

# Addendum Number 1: Questions & Answers Multnomah County

<b>Title</b>	Addendum Number 1: Q & A
<b>Category</b>	Recordkeeper RFP
<b>Date</b>	July 2021

The following questions were submitted, in writing, on or before the July 14, 2021 deadline. The questions and answers are being published online to all potential respondents.

Number	Question	Response
Question 1	Regarding the minimum requirements, Lincoln falls shy of the \$5 billion in public sector 457(b) assets. Government is our fastest growing market and we do have several clients that are a similar size as Multnomah County, but just other plan types (403b, 401k). Is that a hard requirement, or is there flexibility to still submit a proposal?	This is a hard requirement, and no exceptions can be made.
Question 2	How many individual participant meetings were held in 2019/2020?	2019: 159 service days, 711 individual service day appointments, 319 office/Zoom appointments, 25 out of office appointments  2020: 68 service days, 256 individual service day appointments, 354 office/Zoom appointments, 85 out of office appointments
Question 3	How many group presentations were held in 2019/2020?	2019: 9 group presentations 2020: 6 group presentations

Question 4	<b>Does the County have a desired number of on-site education days per year?</b>	We are interested in what you would suggest would be an ideal service model for our participants. Our participants expect a high level of service and ideally are offered a full range of services including ample opportunity to have their questions answered in person and educational opportunities offered in person not just on-line/virtual meetings. The successful proposer should commit to providing the number of on-site education days deemed necessary in order to improve the following plan metrics: plan participation rate, average contribution rate, participant portfolio diversification. Progress on these objectives will be measured yearly and penalties assessed if improvements are deemed insufficient. Vendors are asked to provide both a best efforts communications strategy as well as a unit cost per in person meeting day to allow the County to tailor the strategy as needed.
Question 5	<b>Approximately how many worksite locations would the County like representatives to visit throughout the year?</b>	Approximately 15 County locations per year with roughly 8 core locations and the rest of the locations rotating ad-hoc or because of specific requests/demand. The core locations tend to have 75 plus employees.
Question 6	<b>Is there a key driver behind the decision to go out to bid in 2021?</b>	Plan stewardship requires periodic assessment of service providers.
Question 7	<b>Would it be possible to provide a breakdown of participant counts for the plan including eligible, active and terminated with balances? Are there any terminated participants who are de minimums eligible but not yet been cashed out?</b>	# eligible participants: 4,930 # participants w/ balance: 5847 # contributing: 3279 # terminated w/ balance: 2099 # terminated w/ balance < \$5k: 569 (As of 03/31/2021) Note: Plan limits force-outs to accounts with balances less than \$1k
Question 8	<b>Please share any liquidity restrictions for the Voya Fixed Account Funds, which totals approximately \$170 million. Can all of the assets move at the plan sponsor direction upon implementation?</b>	Liquidation may be subject to a market value adjustment (MVA) or paid out over 60 months.
Question 9	<b>To make sure we are all working from the same information, we would like to request copies of all questions submitted and responses provided.</b>	All questions and responses have been provided in this addendum.
Question 10	<b>Will you please confirm the number of locations where in-person meetings have typically occurred in the past with County employees? Do you have approximate numbers of employees per location?</b>	Approximately 15 County locations per year with roughly 8 core locations and the rest of the locations rotating ad-hoc or because of specific requests/demand. The core locations tend to have 75 plus employees
Question 11	<b>The current participation level in the 457(b) plan is 65.6%. Can you share how the County feels about that level and what their ultimate desired level of participation in the plan would be?</b>	We are happy with our participant level and would hope to continue to slowly increase

