

January 12, 2015

REQUEST FOR PROPOSAL (RFP)
403(b) &457(b) THIRD PARTY ADMINISTRATION SERVICES (TPA)
FOR PUBLIC EDUCATION EMPLOYERS

The Board of Education for Brookwood School District 167 is requesting proposals from qualified Third Party Administrative Organizations (TPA) to provide administrative, compliance and communication services.

All inquires regarding this proposal should be made to:

Mr. Michael Engel
Business Manager CSBO
Brookwood School District 167
201 E. Glenwood-Dyer Rd.
Glenwood, IL 60425
(708) 758-5190

Requests for additional information must be submitted in writing by February 9, 2015 with a district response to be provided on or before February 16, 2015. The information will then be summarized and submitted to all firms expressing an interest in providing a proposal.

All proposals must be received at the above address no later than 11:00 a.m., February 23, 2015. Proposals must be in a sealed envelope clearly marked **Third Party Administration Services**. Three (3) copies of the complete proposal are required. The TPA Proposal must conform to the presentation format outline included in this packet.

Very truly yours,

Michael A. Engel
Business Manager CSBO

REQUEST FOR PROPOSAL (RFP)
403(b) & 457(b) THIRD PARTY ADMINISTRATION SERVICES (TPA)
FOR PUBLIC EDUCATION EMPLOYERS

Brookwood School District 167 (the “Plan Sponsor”) is soliciting Third Party Administration Organizations (“TPA”) that are qualified to provide administrative, compliance and communication services for the Plan Sponsor’s 403(b) 457(b) Plans, who is a public education organization and, as such, is exempt from the requirements of the Employee Retirement Income Act of 1974, as amended (ERISA).

1) OBJECTIVES

The Plan sponsor is soliciting TPA proposals for the 403(b) &457(b) Plans. The Plan Sponsor intends to select one TPA from responding organizations. While the services of the selected TPA may be subject to annual review, it is expected that services of the Plan Sponsor will continue for a period of at least three (3) years or until further notice, if later.

2) SCOPE OF WORK

The Plan Sponsor is intending to transfer 100% of the administrative and compliance responsibilities of the tax deferred annuity/custodial 403(b) &457(b) Plan to the TPA. If awarded the contract, the selected TPA will collaborate with the Plan’s existing 403(b) & 457(b) vendors/providers and agree to provide the following services in a satisfactory, timely and professional manner, subject to any limitations imposed by the Plan Sponsor.

3) PLAN SPONSOR REQUIREMENTS

Please provide detailed responses and explanations to the requirements listed below:

- a) **Legal/Regulatory:** Plan Document. Does your organization:
 - i) Create and maintain an IRS qualified 403(b) & 457(b) Plan Document and modifications in compliance with federal and state regulations, or
 - ii) Do you use the IRS model 403(b) &457(b) language to establish the 403(b) & 457(b) Plan?
 - (1) If yes, do you provide assistance with modifications to the model language for optional features and changes to the universal availability provisions?
 - (2) If yes, can you provide language for employer’s contributions and Roth 403(b) & 457 (b) contributions?
 - iii) Do you assume responsibility for maintaining the compliance of all agreements, forms, documents and procedures?

- iv) Do you provide strict oversight of all plan activities to ensure compliance with federal and state regulations?
 - v) Do you provide assistance and representation for any IRS audit? Explain how such assistance is provided.
 - vi) Do you manage all distributions and optional features authorized by the Plan Sponsor's 403(b) & 457 (b) Plan?
 - vii) Do you certify that employee transactions will comply with the terms of the Plan sponsor's 403(b) & 457(b) Plan document and all laws and regulations governing the transactions, i.e. account/contract transfers, plan to plan transfers, loans, hardship withdrawals, qualified domestic relations order (QDRO), etc.?
- b) **Employee/Employer Account Administration:** Does your organization:
- i) Monitor employer and employee contributions to the Plan Sponsor's 403(b), 457(b) and Roth 403(b) & 457(b) defined contribution plans (as applicable), advise and assist the district in taking appropriate corrective action whenever the situation requires such actions? Please explain how excess salary reduction contributions are corrected.
 - ii) Identify employer, employee and Roth contributions separately even if held in a single account?
 - iii) Establish and monitor maximum allowable contribution (MAC) limits for all employees and all vendors/providers including basic and catch-up limits?
 - iv) Manage all "grand-fathered" account activity for compliance with Federal and State laws and regulations, including good faith efforts to acquire and maintain information for compliance purposes with vendors or product providers who may no longer be providing products to active plan participants?
 - v) Manage excess 415(c) contributions and redistribution of excess contributions to 403(c) accounts?
 - vi) Audit individual vendor/provider activity to ensure contributions are distributed to employee accounts in a timely manner when received?
 - vii) Audit for Federal and State legal compliance for all post-employment plan contributions?

