



**CITY OF TORRINGTON**

**Addenda #3**

**THE CITY OF TORRINGTON HAS ISSUED ADDENDA 2 PERTAINING TO QUESTIONS/ ANSWERS FOR RECORDKEEPER SERVICE FOR THE 401A AND 457 RETIREMENT PLANS PER SPECIFICATIONS.**

**RFP# RKS-007-072221 RECORDKEEPER SERVICE 401A AND 457 RETIREMENT PLANS**

**Date of bid opening:** July 22, 2021 **Time:** 11:00 AM **Location:** City Hall, 140 Main St., Room 206, Torrington, CT

**Submit signed addenda with bid.**

The City of Torrington reserves the right to accept or reject any or all bids or any portion thereof, to waive technicalities, and to award the contract as will best serve the public interest.

Dated in Torrington: 7/22/2021

Purchasing Agent \_\_\_\_\_  
Pennie Zucco

Contact name \_\_\_\_\_ Phone: \_\_\_\_\_

Authorized Representative \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Company name \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Fax \_\_\_\_\_ Email \_\_\_\_\_

Federal Tax Identification Number: (FEIN) \_\_\_\_\_

**QUESTIONS/ANSWERS 7/22/2021**

**Q1) Can you provide a breakdown of participants by (1) total participant accounts, (2) active contributing accounts, and (3) retired employee accounts by current recordkeeper?**

**A1) This is not something that we can provide at this time.**

**Q2) How many employees are eligible to contribute to the 457(b) plan?**

**A2) The current employee census is 498 – based on our 457 plan document all employees are eligible**

**Q3) How many employees are eligible for the 401(a) plan?**

**A3) 108**

**Q4) Can you clarify the services to be provided by Fiducient Advisors, in what capacity and how they will be compensated.**

**A4) Independent Retirement Consultant that acts as a co-fiduciary on the plan. Compensated by a flat fee.**

**Please clarify the role of the recordkeeper:**

**Q5) Will the selected recordkeeper(s) be strictly responsible for recordkeeping and administration services?**

**A5) yes**

**Q6)** Will the selected recordkeeper(s) be required to provide an expense reimbursement to the City for services provided by Fiduciant Advisors?

**A6)** **This can be addressed upon the selection of the new recordkeeper.**

**Q7)** Will the selected recordkeeper(s) be required to provide employee education, enrollment, and advisory services?

**A7)** **yes**

**Q8)** Will the selected recordkeeper(s) be required to provide investment fiduciary services on their own investment options?

**A8)** **no**

**Q9)** Is the City interested in considering an independent TPA to provide contribution and distribution administration for ALL selected recordkeepers?

**A9)** **The City would consider an independent TPA for these services or a recordkeeper with the potential to bundle these services.**

**Q10)** If the City decides to eliminate current recordkeeper(s), will the City direct transfer the existing assets to the selected recordkeeper(s)? If so, how?

**A10)** **Yes, to be determined but through fund mapping directed by the current advisor.**

**Q11)** Can you provide a copy of the 401(a) Plan document and Adoption Agreement?

**A11)** **Not at this time**

**Q12)** Who is providing plan document administration for the 401(a) plan document?

**A12)** **Each recordkeeper**

**Q13)** Who is providing plan document administration for the 457(b) plan document?

**A13)** **Each recordkeeper**

**Q14)** Can you provide the contingent withdrawal charges and/or market value adjustments, if applicable, by current recordkeeper?

**A14)** **VantageTrust Plus may be subject to MVA or 12 month put. Nationwide Fixed Account 1a has a 20% participant level exchange restriction. Partial withdrawals from Voya Fixed Plus Account are limited to 20% of your balance per year. Full withdrawals must be made in 5 installment payments over 5 years. Withdrawals from the Voya Short Term Guaranteed Accumulation Account are subject to a Market Value Adjustment.**

**Q15)** Can you provide the current declared fixed rates for each existing recordkeeper, if applicable?

**A15)** **Not at this time**

**Q16)** Due to COVID restrictions will you accept an electronic copy only via email?

**A16)** **No – the City of Torrington requires a hard printed original, sealed and mailed or hand delivered**

**Q17)** If selected as a recordkeeper, what are the terms of the contract?

**A17)** **This will be discussed with the selected recordkeeper**

**Q18)** Will there be a finalist presentation?

**A18)** **yes**

**Q19)** Does the City plan shift to a single provider for their 457(b) plan?

**A19)** **This is an option the City will consider**

**Q20)** Please confirm the portability/transferability of all plan assets. Are all assets available to transfer via Plan Sponsor direction? If not, can you please confirm the assets that can only be transferred by participant direction?