		over time. We do not have a goal for participation level at this time.
<b>Question 12</b>	<b>Referring to Page 4. Is the significant trend of distributions over each of the last 3 years solely attributable to the changing demographics of the County's population and/or an increase in retirements, or are there some other factors involved?</b>	Those are the primary drivers.
<b>Question 13</b>	<b>Will you please confirm if there is a significant percentage of these distributions that are actually rollovers to other financial services firms? If so, are you aware of which firms might be the top three?</b>	This information will not be provided at this stage of the process.
<b>Question 14</b>	<b>Referring to Page 5. It appears the Stable Value allocation has decreased as a percentage of the total assets over the last 3 years to the current 28.6% level, as of year-end 2020. Understanding the value of the PERS plan to your employees, is the higher allocation to Stable Value something the County has been concerned with, and has the County worked with the current recordkeeper to reduce through actively increasing investment education, webinars, communication materials, etc.?</b>	Participant education consistently focuses on asset allocation and diversification, but the existence of the PERS benefit and the competitive crediting rate are important factors for many participants.
<b>Question 15</b>	<b>Will you please provide the amount of assets and number of participants currently utilizing Managed Accounts?</b>	# of participants: 2 Assets in managed accounts: \$26,810 (As of 3/31/2021)
<b>Question 16</b>	<b>We noticed that a section of the plan document references auto enrollment. Does the County currently offer auto enrollment or do they plan to offer auto enrollment or contribution escalation?</b>	Auto-enrollment is set at 1% for some bargaining units. There is interest to expand auto-enrollment across more bargaining units in the plan and some interest in auto-escalation.
<b>Question 17</b>	<b>Please provide the number of on-site support provided by the current provider and which locations.</b>	This information will not be provided at this stage of the process. For additional details regarding onsite education expectations, please see response to question 4.
<b>Question 18</b>	<b>How many days of on-site support would be ideal for Multnomah County going forward?</b>	Please see response to question 4.

<b>Question 19</b>	<b>Please confirm the number of individual and group meetings that were held by the current provider.</b>	In 2019, there were 159 service days, 711 individual service day appointments, 319 office/Zoom appointments, 25 out of office appointments, 9 group presentations  In 2020, there were 68 service days, 256 individual service day appointments, 354 office/Zoom appointments, 85 out of office appointments, 6 group presentations
<b>Question 20</b>	<b>Please describe the current pricing structure, (e.g. asset based, per participant, a combination of both)? Please provide any additional details regarding the current price?</b>	The current fee structure is an asset-based fee.
<b>Question 21</b>	<b>Please describe the current fixed account or stable value options offered by the provider(s)? Please include current crediting rates, minimum guarantees, withdrawal restrictions, market value adjustments, surrender charges, required put notices or any other encumbrance to liquidation.</b>	The current crediting rate and floor is 3%. Liquidation may be subject to a market value adjustment (MVA) or paid out over 60 months.
<b>Question 22</b>	<b>In your opinion, what does world class service look like for Multnomah County?</b>	A record-keeper that does what it claims it will do for a competitive fee.
<b>Question 23</b>	<b>Please advise if there are any issues that need to be rectified by your current provider. If so, please elaborate.</b>	The current service regime is effective and reasonably efficient. There are no significant outstanding issues that require remediation.
<b>Question 24</b>	<b>In regard to the participant experience, please advise if there are any specific tools that the participants are interested in utilizing or adding to their retirement plan from their current provider.</b>	As indicated in the RFP, participant financial planning assistance that is integrated with PERS is being sought.
<b>Question 25</b>	<b>Please describe the participant's experience with their current provider.</b>	As indicated in the RFP, participant financial planning assistance that is integrated with PERS is being sought.
<b>Question 26</b>	<b>In regard to the plan sponsor experience, please advise if there are any administrative burden items. If so, are there any issues today where we would need to provide solutions?</b>	The administrative items that we expect the provider to be responsible for are outlined in the RFP. These include items such as comprehensive distribution services (in-service, Unforeseeable Emergency Withdrawals, QDROs, and Terminations).
<b>Question 27</b>	<b>In regard to compliance, please advise if there is anything specific that the current provider should focus on.</b>	We are unaware of any compliance issues that require specific remediation.
<b>Question 28</b>	<b>Please provide the number of participants who are actively contributing and non-contributing?</b>	# of participants with balances: 5,847 # of eligible participants: 4,930 # contributing: 3,279
<b>Question 29</b>	<b>Please provide a copy of the investment policy.</b>	The investment policy statement can be found here: <a href="https://multnomah.beready2retire.com/plan-information/plan-documents">https://multnomah.beready2retire.com/plan-information/plan-documents</a>
<b>Question 30</b>	<b>Please confirm if the plan currently offers a managed account option. If so, please provide the assets invested in the managed account option.</b>	Yes. Managed Accounts assets: \$26,810.26, Participants using Managed accounts: 2 (as of 03/31/21)