- viii) Submit any employee contributions received from the Plan Sponsor to the vendor or product provider no later than 5 days after receipt of such contributions?
- ix) Provide information on changes to employee investment instructions to the affected vendors?
- c) **Common Remittance:** Does your organization:
 - i) Provide centralized clearinghouse services for contribution collection and disbursements in compliance with federal and state regulations and Plan Sponsor requirements?
- d) **Salary Reduction Agreements:** Does your organization:
 - i) Provide customized Salary Reduction Agreements (“SRA”)?
 - ii) Process all Salary Reduction Agreements (“SRA”) for regulatory compliance and completeness i.e. MAC limits, catch-up contribution co-ordination etc. and in conformity with the terms of the Plan Sponsors 403(b) & 457(b) Plan?
 - iii) Communicate SRA payroll changes to the Plan Sponsor?
- e) **Point of Contact and Accountability:** Does your organization:
 - i) Serve as the primary contact for all investment vendors/providers, employees and financial representatives?
- f) **Communication and Education:** Does your organization:
 - i) Provide information to the Plan Sponsor on latest legal & legislative requirements and any pending legislation?
 - ii) Conduct employee information meetings on a schedule to be determined by the Plan Sponsor?
 - iii) Provide communications and methodology to meet compliance requirements of the Universal Availability Rule?
- g) **Customer Service Response:** Does your organization:
 - i) Provide timely customer service response to the Plan Sponsor, participants, vendors and product providers related to the 403(b) & 457(b) Plan?
- h) **Data Security and Privacy:** Does your organization:
 - i) Maintain confidentiality of employee database information?

- ii) Agree not to use any information obtained as a TPA for any purpose other than plan compliance and administration? Marketing of products, selling or otherwise sharing any information with related or unrelated parties is prohibited unless necessary for plan compliance purposes.

4) **INSTITUTIONAL ISSUES**

TPA's must respond to each question below.

a) **Background and Organizational Information Schedules**

- i) Briefly furnish your organization's history, legal form (sole proprietorship, partnership, corporation and state of incorporation), number and location of offices, number of employees, days and hours of operation and other pertinent data.
- ii) Disclose any conditions (i.e. bankruptcy or other financial problems, pending litigation, planned office closures, impending merger) that may affect your organizations' ability to perform contractually.
- iii) Certify that your organization and any principal of the organization is not prohibited, suspended or otherwise declared ineligible to contract or provide any services required hereunder by any federal, state or local public agency.
- iv) Describe how your organization is properly licensed, bonded and/or insured (both fidelity insurance and errors and omissions insurance).
- v) Profile your organizations most noteworthy qualifications for providing Third party Administration (TPA) services. Specifically highlight qualifications that distinguish your organization from competitors.
- vi) How many 403(b) & 457(b) plans and participants does your organization currently service? What percentage of your total clientele are school district employees?
- vii) How many non-ERISA 403(b) & 457(b) programs do you currently service?
- viii) Provide a list of five (5) school district client references, including County Offices of Education and community colleges to which your firm currently provides similar services. Include entity name, beginning and ending dates of contracts and contact information (name, title, telephone number and email address) of individuals that can be contacted as references for your organization.

5) ADMINISTRATION AND COMPLIANCE PROCEDURES

- a) Describe how you will assume the necessary administration and compliance duties, responsibilities and overall activities that will be shifted to your organization as the TPA from the Plan Sponsor.
- b) Describe in detail how you will resolve administrative and compliance issues that arise, including the communication between the TPA, vendor/provider, the financial broker representative and the Plan Sponsor.
- c) Describe your procedures for establishing and maintaining Service Provider Agreements with the vendors and product providers to ensure their cooperation with information sharing needs and compliance with federal and state regulations.
- d) Describe your procedure that ensure that vendors/providers meet their agreed upon duties and responsibilities with the Plan Sponsors 403(b) & 457(b) Plan.
- e) Describe your procedures for preventing excess employee salary deferral and employer contributions.
- f) Describe your procedures for the secure transfer of confidential employee data between the TPA, vendors/providers and the Plan Sponsor.
- g) Describe in detail your procedures for receiving and processing Salary Reduction Agreements.
- h) Does your organization provide common remitting devices for 403(b) & 457(b) contributions? If so, please describe such services in detail and any applicable limitations or restrictions.
- i) Describe in detail the procedure you will use to certify the employee qualification, and process employee transactions described below (as maybe available under the Plan):
 - i) Catch up contributions
 1. Aged 50+ catch up,
 2. 15 years of service catch up
 - ii) Roth Contributions
 - iii) Employer Contributions
 - iv) Contract Exchanges
 - v) Plan-to-Plan Transfers

- vi) Loans
- vii) Hardship Withdrawals
- viii) Qualified Domestic Relations Order (QDRO)
- ix) In-service Distributions
- x) Distributions to correct excess deferrals and contributions
- xi) Separation from service distributions
- xii) Rollovers to state retirement plans
- xiii) Rollovers to other eligible retirement plans

6) **FEES AND EXPENSES**

- a) Describe the fees associated with the TPA services to be provided. Identify fees to the Plan Sponsor, the employees, plan participants, vendors and/or product providers. If fees are related to specific services or transactions, please identify those separately. Also indicate how long the fees are guaranteed. Provide your fees schedule for the term of this contract as an exhibit.

