



SUFFOLK COUNTY PUBLIC EMPLOYEES DEFERRED COMPENSATION BOARD

Addendum No. One (1)

to

Request for Proposals for Investment Products and Services,
Record Keeping and Other Administrative Services for
the Suffolk County Public Employees Deferred Compensation Plan

Services to Commence on July 1, 2020

Purpose of Addendum

Technical Questions and Answers

**Proposals must be received no later than:
4:00 p.m. on August 16, 2019 (Eastern Daylight Time)**

Late Proposals Will Not Be Accepted

Technical Questions and Answers

Please Note: All figures are approximate

1. **Q:** Is the SOC 2 report a requirement to bid on this opportunity?
A: If a SOC 2 report was issued for your Company, providing a copy of it is required for this bid.

2. **Q:** Does a hard copy of the SOC 2 report have to be submitted or may we submit it via Flash Drive only?
A: You may submit it via Flash Drive only.

3. **Q:** We require a non-disclosure agreement (NDA) to release our SOC 2 report. Is the County willing to provide us with an NDA?
A: No.

4. **Q:** Section IV, Sub-section C (Proposal Format), part 6 (Proposer's Proposed Technical Services Specifications): The Technical Services Specifications (Section VI) appears to be a Scope of Services required form of document. How are Proposers to respond to the requirement to include Section VI in the proposal? Are we to acknowledge each item individually or will the Proposer's responses to Section VII (Questionnaire) be used by the County to evaluate the Proposer's ability to comply with the requirements noted in Section VI?
A: Each item in Section VI should be acknowledged individually, as well as all questions in Section VII.

5. **Q:** Section IV, Sub-section C (Proposal Format), part 8 (Responses to Section VII, Questions 222-230): We understand this section requires the submission of a single flash drive. How many hard copies are to be submitted of this Fee Schedule section of the questionnaire?
A: 19 hard copies of the Fee Schedule should be submitted.

6. **Q:** Section V, Sub-section B-11: In order to be prepared should the County initiate an investigation pursuant to this section, what is the general scope of information the County might request?

A: The general scope would be to determine the ability of the Proposer to perform the work.

7. **Q:** Do the contribution amounts shown in the Cash Flow chart on page 7 include or exclude one-time contribution amounts such as incoming roll-overs and transfers?

A: The contribution amounts shown include salary deferrals, rollover contributions, transfers in and loan repayments.

8. **Q:** What percentage of plan participants currently receive quarterly statements through e-delivery method only?

A: 15%.

9. **Q:** Does the County plan to provide a unique employee identification number for each participant during the conversion process? If so, does the County expect this employee identification number to be displayed on the website, statements, and/or reports?

A: This is unknown at this time.

10. **Q:** Does the County expect union affiliation to be displayed on the website, statements, and/or reports?

A: The expectation is that union affiliation appear on quarterly and ad hoc reports, and the union affiliation should appear on your Plan Sponsor website, but it does not have to be displayed on your participant website or on participant statements.

11. **Q:** In regard to information appearing on participant statements, how are Life-to-date contributions and Life-to-date distributions defined? Would the prior record keeper provide all the necessary data?

A: It is unknown if the prior record keeper will provide this information.

12. **Q:** How many payroll files are processed annually to T. Rowe Price?

A: County employees are paid bi-weekly. In 2018, there were 26 payroll files.

13. **Q:** Please provide a sample of the current contribution file feed that the plan uses today. Please provide data definitions as well as field level definitions for the file.

A: This information will be provided to the successful bidder during the conversion process.

14. **Q:** Is the County's payroll system centralized? How many employers will send payroll and demographic data on a monthly basis?

A: The County's payroll system is centralized. One contribution file is sent every two weeks. Currently, demographic data is not sent.

15. **Q:** Please indicate the current process for submitting loan payments. Is it done through a payroll file or directly with a participant bank account (ACH)?

A: Currently, loan payments (with the exception of a loan being paid off in full) must come from payroll deductions. Payments are not permitted to continue upon separation from service and cannot be made when an employee is on a leave of absence.

