

Missouri County Employees' Retirement Fund Recordkeeping Pricing Proposal

Client Profile Information

Client Background:

CERF is a cost-sharing multiple employer retirement system covering approximately 23,000 employees across 111 participating counties (with each county being a separate employer). The participant-directed portion consists of two plans: a mandatory governmental 401(a) plan and a governmental 457(b) plan, with combined assets totaling approximately \$300 million. The Plan is governed by a Board of 11 Directors and utilizes a third-party administrator to provide certain administrative services to the Plan. The Board of Directors also provides a separate 401(a) plan and 457(b) plan for the employees at the CERF office (who are not participants in the CERF plan).

The existing 401(a) and 457(b) manager lineup includes options across public equities, fixed income, balanced, target date and stable value funds, employing various vehicle types including mutual funds, commingled funds, and institutional separately managed accounts.

The Plan is requesting proposals for comprehensive recordkeeping services, hardship withdrawals, distributions, education and to assist with compliance. Please direct any questions to Asset Consulting Group, who is managing the RFP process.

Specific Requirements:

- Daily valuation with online access to holdings, transactions, market values, etc.
- Likely 15 – 25 investments offered to participants, including target date retirement funds
- Open architecture for plan lineup with the ability to select non-proprietary investment options, including the stable value fund and target date retirement fund options (client and consultant select funds to be offered)
- Robust investment platform diversified across asset classes with non-revenue sharing options available for 401 and 457 plans
- A managed account option for participants, since this service is already included with the plans' current provider
- Investment options utilized should not be tied to recordkeeping fees
- Flat fee schedule (not asset-based); fees should be transparent, easy to understand and charged per participant on a quarterly basis
- Fee schedule should be guaranteed for at least five years
- Requires a dedicated Retirement Plan Advisor to attend periodic in-person meetings with the Board of Directors in Jefferson City, Missouri and ongoing communication and education with plan participants located in multiple cities in Missouri, when requested.
- Submit sample contract with response
- Work with third party administrator to verify eligibility for benefits
- Must comply with the Anti-Discrimination Against Israel Act (Section 34.600, RSMo)
- Under Section 105.702 RSMo, CERF is required to provide an annual progress report to the General Assembly's Joint Committee on Public Employee Retirement on its procurement action plan for the utilization of women and minority money managers, brokers, and investment counselors. CERF, or CERF's investment consultant, will provide the recordkeeper a request form for information. Completion and prompt return is required.

A. General Information

1. Please provide the following information:
 - Name, address and telephone number of the responding organization.
 - Name, title, mailing address, telephone number, fax number, and e-mail address of contact person for this RFP.
 - Name, title, mailing address, telephone number, fax number, and e-mail address of the person authorized to execute any agreement(s) that may be awarded.
2. Provide a brief overview of your company and history of your organization including an organizational chart of your retirement plan operations. Please describe any parent/subsidiary/affiliate relationships.
3. Indicate how many years your company has been active in the defined contribution business and with public plans.
4. Indicate the total value of assets in all defined contribution plans for which you provide recordkeeping services. How many distinct plans does this include?
5. Indicate the total number of participants in all defined contribution plans for which you provide recordkeeping services. How many for public plans?
6. State the number of defined contribution plans you currently administer in the following categories:

Number of Participants	Number of Public Plans	Total Number of Defined Contribution Plans
Less than 1,000		
1,000 - 10,000		
10,000 - 25,000		
Greater than 25,000		
Total		

7. Describe any potential conflicts of interest, including any pre-existing business relationships with any Missouri counties.

B. Account Team

1. Describe the account team that would deal directly with the Plan Sponsor. Provide brief background information on each member of the account team, approximately how many plans each is assigned to serve and their individual responsibilities as they relate to the plan(s).
2. Please describe how your organization will assist the Plan Sponsor with meeting its fiduciary responsibilities as it relates to oversight of the plan.
3. How many of your employees work on defined contribution plans? Provide a breakdown by functional area.
4. What are your client retention statistics for each of the last five years?
5. Describe your procedures for monitoring Plan Sponsor and participant satisfaction.
6. Describe your service/timing standards.
7. What checks and balances do you have in place to assure plan administration integrity and accuracy including participant account data?

