

Exhibit C

RFP 14-008-02
RECORD KEEPING SERVICES
FEE PROPOSAL FORM
ASSET-BASED FEE

PROPOSED FEES

Using this Fee Proposal Form, all Respondents must propose an asset-based fee under one or more of the following three scenarios:

Scenario 1: Plan 3 (TRS Plan 3, SERS Plan 3 and PERS Plan 3)

Scenario 2: DCP

Scenario 3: Plan 3 **and** DCP combined. Plan 3 and DCP are operated independently and must be priced separately as requested in the Fee tables below. The proposed fees should reflect the economies and efficiencies that result from the Respondent providing services for all four of the plans; however, the fees quoted must be representative of the actual costs for providing services to Plan 3 (TRS Plan 3, SERS Plan 3 and PERS Plan 3) and DCP.

Additionally, Respondents will be asked to propose fees to provide varying levels of education services for Plan 3 and DCP as outlined in Exhibit Q and at the discretion of DRS. As part of its proposal, respondents should complete all fee tables associated with each scenario it elects to bid.

Separate Fee Proposal Forms must be submitted for each Scenario under which the Respondent would like to be considered. DRS has made no determination which scenario it will choose.

For purposes of this Fee Proposal, Respondents are required to provide their fees based on potential number of members and participants; however, DRS reserves the right to negotiate with the Apparently Successful Bidder for any type or combination of fees structures, including an agreed upon fee regardless of the number of members and participants in the plan(s).

For TRS Plan 3, SERS Plan 3 and PERS Plan 3, Respondents must divide their asset-based fee between the fees required to administer accounts for members who invest only in the TAP Option, those who invest only in the Self-Direct Option and those that invest in both.

The Fee Proposal Form assumes the asset-based fee quoted applies for each of the 5 years (3 base years and two 1-year extensions) of the contract. Respondents may propose a schedule in which the fee increases or decreases in later years of the contract based on the Respondent's expectations of the cost of providing services. If the fees proposed vary by year, a separate table should be prepared for each contract year and appropriately labeled. If such a fee schedule is proposed, the bidder must be specific and provide all details necessary for the DRS to be able to fully evaluate the costs and benefits of such a schedule.

Fee Table

| | Asset Based Fee | | | | | | | |
|--|---|--|-----------------------------------|------------------|---|--|-----------------------------------|----------------|
| | Scenario 1 (Plan 3) | | | Scenario 2 (DCP) | Scenario 3 (Plan 3 & DCP) | | | |
| | Asset-based Fee TAP Option Members ⁷ | Asset-based Fee Self-Direct Option Members | Asset-based Fee Dual Fund Members | | Asset-based Fee TAP Option Members ⁷ | Asset-based Fee Self-Direct Option Members | Asset-based Fee Dual Fund Members | Scenario 3 DCP |
| Assets ^{1,2,3,4,5} | | | | | | | | |
| Current Plan Balances (Includes services for Tier 1) ⁶ | | | | | | | | |
| Plus 15% in growth | | | | | | | | |
| Plus 30% in growth | | | | | | | | |
| Plus 50% in growth | | | | | | | | |
| Additional Educational Services: | | | | | | | | |
| o Tier 2 | | | | | | | | |
| o Tier 2 and Tier 3 | | | | | | | | |

¹Plan 3 assets include assets for both active and inactive members as well as individuals on periodic payout but not members who will annuitize through Plan 3 Self Direct Options, see Scope of Services in Exhibits J and K for more detail.

²Breakpoints are based on total assets in Plan 3 but fees must be itemized between participants who invest in TAP Option only, participants who invest in the Self-Direct Option only, and participants who have an account balance in both the TAP and the Self-Direct Options. The itemized fees quoted should be representative of the actual costs for providing services to each group. The RFP provides information on the activities and characteristics of each group of investors.

³Fees quoted should be a fixed fee if total assets in Plan 3 are within the specified range. It should not be an incremental fee.

⁴Plan assets include assets for both active and inactive participants as well as participants on periodic payout but not participants who will annuitize through the DCP, see the Scope of Services in Exhibits J and K for more details. JRA assets should be combined with DCP assets for the purposes of this proposal

⁵ Fees quoted should be a fixed fee if total assets in the DCP are within the specified range. It should not be an incremental fee. JRA assets should be combined with DCP assets for the purposes proposal.

