



STATE OF WASHINGTON
DEPARTMENT OF RETIREMENT SYSTEMS

P.O. Box 48380 • Olympia, WA 98504-8380 • (360) 664-7000 • Toll Free 1-800-547-6657

**Request for Proposals 14-008-02
Third Party Record Keeping Services**

**Vendor Questions and Answers
July 11, 2014**

1	<p>Can you tell us where the current dedicated retirement counselors are located? Do they use state office space for group or one on one meeting?</p> <p>The vendor counselors are not provided space by the Department of Retirement Systems (DRS). The vendor counselors conduct their presentations at the different employer locations (state offices, school districts, counties, cities, etc.) throughout the state. The vendor counselors make the arrangements for space and time directly with the employers.</p>																								
2	<p>Can you provide us the number of one-on-one and group meetings conducted in 2013 and YTD?</p> <p style="text-align: center;">2013</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Who</th> <th style="text-align: center;">One-on-one meetings</th> <th style="text-align: center;">Group Meetings</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">DRS</td> <td style="text-align: center;">1162</td> <td style="text-align: center;">513</td> </tr> <tr> <td style="text-align: center;">DCP Vendor</td> <td style="text-align: center;">Not applicable</td> <td style="text-align: center;">Not applicable</td> </tr> <tr> <td style="text-align: center;">Plan 3 Vendor</td> <td style="text-align: center;">Not applicable</td> <td style="text-align: center;">650</td> </tr> </tbody> </table> <p style="text-align: center; margin-top: 10px;">Y-T-D</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Who</th> <th style="text-align: center;">One-on-one meetings</th> <th style="text-align: center;">Group Meetings</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">DRS</td> <td style="text-align: center;">806</td> <td style="text-align: center;">274</td> </tr> <tr> <td style="text-align: center;">DCP Vendor</td> <td style="text-align: center;">Not applicable</td> <td style="text-align: center;">Not applicable</td> </tr> <tr> <td style="text-align: center;">Plan 3 Vendor</td> <td style="text-align: center;">Not applicable</td> <td style="text-align: center;">349</td> </tr> </tbody> </table>	Who	One-on-one meetings	Group Meetings	DRS	1162	513	DCP Vendor	Not applicable	Not applicable	Plan 3 Vendor	Not applicable	650	Who	One-on-one meetings	Group Meetings	DRS	806	274	DCP Vendor	Not applicable	Not applicable	Plan 3 Vendor	Not applicable	349
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3	<p>Do you currently have single sign capabilities for all 3 plans?</p> <p>Yes, we have single sign-on for all three plans (DCP, the Plan 3s and Judicial).</p>																								
4	<p>How do you provide the current feed on the pension plan?</p> <p>We send a daily file using a Secure File Transfer (SFT) process.</p>																								
5	<p>Can you please provide the plan documents for all plans?</p> <p>State law and administrative code act as our plan documents. The law for our plans can be found in Title 41 of the Revised Code of Washington (RCW) at the following link: http://apps.leg.wa.gov/rcw/default.aspx?Cite=41</p> <p>The Washington Administrative Code (WAC) that clarify the RCWs can be found in Title 415 at the following link: http://apps.leg.wa.gov/wac/default.aspx?cite=415</p> <table border="1" style="margin-left: auto; margin-right: auto; margin-top: 10px;"> <thead> <tr> <th style="text-align: center;">Plan</th> <th style="text-align: center;">RCW</th> <th style="text-align: center;">WAC</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">DCP</td> <td style="text-align: center;">41.50.770 & 41.50.780</td> <td style="text-align: center;">415-501</td> </tr> <tr> <td style="text-align: center;">Plan 3s</td> <td style="text-align: center;">41.31A, 41.32, 41.34, 41.35, 41.40</td> <td style="text-align: center;">415-02, 415-04, 415-06, 415-08, 415-10, 415-108, 415-108, 415-110, 415-111, 415-112</td> </tr> </tbody> </table>	Plan	RCW	WAC	DCP	41.50.770 & 41.50.780	415-501	Plan 3s	41.31A, 41.32, 41.34, 41.35, 41.40	415-02, 415-04, 415-06, 415-08, 415-10, 415-108, 415-108, 415-110, 415-111, 415-112															
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6	<p>For the Deferred Compensation Plan, regarding the 988 pay centers, please confirm how many are state agencies with one centralized payroll through the State and how many are local employers who send their contributions in separately. Please confirm the number of participants currently contributing through the</p>																								