C. Recordkeeping/Administration

1. Who is the main contact for the daily administrative needs of the plan? Please provide their biography.
2. What methods of data transmission are available?
3. Describe in detail how your system processes contributions and withdrawals, including timing of processing.
4. This Plan allows for certain in-service and hardship/unforeseen emergency withdrawals. Please confirm that you can administer these types of withdrawals.
5. Please address your capacity to administer rollovers to another plan or IRA.
6. Describe in detail, including timing, how your system processes lump-sum distributions, systematic payments/installments, rollovers to another plan or an IRA, and required minimum distributions. What Plan Sponsor involvement is required?
7. Describe in detail how your system processes transfers/exchanges (including frequency/limitations). Are confirmations sent?
8. Describe your process and methods of reallocation. The Plan allows participants to reallocate using either percent and/or dollar methods. Please confirm you have the capability to allow for both methods of allocation.
9. Are Plan Sponsor and participant contributions tracked separately? Are rollover contributions tracked separately?
10. The Plan currently allows participants that have separated from service or retired to keep their assets in the Plan. Do you have the capacity to administer the Plan in this way?
11. Do you have benefit application forms to process distributions from the Plan? Is there an additional charge for the use or customization of such form?
12. What is your procedure for finding "lost" participants and/or beneficiaries that may be nearing their Normal Retirement Age or Required Minimum Distribution ("RMD") date?
13. How do you handle stale checks? Where does the money go if there is a legitimate missing person that cannot be found?
14. Describe in detail how your system handles Federal and State tax reporting and how you will provide tax form preparation and filing.
15. What checks and balances do you have in place to ensure transaction integrity?
16. CERF implemented Roth contributions as an option effective January 1, 2024 and has implemented the Roth age-based catch-up contributions. Is your system able to handle Roth accounts? Is there an additional charge?
17. What other administrative services do you provide?
18. Have you updated your recordkeeping system to allow plans to comply with all required SECURE and SECURE 2.0 provisions?

19. Have you updated your recordkeeping system to allow plan sponsors to implement optional provisions of SECURE and SECURE 2.0?
20. Do you have the ability to administer the SECURE 2.0 provisions, such as the Roth age-based catch-up requirement and the age 60-63 "super catch-up"?
21. Do you outsource or subcontract any aspect of your recordkeeping platform, including systems, hardware and servicing, to a third-party firm? If so, identify the subcontractor and the services it provides under any agreements with you.
22. Was your firm involved in any acquisition, merger or spinoff during the last three years?
23. Do you have the ability to receive roll-ins from another employer plan (either a partial lump-sum or DROP payment from a defined benefit plan or a 457, 401a, or 403b or from an IRA)?
24. Does your system have the capability to track/monitor participants who may have moved positions at the county level where they have moved to a position that participates in a different retirement plan but remain employed by the county?
25. What is the annual process to inform participants of RMDs?

D. Regulatory and Legal Services

1. What fiduciary responsibility does your organization assume?
2. How will you ensure that our plan remains in compliance?
3. How do you ensure that your recordkeeping system is in compliance with all regulations?
4. Describe any past or pending litigation, within the last five years, relating to the services you are proposing or otherwise involving your firm, its principals, its employees or its subcontractors (if utilized with respect to any client services your firm is providing). Include any enforcement actions or settlements with the SEC or any other federal or state regulatory agency.
5. Does your firm carry a fidelity bond and/or fiduciary liability, professional liability or any other insurance that would be beneficial to the Plan? If so, please describe the insurer, the type of insurance coverage, policy limits, and the deductible amount under such coverage. You will be asked to provide your declaration at a later date.
6. Do you purchase cyber liability insurance? Or do you self-insure?

E. Reporting

1. Describe the standard reporting package you would provide to participants as well as the Board of Trustees. Please provide sample reports that will be sent to participants and the Board of Trustees.
2. What is the typical timeframe, after the reporting period ends, for providing each standard report?

3. Describe any customized or ad hoc reporting capabilities including Internet capabilities.
4. Describe your standard participant level statements and documents (provide samples).
5. Do you report a personalized rate of return on a participant's statement or via the participant online tool?
6. What is the typical timing for the mailing of participant statements? Are participant statements also available and stored online?
7. Describe your customization capabilities for participant statements.
8. What is the capability for the Plan Sponsor to add messages to the participant statement?
9. Do your quarterly statements comply with all required information as discussed in the Pension Protection Act and fee disclosure regulations?
10. Please describe the level of support that your organization provides to assist Plan Sponsors with their responsibilities as it relates to participant level fee disclosures.
11. Do you provide quarterly legislative and regulatory updates for plan sponsors?
12. Describe how you provide paperless processing for the following transactions: enrollments, contribution rate changes, hardship or unforeseen emergency withdrawals, distributions, investment allocation changes, rollovers or roll-ins, beneficiary changes, address changes, other personal information changes.