7) **TPA QUALIFICATION REQUIREMENTS**

Responding organizations must possess the following criteria qualifications:

- a) **TPA experience** – The TPA must, at a minimum have at least three (3) continuous years of experience in the 403(b) & 457(b) tax sheltered account marketplace. Preference may be given to TPA's that are members of recognized professional associations i.e. NTSAA, ASPPA etc.
- b) **Servicing Professional Experience** – The key individuals to the 403(b) & 457(b) providing services to the 403(b) & 457(b) Program must have at least five (5) years of experience serving 403(b) & 457(b) tax sheltered accounts, and at least (2) years working with public schools. Experience with other types of retirement programs may be considered, but will not be as important as 403(b) & 457(b) marketplace experience. Preference may be given to TPA's that use servicing professionals with recognized professional designations in the 403(b) & 457(b) marketplace and those taking professional continuing education classes.

Provide the names and biographies of individuals that will be responsible for delivering the services described in this RFP.

- c) **Administrative/Servicing Experience** – The TPA must have a minimum of ten (10) 403(b) & 457(b) tax sheltered account plans, with a total of at least 750 participants, to which it provides investment products and administrative services. Preference may be given to organizations with significant experience in the 403(b) & 457(b) plan marketplace.
- d) **Education and Communications Experience** – The TPA must have a minimum of at least ten (10) 403(b) & 457(b) tax sheltered account plans for which it currently provides investment/retirement education services and/or communication services to participate in 403(b) & 457(b) plans.
- e) **Recordkeeping Experience** – The TPA must have a minimum of three (3) years experience administering and maintaining records on 403(b) & 457 (b) plans and must have at least ten (10) 403(b) & 457(b) tax sheltered account plans for which it currently provides recordkeeping services. If the TPA is using contractors to perform these services, the contractors must be identified and must independently satisfy the requirements of this section.
- f) **Financial Stability** – The TPA must provide two (2) years of audited financial statements. For organizations that are not subject to regulatory oversight by an agency of the federal government, a fidelity bond of at least \$500,000 that provides protection to the participants in the Plan Sponsor’s 403(b) & 457(b) Program must be provided. In addition, proof of errors and omissions insurance must be provided.

8) **FORMAT FOR RESPONSES**

Each TPA’s response should provide the following information in the order presented below:

- a) **TITLE PAGE** – The Title Page should indicate the name, address, and telephone number of the TPA, a statement that the proposal is in response to this RFP and the name, title, telephone number and email address of the contact person responsible for the TPA’s response.
- b) **PROOF OF RESPONSES** – Include all information necessary and appropriate to respond to all questions and qualification requirements identified in this RFP.
- c) **SUMMARY STATEMENT** – The TPA should provide a summary statement relative to its qualifications in the 403(b) & 457(b) marketplace, as well as a brief description of any special considerations the Plan Sponsor should consider, such as:
 - (1) Industry specialties not addressed in this RFP
 - (2) Unique industry strategies not addressed in this RFP

(3) Special expertise or experience in 403(b) & 457(b) plans and non-ERISA plans

- d) **SIGNATURES** – Each proposal must include a certification from an individual authorized to represent the TPA stating that the statements made in the TPA’s proposal are true and correct and that the terms of the RFP are understood to be included as part of any agreement between the TPA and the Plan Sponsor that related to the 403(b) & 457(b) Program.
- e) **QUESTIONS RELATING TO THIS REQUEST FOR PROPOSAL** – TPAs that have questions regarding this RFP should submit them in writing to the person at the address set forth in paragraph (f) below.

No questions will be answered after February 9, 2015.

No telephone calls will be accepted relative to this RFP.

- f) **TRANSMITTAL OF COMPLETED PROPOSALS** – TPAs should send three (3) copies of their completed proposal to:

Michael A. Engel
Business Manager CSBO
Brookwood School District 167
201 E. Glenwood-Dyer Rd.
Glenwood, IL 60425

All materials must be delivered to the above address by **February 23, 2015**.