**A20)** **VantageTrust Plus may be subject to MVA or 12 month put. Nationwide Fixed Account 1a has a 20% participant level exchange restriction. Partial withdrawals from Voya Fixed Plus Account are limited to 20% of your balance per year. Full withdrawals must be made in 5 installment payments over 5 years. Withdrawals from the Voya Short Term Guaranteed Accumulation Account are subject to a Market Value Adjustment.**

**Q21)** Can you please provide the total number of active + terminated unique participants with a balance when combining all current plans/providers? Asked differently, what is the total number of participants that have balances with multiple providers or in multiple plans (i.e. the 457 and 401(a))?

**A21)** **This is not something that we can provide at this time**

**Q22)** Please provide any current \$ estimate of termination/surrender charges associated with an outgoing transfer of assets from Lincoln, Voya or ICMA.

**A22)** **This is not something that we can provide at this time. Further discussion of this can occur during the next stage in the process. For pricing, please do not estimate Termination /surrender charges.**

**Q23)** Does the plan offer a professionally managed account feature at any existing provider today? If yes, can you please provide the total assets under management?

**A23)** **Approximately \$2.8 million.**

**Q24)** Does the plan offer a self-directed brokerage option at any provider today? If so, please provide the total number of accounts outstanding.

**A24)** **No**

**Q25)** Does the City have a desired contract term length?

**A25)** **This will be negotiated during the next stage of the process**

**Q26)** Regarding the "Hourly Rate" Proposal Requirement, can the City please clarify what it would like to see included in the document? The fee for recordkeeping and administration will be taken pro rata or pro capita and would not necessarily be quoted hourly.

**A26)** **Correct**

**Q27)** Does the City have a desired number of onsite participant education days to be provided in a total consolidation, either exclusively by the recordkeeper or in combination with Fiducient Advisors?

**A27)** **One education day per month**

**Q28)** Are school district employees within the City of Torrington eligible to contribute to the 457(b) plan?

**A28)** **The BOE manages 457(B) plans outside of the City Plans**

**Q29)** How many copies of the "Fees and Required Revenue" would the City like to receive in a separate, sealed envelope? Can the separate, sealed envelope be included in the box with all other proposal requirement documents, or does the City require two separate mailings?

**A29)** **One (1) original and two (2) exact copies – the sealed fee proposal can be included with the box with the other proposal requirement documents**

**Q30)** Please provide cash flow information for the Nationwide plan

**A30) a. Annual Contributions - \$155,070.00**

**b. Annual Distributions - \$18,423.00**

**Q31)** Why is the search being conducted?

- A31) The purpose of this solicitation is to gather information to assess the current marketplace and evaluate selected providers of Recordkeeping Services to make sure the City employees receive the best value for retirement services.**
- Q32) Who's the incumbent and can they rebid?**  
**A32) The incumbents are ICMA, Great American, Lincoln, Nationwide and Voya and all may bid if they meet the RFP requirements.**
- Q33) Does the city plan to select 1 or 2 recordkeepers?**  
**A33) This will be answered through the RFP process. No decisions have been made currently.**
- Q34) When is a selection expected to be made?**  
**A34) This will be answered through the RFP process. No decisions have been made currently.**
- Q35) Is there employee overlap among the plans? If so, please provide the number of unique participants are across all plans?**  
**A35) Yes and this is not something that can be provided at this time.**
- Q36) Please clarify who will be performing the on-site education for the City. The RFP's Scope of Work, it states that Fiducient Advisors providing onsite participant education, and in the questionnaire, there are questions on Advisory Services and participant education.**  
**A36) The City would like on-site education options including education provided by the recordkeeper.**
- Q37) Please provide the annual contributions and distributions for the Nationwide Plan.**  
**A37) Contributions: \$155,070  
Distributions: \$18,423**
- Q38) Please clarify the City's intent with the Multi-vendor scenario. a. Is it the City's plan to keep all vendors currently at the City?**  
**A38) No decisions have been made. It is unlikely that all vendors will remain.**
- Q39) Is it the City's intent to go down to a certain number of providers, i.e. 2 vendors, 3 vendors, etc.**  
**A39) No decisions have been made. The City will act in the best interest of the employees.**
- Q40) Please explain in the multiple vendor scenario what the IAFF endorsed option applying only to Fire employees is?**  
**A40) One provider and the IAFF endorsed option just offered to Fire employees.**
- Q41) Please provide the total contributions to the plan in 2020.**  
**A41) Great American: Collected deposits = \$46,600  
Lincoln: \$3,925  
Voya: \$285,941  
ICMA 401a: \$1,012,114  
ICMA 457: \$410,900**
- Q42) Please provide the total distributions to the plan 2020.**  
**A42) Great American: Disbursements = \$53,297  
Lincoln - \$24,998  
Voya: \$179,926  
ICMA 401a: \$163,633  
ICMA 457: \$74,558**
- Q43) How many group meetings and how many individual meetings were held in 2020? How many days per year would the plan prefer going forward?**  
**A43) One education day per month**

**Q44)** How many sites are currently served today for both group meetings and 1-on-1 sessions across the plan?

**A44) Meetings are held at 4 locations.**

**Q45)** Do your employees participate in social security?

**A45) Yes**

**Q46)** How many participants currently receive statements and documents electronically? How many participants currently have an email on file?