⁶ Current assets in Plan3 are approximately \$10B. Current assets in DCP are approximately \$3.5B. Fees quoted should include Tier 1 education services as outlined in Exhibit Q.

⁷The fee proposed should be based on the TAP being monthly valued. The cost for providing TAP will be paid for by the State and may ultimately result in an annual fixed fee.

START-UP COSTS

For each scenario, identify extraordinary one-time start-up costs expected to be incurred during the transition period, using the format below. Please detail these expenses and describe how you propose to amortize and be reimbursed for these costs under the Fee Proposal you have provided. If the contract is terminated for a reason other than cause, prior to the end of the initial 3 year period, indicate any amounts, at the end of each year, that will remain unreimbursed and the contract termination terms you would require. The amount of these start-up costs should be expressed in a flat dollar amount. In addition, the Respondent must provide an itemized breakdown of the various major implementation activities to which these one-time start-up costs are attributable. Categories for these activities include custom programming, record setup, setup of interfaces with investment providers (including WSIB and its custodian and managers) and DRS, design and development of communication materials, on-site implementation staff, etc. Please note that for each Scenario, the vendor should assume that Tier 1 education services listed in Exhibit Q are taken into account. Additionally, the vendor should provide a listing of hours, itemized by staff level, for each activity as well as associated expenses, materials and resources.

Itemization and Description

| | Amount of One-Time Start Up Costs Per Plan if Applicable | Itemized Breakdown By Major Activity |
|-------------------|---|---|
| Scenario 1 | | |
| Scenario 2 | | |
| Scenario 3 | | |

Description Of Amortization Schedule

| Item | Scenario 1 Amount of One-Time Start Up Costs Per Plan if Applicable | Scenario 2 Amount of One-Time Start Up Costs | Scenario 3 Amount of One-Time Start Up Costs Per Plan if Applicable |
|-----------------------------------|--|---|--|
| Amount of One-Time Start Up Costs | | | |
| Amount Remaining At 6/30/16 | | | |
| Amount Remaining At 6/30/17 | | | |
| Amount Remaining At 6/30/18 | \$0 | \$0 | \$0 |

SUPPLEMENTAL PRICING INFORMATION – PLAN 3

For Scenarios 1 and 3, provide the requested information:

1. For the prices quoted above, provide a detailed breakdown of both the volume of activity and the percentage of the total price for each of the basic major activities associated with providing the services proposed by your company. The breakdown provided should be as specific as possible but should apply to on-going services, not one-time start-up costs that are to be itemized under One-Time Start-Up Costs, above. Categories of activities may include, but are not limited to:
 - Participant level record keeping, including
 - Statement generation
 - Contribution processing
 - Distribution processing, including all annuity processing for both the in-house annuitization and the annuity shopping service
 - Customer service center
 - In-person educational services as described in Exhibit Q and based on Tiers 1, 2, and 3
 - Voice response and Internet access
 - Consulting assistance
 - Legislative assistance
 - Communication material design
 - Postage and mailing
 - On-going programming
 - Clerical/administrative support, including data entry

For each of the activities indicate whether you intend to apply a maximum budget to or any other limitations on any services under your proposed contract.

2. Indicate the reduction to your proposed asset-based fee if the start-up costs you identified above were paid in a lump sum at the beginning of the contract.
3. Describe the cost implications, if any, if changes are made to the current investment line-up. Specify any limitations on the frequency with which changes can be made to funds and if there are limitations on the number or types of funds that could be offered.
4. Identify any potential legislative or other changes (e.g. deemed IRAs, collection of short term redemption fees, holding periods, etc.) that would affect your proposed services and the cost implications of each.
5. Indicate the costs associated with preparing the plan choice modeling software under the possible service levels described in this RFP. Your fee quoted above must include preparing the plan choice modeling software in its entirety but you should identify potential reductions as described.
6. Indicate the unit costs of providing hard copies (CD) of the videos as described in this RFP.