	<p>centralized payroll and the number of participants contributing through the local employers as of 5/31/2014.</p> <p>There are approximately 150 state agencies with about 18,350 contributing participants. There are approximately 800 Higher Education, School District, County and City employers with about 13,500 contributing participants. These numbers vary month to month and are transmitted on a single daily transmission from DRS.</p>																				
7	<p>For the Deferred Compensation Plan, please confirm how many participants who have a balance and have an email address on file with the current record keeper.</p> <p>There are approximately 53,300 participants with a balance and about 7,800 have an email address.</p>																				
8	<p>For Plan 3, please confirm the estimated number of new hires each year for the next 5 years, if possible, for each group (Teachers, School Employees, and Public Employees). If Plan Choice continues under State law, please indicate the approximate percentage of members each year that would either default into Plan 3 or actively choose Plan 3 versus the % who select Plan 2 during the initial 90 day choice window.</p> <p>DRS does not have an estimate of the future growth, but for the previous five years, the chart below shows the average number of new hires over the last five calendar years and the approximate percentage of members who have either chosen Plan 2 or defaulted to Plan 3 by each individual system.</p> <table border="1" data-bbox="337 772 1425 919"> <thead> <tr> <th>Plan</th> <th>New Hires</th> <th>Chose Plan 2</th> <th>Chose Plan 3</th> <th>Defaulted Plan 3</th> </tr> </thead> <tbody> <tr> <td>PERS</td> <td>3,778</td> <td>64%</td> <td>16%</td> <td>20%</td> </tr> <tr> <td>SERS</td> <td>1,985</td> <td>50%</td> <td>24%</td> <td>26%</td> </tr> <tr> <td>TRS</td> <td>1,645</td> <td>45%</td> <td>34%</td> <td>21%</td> </tr> </tbody> </table>	Plan	New Hires	Chose Plan 2	Chose Plan 3	Defaulted Plan 3	PERS	3,778	64%	16%	20%	SERS	1,985	50%	24%	26%	TRS	1,645	45%	34%	21%
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9	<p>Were there any unique factors that caused “DCP Lump sum Distributions – rollover” in Exhibit O to jump increase by \$18 million from 2012 to 2013?</p> <p>The increase of \$18 million is not due to any one factor in particular. To our knowledge there were no reductions in force or other organization level changes that influenced this change.</p>																				
10	<p>For the calendar year 2013 please provide the number of DCP phone calls received in the Voice Response System and the number of phone calls which were then transferred to a Participant Service Representative. Please provide the information from January 2014 through May 2014, if available.</p> <p>The total number of DCP calls in 2013 to the Voice Response Unit (VRU) were 32,222. The number of phone calls transferred to a Participant Service Representative in 2013 was 15,422.</p> <p>The number of DCP calls to the VRU January 2014 through May 2014 were 14,690. The number of phone calls transferred to a Participant Service Representative for this same time period was 7,246.</p>																				
11	<p>Please provide the number of members that have assets in both Plan 3 and DCP.</p> <p>There are approximately 10,000 members that have assets in both Plan 3 and DCP.</p>																				
12	<p>Please provide the total number of participant accounts in DCP for 2011, 2012 and 2013.</p> <table border="1" data-bbox="337 1497 1349 1570"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> </tr> </thead> <tbody> <tr> <td>Total Number of Participants</td> <td>53,153</td> <td>52,548</td> <td>52,838</td> </tr> </tbody> </table>		2011	2012	2013	Total Number of Participants	53,153	52,548	52,838												
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13	<p>Please describe the responsibilities of the Compliance Manager referenced in question 90.</p> <p>This question refers to the individual responsible for providing information to DRS about the regulatory and legislative environment, to ensure that the Plans remain in compliance with all federal regulations and legislation.</p>																				
14	<p>Please provide requirements for the DCP online Life Expectancy and Deferred Compensation Plan Disbursement Schedule Calculator.</p> <p>DRS does not have specific requirements defined for these calculators. We will rely on the vendor’s knowledge and assessments of best practices related to retirement planning to help us develop these tools for our Plan 3 members and DCP participants.</p>																				
15	<p>Where would the Payroll Date associated to each contribution be reflected? Transaction history online? Is it the expectation of DRS that individual statements contain daily transaction detail?</p>																				