**A46) This is not something that we can provide at this time.**

**Q47)** Please provide information on the fixed funds in the plan today for each provider. What is the current crediting rate? What are the expense ratios?

**A47) This is not something that we will provide at this stage in the process.**

**Q48)** Is the Great American 457(b) plan in individual contract? If the plan chooses to consolidate to one vendor, is that plan available to move at a group level?

**A48) Group contract that is liquid at the plan sponsor level.**

**Q49)** Please provide a list of any ancillary fees that are currently being charged to the plan and or its participants. i.e. QDRO's, financial advice, etc.

**A49) This is not something that we can provide at this time.**

**Q50)** Do you have any specific "wish list" as you review a potential new relationship?

**A50) This is not something that we will provide at this stage in the process.**

**Q51)** What was the call volume for the plan in 2020? If available, how many of those calls were handled by customer service representatives?

**A51) This is not something that we can provide at this time.**

**Q52)** Does the plan currently utilize managed accounts? If so, please provide the company being used as well as the total assets and participants in the program today.

**A52) There is 2.8m in managed accounts at ICMA.**

**Q53)** Does the plan currently utilize a self-directed brokerage option? If so, please provide the company being used as well as the total assets in the program today.

**A53) No**

**Q54)** On page 4, Proposal Requirements #3, can you please elaborate on what you refer to as "hourly rate"?

**A54) please ignore**

**Q55)** Please provide the current service agreements and plan documents.

**A55) This is not something that we can provide at this time.**

**Q56)** What are the current fees for the plan today with each provider?

**A56) This is not something that we can provide at this time.**

**Q57)** It appears there are life insurance policies within the ICMA plans. If yes, are the contracts frozen? Are there any other insurance policies within the other plans?

**A57) No life insurance policies in the ICMA menu.**

**Q58)** Are there any transactions (enrollment, distributions, etc.) done paper-based today?

**A58) Please assume efficiencies will be created with the recordkeeper(s) moving forward.**

**Q59)** How many unique participants are there in total in the 401(a) and 403(b) plans?

**A59) This is not something that we can provide at this time.**

**Q60)** How many employees are eligible for the plans?

**A60) 498 (457b) and 108 (401a).**

**Q61)** What are the gross annual contributions for each plan?

**A61) Please refer to the RFP**

**Q62)** It looks like the Great American assets are individual contracts. Will all other assets transfer at a plan level?

**A62) The City is evaluating this option.**

**Q63)** Would the City be interested in having the provider offer any additional on-site or virtual retirement education support to Fiducient Advisors on behalf of your employees.

**A63) Yes.**

**Q64)** Please provide the total annual contributions by plan and by vendor.

**A64) Please refer to the RFP.**

**Q65)** Please provide the number of actively contributing and non-contributing participants by plan and by vendor.

**A65) Nationwide: 22 contributing; 19 non contributing**

**Lincoln: 3 contributing; 12 non contributing**

**Great American: 22 active, 1 non contributing**

**ICMA 401a: 120 active; 28 non contributing**

**ICMA 457: 73 active; 17 non contributing**

**Voya: 47 active; 40 non contributing**

**Q66)** Please provide the number of unique participants by vendor.

**A66) This is not something that we can provide at this time.**

**Q67)** In regard to the multi-vendor pricing scenario, how many vendors are to be considered?

**A67) This will be answered through the RFP process. No decisions have been made currently.**

**Q68)** Please provide total annual distributions by plan and by vendor.

**A68) Please refer to the RFP**

**Q69)** Please provide amount of fixed assets by vendor.

**A69) Please refer to the RFP**

**Q70)** 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.

**A70) VantageTrust Plus may be subject to MVA or 12 month put. Nationwide Fixed Account 1a has a 20% participant level exchange restriction. Partial withdrawals from Voya Fixed Plus Account are limited to 20% of your balance per year. Full withdrawals must be made in 5 installment payments over 5 years. Withdrawals from the Voya Short Term Guaranteed Accumulation Account are subject to a Market Value Adjustment. The City is not providing current rates or minimums at this time.**

**Q71)** Will existing plan assets with the current provider(s) transfer to the new provider in a lump sum at the direction of the employer, or will the current provider(s) require that the participant request an

individual transfer of their balance? Please confirm which assets under management by provider that may be plan sponsor directed by vendor.

**A71) Assets may be mapped to a new provider at the direction of the plan sponsor/ advisor.**

**Q72) How many days of on-site support would be ideal for the City of Torrington?**

**A72) One education day per month.**