<b>Question 31</b>	<b>Under minimum qualifications (third bullet), the RFP references a hybrid education approach to onsite and virtual meetings moving forward. What is the specific number of onsite vs virtual education days anticipated and desired by the County?</b>	Please see response to question 4.
<b>Question 32</b>	<b>What is the current crediting rate of the fixed fund in the plan? Are there any termination provisions or liquidity restrictions at the plan level (i.e., MVA, 12 month-put, etc.)?</b>	The current crediting rate and floor is 3%. Liquidation may be subject to a market value adjustment (MVA) or paid out over 60 months.
<b>Question 33</b>	<b>Under Scope of Work, Section F (4th bullet), the RFP references the ability to utilize custom Asset Allocation models as the QDIA, including fact sheets. Will the underlying funds of the model portfolios be derived from the core line-up? If no, please provide the respective funds with tickers/CUSIPs.</b>	Disregard the 4th bullet point in Section F. Multnomah County utilizes mutual funds as the QDIA
<b>Question 34</b>	<b>Are participant-initiated fees currently included in the required revenue fee or are these fees explicit? Does the County wish to continue the participant-initiated fee structure as currently established?</b>	Participant-initiated fees such as QDROs, SDBAs, unforeseen emergency/hardship withdraw fees are excluded from the required revenue.
<b>Question 35</b>	<b>Please provide the total assets and participants in the managed account program today.</b>	Managed Accounts assets: \$26,810.26 Participants using Managed accounts: 2 (as of 03/31/21)
<b>Question 36</b>	<b>Is it the County's intention to maintain a managed account offering for participants?</b>	Yes
<b>Question 37</b>	<b>Please provide the total assets in the SDBA program today. Is there a mandatory requirement to maintain TD Ameritrade as the SDBA provider or is the County open to alternative SDBA providers?</b>	Assets in the SDBA: \$2,242,092.07, with 37 participants invested (as of 03/31/21). The County is open to alternative SDBA providers.
<b>Question 38</b>	<b>Please provide the current service agreement.</b>	This will not be provided at this stage of the process.
<b>Question 39</b>	<b>Upon award of contract, is it the County's intention to utilize its form/existing services agreement or would the County be amenable to utilizing Empower's Master Services Agreement form as a basis of negotiations?</b>	The County is open to utilizing Empower's Master Services Agreement
<b>Question 40</b>	<b>If the County intends to utilize its current service agreement as the basis of negotiations upon award of contract, will Empower have the opportunity to review and call out any potential exceptions to the current service agreement prior to the close of RFP submissions?</b>	Yes
<b>Question 41</b>	<b>Please provide the current adoption agreement.</b>	The plan document can be found here: <a href="https://multnomah.beready2retire.com/plan-information/plan-documents">https://multnomah.beready2retire.com/plan-information/plan-documents</a>

<b>Question 42</b>	<b>How many days of onsite education are currently provided, and does the County feel that is sufficient?</b>	<p>This information will not be provided at this stage of the process.</p> <p>For additional details regarding onsite education expectations, please see response to question 4.</p>
<b>Question 43</b>	<b>Please provide the ticker and/or cusip for the Voya Fixed Account.</b>	There is no CUSIP or ticker for the Voya Stable Value Fund