City of Jacksonville, Florida

Lenny Curry, Mayor

Employee Services Department
City Hall, 117 West Duval St., Suite 150
Jacksonville, Florida 32202

ONE CITY. ONE JACKSONVILLE.

MEMORANDUM

'17 NOV 27 10:50AM

To: Greg Pease, Chairperson

Professional Services Evaluation Committee

From: Bob Parr, Chief, Compensation and Benefits

Randall Barnes, Senior Debt Manager

Re: P – 43-17 – Retirement Plan Service Provider

Date: November 21, 2017

As a result of fee and contract negotiations with Great West Life and Annuity Insurance Company d\b\a Empower, we recommend that the City enter into a contract with Empower as our retirement plan service provider. The contract shall begin on April 1, 2018 for an initial five-year period and will include renewal options for two additional two-year periods ending on March 31st of each year.

All other terms and conditions are according to the Scope of Services outlined in the Request for Proposal. Nothing contained herein shall be amended, modified, or otherwise revised without prior approval from PSEC and the Mayor.

Attachment:

Empower renewal letter

Section 4
Description of Services and Deliverables

The selected provider shall work with the City and our third party advisor to ensure that the Plans are administered in an effective, responsible, and professional manner; consistent with industry best practice.

The services the City is looking for will include, but are not limited to, the following:

- Accurate plan recordkeeping and plan administration
- Assist in complying with all regulatory and compliance requirements
- Plan document maintenance, including SPD, and required amendments
- Participant communication including, statements, enrollment, and notices
- Comprehensive website for both participants and the City
- Custodial trustee services
- Conducting periodic employee educational sessions
- Plan sponsor support through a dedicated service team, including three on-site representatives
- Other services as referenced in Attachment E – RFP Questionarre

The Plans included in RFP:

	Q4 2016 Ending Balance	**Participant Count**
Deferred Comp Plan	$158,067,246	Active Plan; Employee contributions only; 4,093 Active Participants with balance; 720 Seperated Participants with balance
401(a) Plan	$1,993,103	Inactive Plan; No contributions currently; 2,596 Active Participants with balance; 821 Seperated Participants with balance
Defined Contribution Plan*	$24,442,784	Active Plan; City and Employee contributions; 1,615 Participants Contributing; 190 Seperated Participants
OBRA Plan	$2,230,722	Active Plan; 3,065 Active Participants with balance (617 contributing); 603 Seperated Participants
Housing Authority	$181,832	Inactive Plan; No Contributions ; 11 participants (0 seperated)
Total	**$186,915,687** **(plans do not allow for loans)**	**8,034 unique participants as of 12/31/15**

As of the issuance of this RFP, the City's defined contribution plan is optional. Upon passage of pending pension reform, the DC plan may become the mandatory retirement program for all new City employees.

(End of Section 4)

Exhibit 'A'

EMPOWER
RETIREMENT

November 21, 2017

Mr. Joey Greive
Treasurer
City of Jacksonville
117 West Duval Street, Suite 300
Jacksonville, FL 32202

Dear Mr. Greive:

We would like to thank you for the distinguished opportunity to continue to serve as the City of Jacksonville's Retirement Plan Record Keeper and Service Provider. In our more than 20 year partnership with the City, we've experienced many successes and look forward to many more.

Thank you for taking the time to meet with us over the past couple of weeks. As a result of these conversations, I am documenting our agreed upon pricing.

Non-OBRA plans:

- 0.10% recordkeeping fee, which assumes:
    - Three dedicated representatives
    - All assets in the Great-West Stable Value Fund will be mapped to the Great-West Guaranteed Interest Fund, which will qualify for a 0.35% rate enhancement to the base rate included in the fund fact sheet. Empower will cover the MVA associated with the asset transfer.
    - Retains Great-West Guaranteed Fixed Fund and Great-West Guaranteed Government Fund as frozen accounts
    - Retention of managed accounts with assets currently invested being maintained
    - $8,000 annual MBE allocation

OBRA plan

- $5 per account, which assumes
    - Great-West Guaranteed Interest Fund as the sole investment option. All assets will be mapped from the Great-West Stable Value Fund to the Great-West Guaranteed fund.

All other fees outlined in our response to the Retirement Plan Service Provider P-43-17 for City of Jacksonville remain as detailed in Form 1-Price Sheet.