7. Indicate additional costs if DRS chooses to deduct administrative fees monthly, by adjusting the daily capital stock activity, (as we do with Plan 3).
8. Indicate additional costs if DRS chooses to deduct administrative fees quarterly, posting fees to participant accounts on quarterly statements, (as we do with DCP).
9. If you would like to make an alternative proposal that provides either a higher or lower level of staffing or similar permitted variation from services as outlined in this RFP, fully describe the service alternative and the cost impact. Indicate why you believe the alternative service proposal would be advantageous.

RATE GUARANTEE

Indicate for what period of time your fee proposal is available. The minimum offer period accepted will be three months. If you are able to offer a longer rate guarantee, please indicate.

SUPPLEMENTAL PRICING INFORMATION – DCP

For Scenarios 2 and 3, provide the requested information:

1. For the prices quoted above, provide a detailed breakdown of both the volume of activity and the percentage of the total price for each of the basic major activities associated with providing the services proposed by your company. The breakdown provided should be as specific as possible but should apply to on-going services, not one-time start-up costs that are to be itemized under One-Time Start-Up Costs, above. Categories of activities may include, but are not limited to.
 - Participant level record keeping, including
 - Statement generation
 - Contribution processing
 - Distribution processing, including annuity shopping service
 - Customer service center
 - In-person educational services in Exhibit Q and based on Tiers 1, 2, and 3
 - Voice response and Internet access
 - Consulting assistance
 - Legislative assistance
 - Communication material design
 - Postage and mailing
 - On-going programming
 - Clerical/administrative support, including data entry

For each of the activities indicate whether you intend to apply a maximum budget to or any other limitations on any services under your proposed contract.

2. Indicate the reduction to your proposed asset-based fee if the start-up costs you identified above were paid in a lump sum at the beginning of the contract.
3. Describe the cost implications, if any, if changes are made to the current investment line-up. Specify any limitations on the frequency with which changes can be made to funds and if there are limitations on the number or types of funds that could be offered.
4. Identify any potential legislative or other changes (e.g. deemed IRAs, collection of short term redemption fees, holding periods, etc.) that would affect your proposed services and the cost implications of each.
5. Indicate the unit costs of providing hard copies (CD) of the videos as described in this RFP.
6. Indicate additional costs if DRS chooses to deduct administrative fees monthly, by adjusting the daily capital stock activity, (as we do with Plan 3).
7. Indicate additional costs if DRS chooses to deduct administrative fees quarterly, posting fees to participant accounts on quarterly statements, (as we do with DCP).

8. If you would like to make an alternative proposal that provides either a higher or lower level of staffing or similar permitted variation from services as outlined in this RFP, fully describe the service alternative and the cost impact. Indicate why you believe the alternative service proposal would be advantageous.

RATE GUARANTEE

Indicate for what period of time your fee proposal is available. The minimum offer period accepted will be three months. If you are able to offer a longer rate guarantee, please indicate.

**RECORD KEEPING SERVICES
FEE PROPOSAL FORM

PER-PARTICIPANT FEE**

PROPOSED FEES

Using this Fee Proposal Form, all Respondents must propose a per-participant dollar fee under one or more of the following three scenarios:

Scenario 1: Plan 3 (TRS Plan 3, SERS Plan 3 and PERS Plan 3)

Scenario 2: DCP

Scenario 3: Plan 3 **and** DCP combined. Plan 3 and DCP are operated independently and must be priced separately as requested in the Fee tables below. The proposed fees should reflect the economies and efficiencies that result from the Respondent providing services for all four of the plans; however, the fees quoted must be representative of the actual costs for providing services to Plan 3 (TRS Plan 3, SERS Plan 3 and PERS Plan 3) and DCP.

Additionally, Respondents will be asked to propose fees to provide varying levels of education services for Plan 3 and DCP as outlined in Exhibit Q and at the discretion of DRS. As part of its proposal, respondents should complete all fee tables associated with each scenario it elects to bid.

Separate Fee Proposal Forms must be submitted for each scenario under which the Respondent would like to be considered. DRS has made no determination which scenario it will choose.

For purposes of this Fee Proposal, Respondents are required to provide their fees based on potential number of members and participants; however, DRS reserves the right to negotiate with the Apparently Successful Bidder for any type or combination of fees structures, including an agreed upon fee regardless of the number of members and participants in the plan(s).