	<p>The payroll date associated with each contribution should be reflected on both the website and the quarterly statement under a section listing transaction detail. For transaction history online there is a current area for distributions, contributions, pricing of funds, transfers, etc. It is the expectation of DRS that individual statements contain daily transaction detail.</p>
16	<p>Would access to the participant detail data through the Sponsor site meet DRS' needs as it relates to internal access to participant detail?</p> <p>The sponsor site should provide DRS team members with administrative access to the vendor's data in order to be able to review member account information to provide comprehensive customer service. The data should include but not be limited to, transaction history, account balances, beneficiary information, online activity, investment history, and current contribution rate/amount.</p>
17	<p>Please clarify what is meant by "specialized payments" referenced on page 44 of the RFP, question 170. On occasion, DRS may require the record keeper to post specialized payments. These payments may occur due to litigation, legislative actions, or other unique circumstances. The record keeper will be required to uniquely identify and account for each specialized payment. The record keeper should assume that each specialized payment will be separately identified on quarterly statements and other reporting as required by DRS.</p>
18	<p>How many unique participants are there between the three "Plan 3" plans?</p> <p>There were approximately 169,700 unique member SSNs with a Plan 3 account balance as of June 30, 2013.</p>
19	<p>How many unique participants are there between the DCP 457 and 401a?</p> <p>There were 52,730 unique participant SSNs with a DCP account balance as of December 31, 2013.</p> <p>There were 171 unique participant SSNs with a 401a (i.e., JRA) account balance as of December 31, 2013.</p> <p>There were 52,832 unique participant SSNs with a balance in DCP and/or JRA as of December 31, 2013. A SSN with a balance in both plans is only counted once.</p>
20	<p>How many unique participants are there between all plans combined?</p> <p>There were approximately 212,300 unique member/participant SSNs with a balance in a Plan 3, DCP and/or JRA as of 2013. A single SSN with a balance in two or more plans is only counted once.</p>
21	<p>Can you provide the current volume of participant calls to a Customer Service Representative and how are calls handled - locally or routed to a national service center?</p> <p>The number of DCP phone calls transferred from the VRU to a Customer Service Representative in 2013 was 15,422.</p> <p>The total number of Plan 3 calls in 2013 to a Customer Service Representative was 39,772 handled by a national service center.</p>
22	<p>Please provide current volume of VRU and Internet usage?</p> <p>The total number of DCP calls in 2013 to the Voice Response Unit (VRU) was 32,222. For the DCP website, there were approximately 673,300 total log-ins with about 191,000 distinct users.</p> <p>The total number of Plan 3 calls in 2013 to the Voice Response Unit (VRU) was 65,244. For the Plan 3 website, there were approximately 971,900 total log-ins which represents about 43,700 members accessing their accounts.</p>
23	<p>Can we use the current logo in our custom communication samples and finalist materials?</p> <p>Yes, you may use our current logo in your custom communication samples.</p>
24	<p>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?</p> <p>DRS looks forward to working with the selected record keeper(s) to define goals and objectives that help our Plan 3 members and DCP participants achieve a successful retirement.</p>
25	<p>What is your biggest area of concern regarding your retirement plans?</p>

	<p>DRS wants to ensure that Plan 3 members and DCP participants are provided with exemplary customer service that fosters a comprehensive understanding of the plans and their benefits while also enabling them to become retirement ready. DRS seeks to engage the services of a vendor who can work to further this goal through enhancements to Plan 3 member and DCP participant communications, in-person education, and easy to use tools and resources.</p>
26	<p>Please confirm that the vendor will interface (both inbound and outbound) with DRS and not individual HRIS/Payroll systems. Please describe any differences between scenario one, two and three.</p> <p>Yes, the successful vendor(s) will receive a daily file only from DRS and will only be expected to send data to DRS. DRS is the interface between the individual employer reporting and the record keeper. There is not an expectation of a change to the current process of receiving and sending daily files for DCP and Plan 3.</p>
27	<p>Would DRS be able to provide copies of recent ICMA and GWL Service reviews provided to DRS?</p> <p>No, this information is not currently available.</p>
28	<p>Please provide a list of the source types in the Plans.</p> <p>DCP</p> <ul style="list-style-type: none"> • Employee deferrals • Rollovers including 401(a), 401(k), 403(b), 457(b), IRA <p>Plan 3</p> <ul style="list-style-type: none"> • Employee deferrals • Rollovers including 401(a), 401(k), 403(b), 457(b), IRA
29	<p>How likely are you to implement Investment Advice/ Managed Accounts to help address increasing retirement readiness? What barriers would prevent you from adding this feature to the plan?</p> <p>DRS does not currently anticipate implementing Investment Advice/Managed Accounts, but is interested in exploring the possibilities of offering these services in the future. The largest barriers to providing these features is the risks to DRS and the cost.</p>
30	<p>How do you measure the results of communication efforts today?</p> <p>DRS looks forward to partnering with the selected vendor(s) in the development of communication campaigns and assessing the effectiveness of those campaigns through reviews of plan statistics and customer behavior.</p>
31	<p>What are your three top priorities for employee behavior/actions?</p> <p>DRS wants to provide Plan 3 members and DCP participants with the opportunity to save for their retirement as well as manage their accounts for their financial objectives. In terms of individual employee behavior, DRS would like to see an increase in member savings rates, an increase in DCP program participation and in the use of the tools/resources available to help members and participants achieve retirement readiness.</p> <p>Therefore, DRS is looking to partner with a vendor(s) that has the capabilities to communicate to customers via a variety of mediums and to help reinforce the necessary behaviors to meet the objectives of the Plans. As part of any transition, it is expected that the selected vendor(s) will work with DRS to lay out a comprehensive education program as part of the initial rollout and ongoing.</p>
32	<p>How are quarterly account statement delivered today? Are there any barriers that would prevent you from using electronic delivery?</p> <p>The delivery method for account statements today is either via mail or email notification. DRS is very interested in pursuing alternative member selected delivery methods.</p>
33	<p>What are your expectations for ongoing participant support through the call center?</p> <p>DRS expects prompt responses to Plan 3 member and DCP participant inquiries; accurate information and transaction processing; and timely and accurate reporting to DRS.</p>
34	<p>Please provide annual call volumes.</p> <p>The number of DCP phone calls transferred from the VRU to a Customer Service Representative was 15,422. The total number of Plan 3 calls in 2013 to a Customer Service Representative was 39,772 handled by a national service center. The total number of DCP calls in 2013 to the Voice</p>

