

**Milwaukee County 457(b) Deferred Compensation Plan Recordkeeping RFP
Requests for Clarification and Responses**

RFP NO: 7334

17-Sep-18

#	Question	Response
1	What is the current interest rate on the stable value fund?	The crediting rate as of 3/31/2018 is 2.3%.
2	Is the plan to keep the investment lineup as is or add additional fund options if seen fit?	Decisions with regards to the investment lineup will be made separate from the recordkeeper decision, with the exception at the County's option of the Stable Value Fund.
3	Will the County provide an office space for the recordkeeper? If so, what is the expected cost? If a recordkeeper has an existing office in Milwaukee, would the County be willing to allow the recordkeeper to utilize their own office space in lieu of using the County's space?	The County will make available office space for the two full-time representatives. It is likely to be adjacent to Retirement Plan Services (County Pension) staff to better coordinate meetings with employees planning retirement. For 2018, the all-inclusive space rental charge was \$6,500.
4	Would the County accept all participant statements to be quarterly statements delivered electronically as the default? If not, please explain.	The County is open to discussing details regarding defaulted e-statements (with option to elect paper statements) on a go-forward basis; However, the County will not be able to provide email addresses for current participants beyond those emails which are already stored in the current recordkeeping system.
5	Under Scope of Services for #7 on page 9 - can you provide clarification with regard to what is required to be kept offsite? Is this referencing electronic records from the recordkeeping system vs. tapes and discs?	Scope of Services item #7 refers to any and all County records maintained in duplicate form (i.e. not within active recordkeeping database and/or workflow tools) retained by the recordkeeper, electronic or otherwise.
6	How many group meetings were held in 2017?	There were 68 group meetings held in 2017.
7	How many individual meetings were held in 2017?	There were 1,406 individual meetings held in 2017.
8	How many total days of education were provided in 2017?	There were 209 days of education provided in 2017 (175 on-on-one days and 34 group days).
9	Was 2017 a typical year for distributions, or is there a specific reason for the high number of distributions?	The 2017 distribution levels appear to be consistent with 2016 distribution levels. Approximately 50% of the distributions were due to separation of service and an additional 39% were due to participant retirement.
10	In the Trust/Recordkeeping/Administrative Services requirements, number 15, the County states: "Proposer will deduct administrative fees based on either a percentage of assets on a quarterly basis or a per participant fee basis and will direct payments to certain entities at the direction of the County. Proposer will calculate, track, and report quarterly to the County on all payments and related activities. The County may change the administrative fees and payment methodology from time to time." Please elaborate on what the County is considering in terms of changes to the administrative fees and payment methodology from time to time.	The current recordkeeping fee is a flat dollar fee. The amount charged to the participants by the County is still \$36 per participant and 0.09% on assets for all participants over \$1,000 and capped at \$200,000. The County is seeking flexibility with regards to participant fee assessments.
11	What percentage of participants have account statements sent electronically versus paper?	Currently 85% of the participants receive electronic statements.
12	How many participants are using the managed accounts services?	As of 6/30/2018 there were 954 participants utilizing managed account services.
13	What are some operational challenges the Milwaukee County is seeking to address?	The County identifies no significant operational challenges. However, opportunities for continued improvement include field representative experience and stability.
14	What, if any, plan design changes are under consideration by Milwaukee County?	No significant plan design changes have currently been identified. As noted within the RFP, the County is contemplating auto-enrollment and auto-escalation features.
15	Please provide a copy of the County's plan documents.	Please see attached Addendum 1: Milwaukee County Plan Document.
16	Can you confirm that the fee structure is still a combination of \$36 per head annually for all participants with a balance over \$1,000 and 0.09% of participants assets, capped at \$200,000?	The current recordkeeping fee is a flat dollar fee. The amount charged to the participants by the County is still \$36 per participant and 0.09% on assets for all participants over \$1,000 and capped at \$200,000.