For TRS Plan 3, SERS Plan 3 and PERS Plan 3, Respondents must divide their per-participant fee between the fees required to administer accounts for members who invest only in the TAP Option, those who invest only in the Self-Direct Option and those that invest in both.

The Fee Proposal Form assumes the per-participant fee quoted applies for each of the 5 years (3 base years and two 1-year extensions) of the contract. Respondents may propose a schedule in which the fee increases or decreases in later years of the contract based on the Respondent's expectations of the cost of providing services. If the fees proposed vary by year, a separate table should be prepared for each contract year and appropriately labeled. If such a fee schedule is proposed, the bidder must be specific and provide all details necessary for the DRS to be able to fully evaluate the costs and benefits of such a schedule.

Fee Table

| Total Number of Members/Participants | | Per Participant Head Charge | | | | | | | |
|--------------------------------------|--------------------|---|--|---------------------------------------|------------------|--|---|--|----------------|
| | | Scenario 1 (Plan 3) | | | Scenario 2 (DCP) | Scenario 3 (Plan 3 & DCP) | | | |
| Plan 3 ^{1,2,3} | DCP ^{4,5} | Per Participant Fee TAP Option Members ⁶ | Per Participant Fee Self-Direct Option Members | Per Participant Fee Dual Fund Members | | Per Participant Fee TAP Option Members ⁶ (Plan 3) | Per Participant Fee Self-Direct Option Members (Plan 3) | Per Participant Fee Dual Fund Members (Plan 3) | Scenario 3 DCP |
| 199,999 or below | 59,999 or below | | | | | | | | |
| 200,000 to 224,999 | 60,000 to 69,999 | | | | | | | | |
| 225,000 to 249,999 | 70,000 or above | | | | | | | | |
| Additional Educational Services: | | | | | | | | | |
| o Tier 2 | | | | | | | | | |
| o Tier 2 and Tier 3 | | | | | | | | | |

¹Members include both actively contributing and inactive members as well as individuals on periodic payout but not members who will annuitize through Plan 3, see Scope of Services for more detail.

²Breakpoints are based on total participants in Plan 3 but fees must be itemized between participants who invest in TAP Option only, participants who invest in the Self-Direct Option only, and participants who have an account balance in both the TAP and the Self-Direct Options. The itemized fees quoted should be representative of the actual costs for providing services to each group. The RFP provides information on the activities and characteristics of each group of investors.

³Fees quoted should be a fixed fee if total participants in Plan 3 are within the specified range. It should not be an incremental fee.

⁴ Participants include both actively contributing and inactive participants as well as participants on periodic payout but not participants who will annuitize through the DCP, see the Scope of Services in Exhibits J and K for more details. JRA participants should be combined with DCP participants for the purposes of this proposal.

⁵ Fees quoted should be a fixed fee if total participants in the DCP are within the specified range. It should not be an incremental fee. JRA participants should be combined with DCP participants for the purposes of this proposal

⁶ The fee proposed should be based on the TAP being monthly valued. The cost for providing TAP will be paid for by the state and may ultimately be paid for as an annual fixed fee.

START-UP COSTS

For each scenario, identify extraordinary one-time start-up costs expected to be incurred during the transition period, using the format below. Please detail these expenses and describe how you propose to amortize and be reimbursed for these costs under the Fee Proposal you have provided. If the contract is terminated for a reason other than cause, prior to the end of the initial 3 year period, indicate any amounts, at the end of each year, that will remain unreimbursed and the contract termination terms you would require. The amount of these start-up costs should be expressed in a flat dollar amount. In addition, the Respondent must provide an itemized breakdown of the various major implementation activities to which these one-time start-up costs are attributable. Categories for these activities include custom programming, record setup, setup of interfaces with investment providers (including WSIB and its custodian and managers) and DRS, design and development of communication materials, on-site implementation staff, etc. Please note that for each Scenario, the vendor should assume that Tier 1 education services listed in Exhibit Q are taken into account. Additionally, the vendor should provide a listing of hours, itemized by staff level, for each activity as well as associated expenses, materials and resources.