Marybeth Daubenspeck
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Government Markets

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Exhibit 'B'

Form 1 - Price Sheet

NAME OF SERVICE PROVIDER Great-West Life & Annuity Insurance Company

Proposal Number P-43-17

SCHEDULE OF PROPOSED PRICES/RATES

The City will accept a pricing proposal based on the following:

- **The base record keeping proposal shall not be predicated on proprietary investment options.**
- The proposal must include 3 on-site representatives. The City currently has 3 dedicated service representatives. For comparison purposes, you may submit a proposal to include only 2 on-site representatives.
- Please do not make any assumptions regarding mapping of assets.
- If there is an offset of fees based on the utilization of any proprietary investments, such as a fixed account or stable value, you may also provide that proposal **in addition to** the open-architecture platform proposal in the table below. You must also include the following information:
    - If proposing a stable value or fixed income option, please include a factsheet, detail participant liquidity, and specify the following:
        - Most recent crediting rate
        - Floor rate, if any
        - How often rate is declared, if applicable
        - Expense or management cost
        - Revenue sharing offset, if any
        - Average credit quality
        - Average maturity
        - Termination options at a Plan level and Participant level

Recordkeeping Fee (for all plans or list proposed cost for each plan included in the scope of this RFP):

	Base Recordkeeping Fee	Base Fee + 3 Representatives	Base Fee + 2 Representatives	Base Fee + 3 Representatives (with Proprietary Fixed/stable Value fund in line up)*
Total Asset-Based Fee Required for Plan(s)	0.22%	0.385%	0.33%	Option A: 0.23% Option B: 0.15%

This proposal will not be considered during the initial evaluation stage to determine the finalists.

Assumptions: Pricing is for the Non-OBRA plans. Retention of Managed accounts, with assets currently invested being maintained. Base Recordkeeping fee includes no representatives. Proprietary, Option A retains the current three fixed account options as is. Option B retains the Great-West Guaranteed Fixed Fund and Great-West Guaranteed Government Fund as frozen accounts. All assets in the Great-West Stable Value Fund would be mapped to the Great-West Guaranteed Interest Fund, which would qualify for a 0.35% rate enhancement to the base rate in the included fund fact sheet. Please see the Statement of Qualifications section, Tab J, page 196 for information on the fixed account options.

Pricing for the OBRA Plan: $15 per account. This assumes use the Great-West Stable Value Fund as the sole investment option.

Custodial and Trustee Fees, if not included above:

	Implicit Fee (Basis Points on Assets)
Total Fee Required for Plan(s)	Included

Transaction Fees:

Type	Fee/Schedule
Plan Set-up/Installation	Not applicable
Plan document preparation	Included
Plan document maintenance	Included
Plan amendments	Included
Plan restatements	Included
Compliance testing	Not applicable
Custom plan document	Varies
Custom (ad-hoc) plan reporting	Included
Beneficiary maintenance	Included
Payroll file processing	Included
Participant notices distribution	Included
Legal consulting services	$250 per hour
Participant statements	Included
Education meetings (specify how many are included in fee quoted)	Included. Number of meetings provided below in 2.
Education campaigns	Included
Termination fee	Included
Plan mergers	Included
Investment changes (adding/deleting options)	Included
1099R Forms	Included
In-service distributions (check and wire request)	Checks are included. Wire transfer is $40
Hardship withdrawals (Approvals; Check and wire request)	Checks are included. Wire transfer is $40
Required Minimum Distributions	Included
Annuity payments	Included
QDRO determination	Included
QDRO processing	$250 per QDRO
Self-directed brokerage	$60 annually per plan per actual user
Managed account services	Advisory Services fees are provided below in 3.
Participant address searches	Included

Please also include any other fees, not included or detailed above. If not listed, or disclosed on this page, the City is not responsible for paying such costs.

1. Overnight delivery is $25 per distribution.
2. At least one group meeting per week or more frequently if requested. Individual consultations daily.
3. Online Investment Guidance (No fee), Online Investment Advice (flat fee of $25 per actual user per year)

Participant Account Balance	Managed Account Fee	
	Opt-in	Opt-out
Amounts under $100,000	0.45%	0.40%
Next $150,000, up to $250,000	0.35%	0.30%
Next $150,000, up to $400,000	0.25%	0.20%
Amounts over $400,000	0.15%	0.10%

The City currently utilizes opt-in managed accounts.