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17	Do you see a similar fee structure continuing if a new provider was chosen?	Yes, the County continues to desire a flat per participant annual fee arrangement with the recordkeeper.																																							
18	How many participants have account balances over \$200,000?	There are currently 470 participants with balances over \$200,000.																																							
19	How many participants have account balances below \$1,000?	There are currently 1,086 participants with balances under \$1,000.																																							
20	What are the Stable Value funds market/book ratio and exit provisions?	The market to book value ratio as of 3/31/2018 is 98.6%. Plan Sponsor initiated transfers will be paid out at the current Market Value rate.																																							
21	Please provide a minimum of three years of the Stable Value fund cash flow history, including contributions, withdrawals, transfers in and transfers out?	Please see Addendum 2 - Stable Value Fund Cash Flow.																																							
22	Please provide the asset demographic data for the Stable Value fund broken down by ages (10 year increments, if possible) as well as by active versus inactive (terminated/retired employees)?	<p>Please see table below for Stable Value Fund Demographics:</p> <table border="1"> <thead> <tr> <th rowspan="2">Participant Age</th> <th colspan="2">Balance of Active Participants</th> <th colspan="2">Balance of Inactive Participants</th> </tr> <tr> <th>(\$)</th> <th>(#)</th> <th>(\$)</th> <th>(#)</th> </tr> </thead> <tbody> <tr> <td>Under 29</td> <td>\$ 95,196</td> <td>39</td> <td>\$ 11,208</td> <td>23</td> </tr> <tr> <td>30-39</td> <td>\$ 335,662</td> <td>140</td> <td>\$ 139,841</td> <td>107</td> </tr> <tr> <td>40-49</td> <td>\$ 4,747,838</td> <td>349</td> <td>\$ 1,004,456</td> <td>108</td> </tr> <tr> <td>50-59</td> <td>\$ 13,323,061</td> <td>421</td> <td>\$ 14,038,790</td> <td>277</td> </tr> <tr> <td>60-69</td> <td>\$ 20,677,968</td> <td>283</td> <td>\$ 57,913,249</td> <td>498</td> </tr> <tr> <td>70+</td> <td>\$ 5,098,018</td> <td>102</td> <td>\$ 29,820,763</td> <td>229</td> </tr> </tbody> </table>	Participant Age	Balance of Active Participants		Balance of Inactive Participants		(\$)	(#)	(\$)	(#)	Under 29	\$ 95,196	39	\$ 11,208	23	30-39	\$ 335,662	140	\$ 139,841	107	40-49	\$ 4,747,838	349	\$ 1,004,456	108	50-59	\$ 13,323,061	421	\$ 14,038,790	277	60-69	\$ 20,677,968	283	\$ 57,913,249	498	70+	\$ 5,098,018	102	\$ 29,820,763	229
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23	Please provide the Stable Value funds year-end balance for the last 4 years?	<p>The Stable Value Funds at book value as reported by Great West were as follows for the prior 4 years:</p> <p>2017: \$152.05 MM 2016: \$151.95 MM 2015: \$144.03 MM 2014: \$142.98 MM</p>																																							
24	The last year of flows were provided but could you also provide the 2015 and 2016 contributions, rollovers and withdrawals for the plan?	<p>Please see the contributions, rollovers and withdrawals for 2015 and 2016 below:</p> <p>2015: Contributions: \$9,438,786 Rollovers (in): \$13,164,385 Withdrawals: \$29,769,925</p> <p>2016: Contributions: \$9,209,825 Rollovers (in): \$10,892,176 Withdrawals: \$24,619,115</p>																																							
25	Can you provide the last three years of contributions into the fixed account?	Please see Addendum 2 - Stable Value Fund Cash Flow.																																							
26	What are the transfer restrictions on the Great-West Stable Value Fund?	Plan Sponsor initiated transfers will be paid out at the current market value rate.																																							
27	What is the current crediting rate for the fixed account?	The crediting rate as of 3/31/2018 is 2.3%.																																							
28	What is the guaranteed minimum crediting rate for the fixed account? I believe that for Great-West the minimum is zero, but would like to confirm.	The minimum guaranteed interest rate is an effective annual interest rate of 0%.																																							
29	Will there be any cash-outs of terminated vested accounts that are less than \$5,000? If so, how many force-outs would you expect?	The County has been doing force outs of participants that have not contributed to the Plan in 24 months and have balances of less than \$1,000 on an annual basis. (Eligible participants may restart contributions in order to remain in the Plan). There are no plans to deviate from this approach at this time.																																							

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30	Is the County committed to making a change at this time, or is this RFP for benchmarking purposes?	The County is performing this RFP due to the upcoming expiration of its recordkeeping agreement with the incumbent.
31	Will the County require communication/education in Spanish or any other language?	There are no specific language requirements, although capabilities may be viewed as a differentiator.