F. Participant Service

Voice Response System

1. Describe the services available through your voice response system (VRS).
2. How are transactions processed? How are transactions documented? Are confirmations sent?
3. Describe how data is secured within the system (i.e., PIN, audit trail, confirmations).
4. What are the standard hours of operation?
5. Are there transactions that cannot be processed through the VRS?
6. Can a participant elect to move from the VRS to a service representative? When and what services are available?
7. How often is the data on the VRS updated? How does the VRS interface with the recordkeeping system?

Internet Access

1. Describe the account services and transactions capabilities available through your participant website.
2. How are website transactions processed and documented? Are there transactions that cannot be processed through your website?
3. Describe how data is secured within the system (i.e., PIN, audit trail, confirmations).

4. What are the standard hours of account access and transactional availability? Are there any scheduled periods of "downtime" for website maintenance and how often have these occurred in the last three years?
5. Can a participant elect to move from the website to a call center service representative? If so, describe the interface between the website and the service representative.
6. How often is the data on the website updated? How does the website interface with the recordkeeping system?
7. Identify your website account access and transactional availability statistics (average availability per month as a percentage).
8. Do you have a mobile application that processes and documents transactions? Please describe any other capabilities available through the mobile application.
9. Describe how CERF staff will be able to access the recordkeeping system to assist with transactions, beneficiary updates, and indicative data updates. Would CERF staff have the ability to make notes in a member's record?

Call Center

1. What training is provided to toll-free service center representatives before they are allowed to handle incoming calls?
2. Do you monitor and/or tape toll-free calls?
3. What are your case management procedures for calls that have service issues? Do plan sponsors have access to the recorded phone calls and/or notes?
4. What information is available to toll-free service representatives to allow them to effectively answer participant questions?
5. Where are the call center representatives located? On-shore? Off-shore?

Investment Representatives

1. Explain your method of providing one-on-one financial education to Plan Sponsor staff members.
2. Provide the number of representatives or staffing days that will be provided by your organization (at each location).
3. What training is provided to representatives before they are allowed to service participants?
4. How are representatives compensated? Do the representatives earn incentive compensation around the sale of additional services, such as managed accounts, or the amount of assets they bring under management (via contribution or roll-in)?
5. Are the representatives required to hold any particular license?
6. Do representatives act in a fiduciary capacity?

7. Do you provide a dedicated investment professional or retirement plan member who makes on-site visits and is available virtually and by phone?
8. Will any county, local government entity, organization, association, elected or appointed official or individual receive any incentives, fees, rebates or credits, related to CERF's business with the recordkeeper?

Managed Account Service, if Applicable

1. Describe any outside provider involvement within the program
2. Detail the funds available/actively utilized within the managed account program
3. Describe the managed account approach to asset allocation given participant risk/reward profile, including any asset allocation targets assigned to underlying models utilized (i.e.: aggressive, moderate, conservative)
4. What is the average participation rate in your managed account program, across all recordkeeping clients
5. Describe the level of personalization available within the managed account program (do participants have the option of providing information on outside investments or linking outside accounts such as brokerage accounts, bank accounts, or liabilities such as mortgages, credit cards, or auto loans? If outside information is linked or provided, is this data used for any other purpose? What privacy protections are in place for such information that is provided or linked?)
6. Please provide the questionnaire utilized to ascertain participant risk/reward profile
7. Please provide the cost per participant enrolling in the Managed Account Service.
8. Please indicate what information is gathered/efforts are applied to ensure each participant in the Managed Account Service is accounted for correctly (for example, how do we know the participant is slotted in the correct asset allocation for their given risk/reward profile?).
9. Do the representatives have performance-based goals based on the amount of assets they are responsible for enrolling in a managed accounts service?

G. Communication and Education

1. Describe how you can help the Plan Sponsor with the initial communication to participants about the conversion.
2. How do you describe the blackout period to participants?
3. Describe your initial and on-going communication printed material. If the material is tailored to a specific Plan Sponsor need, identify the associated costs.
4. Do participants get a regularly published newsletter e-mailed to them or mailed to their homes? Please provide a timeline for when newsletters are sent after the conclusion of the reporting period.
5. What parts of your communication tools are personalized to the participant?
6. When and how are newly eligible participants contacted? Provide a sample enrollment kit.
7. Describe your enrollment/education personnel.
8. Do you have tools that track participants' accounts relative to their retirement goals, and are you able to share that information with the Plan Sponsor? If so, please explain.

9. What number of initial and annual meetings per year is included in your proposal? Is there a cost for additional meetings?
10. Describe special services available to terminated/retired participants with an account balance.
11. Is education included in your fee proposal? Please confirm that you can provide onsite education for participants.
12. What communication and/or education services or materials are not included in your proposal?