Itemization and Description

| | Amount of One-Time Start Up Costs Per Plan if Applicable | Itemized Breakdown By Major Activity |
|-------------------|---|---|
| Scenario 1 | | |
| Scenario 2 | | |
| Scenario 3 | | |

Description Of Amortization Schedule

| Item | Scenario 1 Amount of One-Time Start Up Costs Per Plan if Applicable | Scenario 2 Amount of One-Time Start Up Costs | Scenario 3 Amount of One-Time Start Up Costs Per Plan if Applicable |
|-----------------------------------|--|---|--|
| Amount of One-Time Start Up Costs | | | |
| Amount Remaining At 6/30/16 | | | |
| Amount Remaining At 6/30/17 | | | |
| Amount Remaining At 6/30/18 | \$0 | \$0 | \$0 |

SUPPLEMENTAL PRICING INFORMATION – PLAN 3

For Scenarios 1 and 3, provide the requested information:

1. For the prices quoted above, provide a detailed breakdown of both the volume of activity and the percentage of the total price for each of the basic major activities associated with providing the services proposed by your company. The breakdown provided should be as specific as possible but should apply only to on-going services, not one-time start-up costs that are to be itemized under One-Time Start-Up Costs, above. Categories of activities may include, but are not limited to:
 - Participant level record keeping, including
 - Statement generation
 - Contribution processing
 - Distribution processing, including all annuity processing for both the in-house annuitization and the annuity shopping service
 - Customer service center
 - In-person educational services, including plan choice education as described Exhibit Q and based on Tiers 1, 2, and 3
 - Voice response and Internet access
 - Consulting assistance
 - Legislative assistance
 - Communication material design
 - Postage and mailing
 - On-going programming
 - Clerical/administrative support, including data entry

For each of the activities indicate whether you intend to apply a maximum budget to or any other limitations on any services under your proposed contract.

2. Indicate the reduction to your proposed per-participant fee if the start-up costs you identified above were paid in a lump sum at the beginning of the contract.
3. Describe the cost implications, if any, if changes are made to the current investment line-up. Specify any limitations on the frequency with which changes can be made to funds and if there are limitations on the number or types of funds that could be offered.
4. Identify any potential legislative or other changes (e.g. deemed IRAs, collection of short term redemption fees, holding periods, etc.) that would affect your proposed services and the cost implications of each.
5. Indicate the costs associated with preparing the plan choice modeling software under the possible service levels described in this RFP. Your fee quoted above must include preparing the plan choice modeling software in its entirety but you should identify potential reductions as described.
6. Indicate the unit costs of providing hard copies (CD) of the videos as described in this RFP.

7. Indicate additional costs if DRS chooses to deduct administrative fees monthly, by adjusting the daily capital stock activity, (as we do with Plan 3).
8. Indicate additional costs if DRS chooses to deduct administrative fees quarterly, posting fees to participant accounts on quarterly statements, (as we do with DCP).
9. If you would like to make an alternative proposal that provides either a higher or lower level of staffing or similar permitted variation from services as outlined in this RFP, fully describe the service alternative and the cost impact. Indicate why you believe the alternative service proposal would be advantageous.

SUPPLEMENTAL PRICING INFORMATION – DCP

For Scenarios 2 and 3, provide the requested information:

1. For the prices quoted above, provide a detailed breakdown of both the volume of activity and the percentage of the total price for each of the basic major activities associated with providing the services proposed by your company. The breakdown provided should be as specific as possible but should apply only to on-going services, not one-time start-up costs that are to be itemized under One-Time Start-Up Costs, above. Categories of activities may include, but are not limited to.
 - Participant level record keeping, including
 - Statement generation
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 - Distribution processing, including annuity shopping service
 - Customer service center
 - In-person educational services as described Exhibit Q and based on Tiers 1, 2, and 3
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For each of the activities indicate whether you intend to apply a maximum budget to or any other limitations on any services under your proposed contract.

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8. If you would like to make an alternative proposal that provides either a higher or lower level of staffing or similar permitted variation from services as outlined in this RFP, fully describe the service alternative and the cost impact. Indicate why you believe the alternative service proposal would be advantageous.

RATE GUARANTEE

Indicate for what period of time your fee proposal is available. The minimum offer period accepted will be three months. If you are able to offer a longer rate guarantee, please indicate.