- g) **INTERVIEWS** – The Plan Sponsor may elect to interview a select group of TPAs that submit a proposal, but is not required to do so. The Plan Sponsor will make that decision after reviewing the submissions and determining if the interviews would be helpful in evaluating the TPAs proposals.

Any TPA selected for interview will be expected to make a presentation followed by a question and answer period at the Plan Sponsors main administrative office. The total time for each interview shall not exceed 60 minutes.

9) **SELECTION PROCESS SCHEDULES**

The following summarizes the expected schedule to be followed in selecting TPAs through this RFP.

1/19/2015	Release of RFP by Plan Sponsor
2/9/2015	Any questions on RFP must be submitted
2/23/2015	Completed Proposals must be received by Plan Sponsor
3/2/2015	Notification to TPAs/Interview invitations sent
3/9/2015	Interviews with TPAs completed (if applicable)

10) HOW PROPOSALS ARE EVALUATED

Each proposal will be evaluated using the following criteria to determine which TPAs are most capable of implementing the Plan Sponsor's requirements:

- a) TPA's experience with and ability to do specific tasks and services requested. Significant focus will be placed on the TPA's experience in the 403(b) & 457 (b) marketplace.
- b) Quality comprehensiveness and reasonableness of cost for services and products recommended for the 403(b) & 457 (b) Program.
- c) Expertise, experience in the marketplace, industry credentials and availability of individuals presented for servicing to the Plan Sponsor.
- d) Conformity with the requirements of the RFP.

11) RIGHTS RESERVED

The Plan Sponsor reserves the right to reject, all or any part of, any submitted proposals. The Plan Sponsor may also elect to waive any clerical defects, irregularities and omissions if, in its judgment, the best interest of the Plan Sponsor and its employees will be served.

12) INSTRUCTIONS TO TPAS

To be considered by the Plan Sponsor, each proposal must include a response to each question asked. Failure to respond to any question(s) may be considered a cause for disqualification. Any information believed to be relevant may be submitted by each TPA as an appendix to the proposal, but should not be included in the answers unless responsive to the specific question.

References to supplemental materials should not be included in a response. All information necessary to respond to the question should be included in the response.

13) QUALIFICATIONS, RELATED EXPERIENCE AND REFERENCES

- a) Indicate who will be servicing the Plan Sponsor's 403(b) & 457(b) program. Identify the lead servicing professional(s). Should contractors be used to provide any services, submit the required information on the contractors and/or individuals acting on their behalf.

- b) Submit profiles of the individual(s) who will be assigned to provide the requested services, including their qualifications and recent related experience providing similar services.
- c) Detail the size of your organization, the location of the office from which this engagement would be performed, and the number/nature of the staff to be employed in this engagement on a full-time and part-time basis.
- d) Is your organization a member of any professional association under which members are required to adhere to a professional code of ethics or behavior? If yes, please indicate which association.
- e) Describe any quality control procedures that are in place. Detail your organizations backup emergency and disaster recovery system.

14) SCOPE OF WORK SCHEDULES

- a) Describe how your organization would accomplish the work and satisfy the Plan Sponsor's objectives outlined in this RFP.
- b) Provide an overview relative to the resolution of payroll issues connected to the remittance of salary deferrals.
- c) Define your processing model for the correction of excess deferrals and excess contributions.
- d) Describe how you will coordinate distributions (including loans and withdrawals) from the plan with vendors and product providers.

15) COMPLIANCE SCHEDULES

- a) Will your organization agree to sign the Service Provider Agreement and to incorporate its terms herein by reference?
- b) How quickly are contributions invested in participant accounts once received in good order by your organization?
- c) Does your organization agree as Third Party Administrator to notify the Plan Sponsor whenever a participant takes a hardship distribution from the 403(b) & 457(b) Program and advise the Service Provider to stop all elective deferral contributions to all plans sponsored by the Plan Sponsor?
- d) Will your organization notify participants when Required Minimum Distributions (RMD) must begin?

- e) Does your organization agree to notify the Plan Sponsor if any participant defaults on a loan and further agree to bar future loans to any employee who has previously defaulted on a loan from the 403(b) & 457 (b) Program, provided that you have knowledge of such default?
- f) Describe your organization's approach towards managing the liaison between TPAs and the employer managing compliant Service Provider Agreements.

16) MISCELLANEOUS/SUMMARY STATEMENT

If your organization believes that additional information is beneficial to help the Plan Sponsor evaluate your proposal, such additional information may be provided here.

Do not repeat previously provided information. Any information provided should relate exclusively to your organizations 403(b) & 457(b) products or services, to the services or products indicated in the RFP or to services or products believed by your organization to enhance or compliment the Plan Sponsor's 403(b) & 457(b) program.

It would also be appropriate to present any unique skills, procedures, or similar distinctions related to the ability to support the Plan Sponsor's 403(b) & 457(b) Program.