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35	You indicated a need for Spanish bilingual support. Can you provide the volume of Spanish employees or potential Spanish annual call volume? A breakdown of Spanish or primarily non-English speaking customers and/or call volumes is not readily available.																								
36	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 today is provided by many methods. Plan 3 members and DCP participants can choose to talk directly with a Customer Service Representative, receive information via email, come into the office for in-person interviews, participate in webinars and seminars or the can correspond by mail. The delivery model does not vary by population, geography, or organizational unit. All members and participants are expected to receive exemplary customer service, but there is a requirement that we comply with the Americans with Disability Act. DRS is open to encouraging customers to select electronic distribution as the primary method in which information is distributed; however, customers should be able to choose which method is best suited for their needs.																								
37	What type of functionality (transaction and information) is currently available through the voice response system? Today, Plan 3 members and DCP participants that access the voice response system are able to complete the following inquiries without speaking to a telephone representative: <table border="1" data-bbox="334 884 1468 1434"> <thead> <tr> <th>DCP</th> <th>Plan 3</th> </tr> </thead> <tbody> <tr> <td>Current Account Balances</td> <td>Current Account Balances</td> </tr> <tr> <td>Initiate Fund Transfers</td> <td>Initiate Fund Transfers within the Self-Directed Program</td> </tr> <tr> <td>Ability to change PIN</td> <td>Ability to change the VRU PIN</td> </tr> <tr> <td>Initiate an Investment Allocation change</td> <td>Initiate an Investment Allocation change within the Self-Directed Program</td> </tr> <tr> <td>Select 0 or pound to speak to a telephone representative</td> <td>Select 0 or pound to speak to a telephone representative</td> </tr> <tr> <td>Information on investment options</td> <td>Fund Performance</td> </tr> <tr> <td>Initiate a Salary Deferral change</td> <td>Share Price</td> </tr> <tr> <td>Option to transfer to DRS office</td> <td>Request Publications</td> </tr> <tr> <td>Fund Performance</td> <td></td> </tr> <tr> <td>Share Prices</td> <td></td> </tr> <tr> <td>Forms and Publications</td> <td></td> </tr> </tbody> </table>	DCP	Plan 3	Current Account Balances	Current Account Balances	Initiate Fund Transfers	Initiate Fund Transfers within the Self-Directed Program	Ability to change PIN	Ability to change the VRU PIN	Initiate an Investment Allocation change	Initiate an Investment Allocation change within the Self-Directed Program	Select 0 or pound to speak to a telephone representative	Select 0 or pound to speak to a telephone representative	Information on investment options	Fund Performance	Initiate a Salary Deferral change	Share Price	Option to transfer to DRS office	Request Publications	Fund Performance		Share Prices		Forms and Publications	
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38	Do all participants have an email address and phone number on file? No, not all participants have an email address and phone number on file, however, DRS would be interested in working with the successful record keeper on pursuing avenues to obtain email addresses and phone numbers.																								
39	Would you be willing to move to one set of consistent customer service hours for both plans? Yes, DRS would be willing to consider consistent customer service hours for DCP and the Plan 3.																								