H. Conversion

1. Explain your conversion process and include a proposed timeline. Identify roles and responsibilities. From the time of contract completion, what is the earliest date the Plan could be converted and completely operational on your system?
2. What involvement will be required from the Plan Sponsor during the conversion process? List responsibilities.
3. Are there any fees related to a conversion?
4. Do you provide a dedicated conversion team?
5. What conversion audit reporting do you provide?
6. Describe your process to ensure accurate conversion of all historical data.
7. Do you have any limitations as to the format/media of conversion records?
8. How many conversions have you conducted in the last two years? How many for public plans?
9. Is a blackout period required? If yes, number of days?
10. How do you monitor the effectiveness and quality of your conversion process and team?
11. Can you detail what types of compliance reviews the Plan will go through in the conversion process?

I. Systems Capabilities and Hardware

1. Describe the hardware platform and software system you use to recordkeep and administer defined contribution plans. Was the software developed internally, leased, or bought from another provider?
2. Who has the ultimate responsibility/authority to make sure the software remains current to laws, regulations, Plan needs, etc.?
3. How often is the system upgraded?
4. Describe your documented disaster recovery plan. How often do you test your recovery system?
5. 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?
6. Describe the method of maintaining Plan Sponsor and participant history on the system.

7. Describe the valuation methods offered by your system.
8. Are internal controls of your recordkeeping system audited by an independent accounting firm on an annual or more frequent basis? If so, please provide a copy of the most recent report.
9. Describe your system's maximum limits with regards to investment funds and transfers.
10. Describe your company's security and privacy standards as it relates to your system.
11. Has the system ever been breached? Has participant information even been compromised? If so, please describe all cases.

J. Investments

1. Discuss your organization's ability to provide various types of investment vehicles for defined contribution plans.
2. Please provide a list of all funds available on your platform with no revenue-sharing.
3. How do you classify funds by geography, market cap and style? Do you use an outside provider for these classifications? How often are the fund classifications updated?
4. Can the Plan Sponsor request how an investment is classified and which benchmark to use for reporting purposes?
5. Do you allow for Plans to utilize outside target date fund providers?
6. Do you allow for Plans to utilize customized target date funds?
7. Do you provide recommendations to Plans for the funds offered on your platform? If an investment manager experiences a material organizational change, do you notify the Plan Sponsor?
8. Can a fund be added to your platform at the Plan's request? Please provide an estimated timeline for adding a new fund to the platform.
9. Do you have the capability to construct white label (fund-of-funds) options for participants? If so, how do you manage contributions and withdrawals from these white label options?
10. Do you allow the Plan Sponsor to customize participant registration and default options for participants?
11. How many trading platforms do you utilize for your fund offerings?
12. Are there additional fees if funds are selected that are not currently listed on your platform?
13. What factors determine the share class being proposed? How do you ensure that the lowest fee share class is being utilized for the plan?
14. How and when do you report redemption fees?
15. Are there any additional costs to change funds in the future?
16. Do you offer a self-directed brokerage feature? If so, what are the eligible investments allowed through the brokerage window?
17. Do you offer access to Institutional Separate Accounts? If so, do you maintain a fixed list of ISA options? Is it possible to add additional manager/strategy options upon request?

18. Do you offer an annuity/guaranteed income product? If so, please indicate:
 - a. Any recordkeeping fee discounts available in association with inclusion of such funds
 - b. Methodology utilized to set the interest rate paid, including frequency of rate changes
 - c. Percentage of participants with 100% of their plan assets allocated to the guaranteed income product
 - d. Any usage of the guaranteed income product within the managed account platform (if applicable)
 - e. Any penalties or liquidity gates applicable to such products should the Plan terminate recordkeeping services
19. Are there any funds or investment products that a plan sponsor would be required to use or offer to participants?

K. Expenses

1. Please provide a fee structure for your services, including the scope of services. Please make the fee structure completely transparent and easily understood.
2. Please confirm that you are able to meet all of the specific requirements outlined in the client profile.
3. Please provide the fee structure if proprietary funds are used as part of this relationship.
4. Are there separate startup/conversion costs?
5. Are there any costs associated with transferring the records if the contract is terminated?
6. How long is your proposed fee structure guaranteed?
7. How will future expense increases/decreases be determined and when they are to occur? What factors cause these increases or decreases? How often is this evaluated and communicated to the Plan Sponsor?
8. If an investment option is added, replaced or deleted, is there a charge? What is the charge?
9. Describe the process for billing fees to plan participants.
10. Please list any other additional fees not included in your proposed fee structure.

L. References

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