requested information, the Participant returns the forms to the Administrative Service Agency where they are reviewed.

The Administrative Service Agency will then complete its review of the request within three business days of receipt and mail the Participant a notice of its decision within three business days of the decision. If the forms are incomplete, the Participant is informed of the deficiency within three business days with follow-up 30 days after the initial submission. If an unforeseeable emergency withdrawal request is denied, the Participant may file a written appeal with the Review Committee. The Review Committee reviews an appeal within 15 business days of its receipt and mails the results of the review to the Participant within three business days of the review.

If an Unforeseeable Emergency withdrawal request is approved, the request will be entered into the automated system within 2 business days and payment instructions will be provided to the Trustee on the next regular instruction date. Participants may choose the sources of funds for liquidation from pre-tax and designated Roth contributions.

54. Please provide the HEART Act distribution volume.

None in the last 2 years.

55. Are in plan Roth conversions permitted? If yes, are these being administered under the 2012 or 2010 IRS regulations?

Yes, in plan Roth conversions permitted. We use both the Roth 2010 and 2012 guidelines for the conversions. Roth 2010 references conversion for participants that complete a conversion after separating service and 2012 allows for conversion while the participant is still employed.

56. Please provide the number of periodic/systematic withdrawal participants whose payments are exempt from direct rollover requirements and have elected alternate withholding.

There are approximately 1,900 payments exempt from direct rollover requirements and have elected alternative withholding.

57. Please provide additional detail regarding how loans are repaid. Please provide the number of participants repaying loans via ACH, via check, and via other channels.

The only repayment options are ACH and check. Currently, 94% of participants repaying via ACH and 6% repay via check.

58. How are beneficiary designations maintained? Will existing beneficiary information be available to the new ASA provider if one is selected?

Currently, beneficiaries are maintained on paper. The Board is interested in exploring the ability to move to online beneficiaries. Please outline your preference as a part of the RFP response, i.e., at conversion, would you prefer to receive the existing information or perform a bene re-solicitation?

59. Are any plan transactions allowed outside the Plan's transaction channels – i.e., on separate Nationwide Retirement Services labeled channels? This is not including Charles Schwab.
No.

60. Is the Plan willing to move toward an all-electronic remittance platform over time?
No. Some smaller employers would not be able to comply.

61. Are deemed IRAs a part of the 457 plan? If so, please identify the number of participants with deemed IRAs.
Deemed IRAs are not offered and not anticipated.

62. Are there life insurance policies in the 457 plan? If so, please confirm the number of participants who have the policies, and if there are contributions being made to the policies. Please also advise which insurance company currently maintains the life insurance policies.
No, life insurance is not offered.

RFP Logistics

63. Could you provide us a copy of the administration manual?
In Proposal Tech, please see Attachment 2: Administrative Manual for the New York State Deferred Compensation Plan.

64. Please provide a copy of plan document if separate from the State statutes.
In Proposal Tech, please see Attachment 1: Plan Document for the New York State Deferred Compensation Plan.

65. What documents are required to be included in the submitted hardcopies? Should it include both questionnaires (Callan yearly survey & NY Specific questionnaire)?
Only the NYSDCP-specific questionnaire needs to be submitted in hardcopy. The Callan yearly survey can solely be submitted online. In addition, the following needs to be filled out (an electronic attachment only is fine):

-Attachment 6: Fee Matrix

-Attachment 7: Performance Criteria

-Exhibit E: Application for Competitively Bid Contract

-Exhibit F: New York State Deferred Compensation Plan Vendor Responsibility Questionnaire

66. Will the 2015 Callan survey questionnaire remain open until the RFP due date (3/6)?
Yes.

67. How are references weighted within the RFP review process?

References will be a consideration within the RFP review process. References will be contacted later in the process, between the finalist interviews and on-sites.

Investments/Brokerage/Product/Custody

68. Who is GSAM Stable Value LLC?
Goldman Sachs Asset Management.
69. Can you provide the current/minimum rate, discontinuance, etc. for the stable value fund?
Please see the nysdcp.com website, where you can find more information on the fund. In particular, you'll find additional information here:
<https://www.nysdcp.com/tcm/nysdcp/static/GeneralSIFGuidelines.pdf?r=1>
<https://www.nysdcp.com/iApp/rsc/profileView.x?fundId=2952>
70. What would you consider to be your participants' top three financial issues/concerns?
Market risk, adequate savings, and tax planning.
71. Is participant financial wellness a defined strategy? If so, how would you define financial wellness and what steps are you currently taking to improve the overall financial well-being of your population?
It is not a defined strategy.
72. Is it a concern if the chosen provider were to cross-sell other products or services to your participants during phone based or in person meetings and communications?
Yes, this is a concern. The Board would like to be able to ensure that field representatives or any other employees do NOT cross sell.
73. Is the State open to the recordkeeper handling disbursement services with State Street acting as trustee?
No. State Street is contracted to handle the disbursement services. It is the intention to maintain this.
74. Does each adopting employer receive a trust report or is a master trust report required?
Adopting employers do not receive a trust report and it is not required. An adopting employer will receive an Administrative Manual and the Plan Document.
75. Are you willing to work with other brokerage platforms other than Charles Schwab?
Yes. Please describe your brokerage offering in the RFP.
76. Regarding the Stable Income Fund, are there any plans to add a "competing" investment option to the investment line up?
No, there are no current plans to add a competing investment option.

Fees/Contract

77. Is there flexibility around the contract provision which does not allow the ASA to solicit any new 457 business in the state of New York?
While this is a long standing prohibition, it is possible that certain modifications could be considered.
78. What is the current asset-based fee being charged to participants with balances between \$20,000 and \$200,000? How many participants are currently being charged the asset-based fee?

As per the website, the administrative fee is a combination of a \$20 annual fee, paid in two \$10 semi-annual installments and an asset-based fee calculated as a percentage of a participant's account balance. The annual asset-based fee is estimated to be 4.2 basis points, paid in two 2.1 basis point semi-annual installments. The asset-based fee will be charged only on accounts with balances in excess of \$20,000. Account assets subject to the asset-based fee are capped at \$200,000. Below are the asset sizes:

Less than \$20,000	68,737 participants
\$20,000-\$200,000	114,215 participants
Over \$200,000	21,316 participants

Please see the nysdcp.com website for more information. In particular, you'll find additional information here:

<https://www.nysdcp.com/iApp/tcm/nysdcp/planguidelines/planinfo/planadministration.jsp>

79. What participant fees are applicable:

In addition to the below, please visit the nysdcp.com website for additional information.

- Regular account maintenance fees? **Yes.**
- Loan initiation? **Yes.**
- Loan maintenance? **No.**
- Unforeseen emergency withdrawals? **No.**
- QDRO **No.**
- Brokerage initiation, brokerage maintenance **Yes.**