16. **Q:** Questionnaire, Pg 30: 35 states, Do you agree to inform the County of deferral changes in accordance with the IRS's "1st of the month rule" for 457(b) plans?

Does the County expect a feedback file of deferral changes?

A: The County expects a file every two weeks containing deferral changes that can be implemented in the upcoming pay period. For example, if a participant submits a deferral change in the beginning of January, the deferral change should not appear on the next deferral change file sent to the County. The change should appear on the deferral change file for the first pay period in February, as the IRS rule prevents the change from being effective in the month of January.

17. **Q:** In addition to having the ability to record and report by bargaining unit, will the County also require reporting by work location (or division)?

A: The Plan currently uses a two digit bargaining unit identifier and a two digit department identifier.

18. **Q:** Section VI (Technical Services Specifications), Subsection B-20: Does the Board currently review and approve all requests for powers of attorney, unforeseeable emergency distributions, and insurance premium payments for retired public safety officers and determine the qualification of DROs submitted?

A: Our service provider handles Domestic Relations Orders and Requests for Retired Public Safety Officer (PSO) Qualified Health Insurance Premium Payments. Unforeseeable emergency distribution requests and powers of attorney are currently handled in-house.

19. **Q:** Please provide the total number of calls into your current Service Provider's participant call center over each of the prior three years (e.g., 2018, 2017, 2016).

A: Please see below.

Year	Automated Line	Call Center Rep
2016	5,089	8,946
2017	5,945	8,780
2018	6,865	8,738

20. **Q:** How many participants with a balance are qualified for the retired public safety officer insurance premium feature?

A: The Plan has approximately 1,300 retired public safety officers with a balance.

21. **Q:** How many Retired Public Safety Officer Qualified Health Insurance Premium Payment Authorization Forms were processed in 2018?

Q: How many insurance premium payments were processed in 2018?

A: 139.

22. **Q:** Does a participant have to complete the Payment Authorization Form each time a premium payment is due?

A: Yes.

23. **Q:** Will your current Service Provider have the ability to provide current beneficiary designation data in an electronic format required by the selected Service Provider?

A: This is unknown at this time and will be addressed during the conversion process.

24. **Q:** Does the County's current Service Provider offer a managed account service to plan participants? If yes, please provide the number of participants currently enrolled in the service and the aggregate amount of assets invested in the service.

Q: Does the plan currently have managed account programs with each provider? If so, please provide the total assets in those programs today.

Q: Please provide the amount of assets and participants in a managed accounts program. If managed accounts are offered, please provide the fee schedule.

A: The Plan does not currently offer a managed account service.

25. **Q:** Is a self-directed brokerage option currently offered to plan participants? If yes, please provide the brokerage firm that is used, the number of participants currently enrolled in the service and the aggregate amount of assets invested in the service.

Q: Does the plan currently utilize a self-directed brokerage option? If so, please provide the company being used as well as the total assets in the program today.

A: The Plan does not currently offer a self-directed brokerage option.

26. **Q:** Please provide a complete breakdown of assets by fund including ticker symbols.

A: This was already provided – see RFP Attachment A, which contains the current fund lineup and plan asset allocation.

27. **Q:** For any investments that are not registered mutual funds, please provide the following:

Provide CUSIPs

Investment type

How it is traded and settled? NSCC? Manually via fax and wire?

Will daily prices or periodic rates be provided to the record keeper?

Will fund fact sheets be provided to the record keeper?

A: All investment information the Board can provide has been included in the RFP, RFP attachments and this Addendum.

28. **Q:** What is the QDIA?

A: The Plan does not have a QDIA.

29. **Q:** Does the County have a preference for the type of Cash Preservation Option offered under the Plan?

Q: Does the City have a preference for a fixed option type? Would you prefer a stable value or general account solution?

A: There is no preference.

30. **Q:** Can the County provide an overview of the current cash preservation option offered under the plan (e.g., a fund fact sheet)

A: The fact sheet for the T. Rowe Price Stable Value Common Trust Fund Schedule F can be found on T. Rowe Price's website.

31. **Q:** Please confirm there would be no transfer restrictions or termination fees assessed by your current Service Provider on any investment currently held in the plan.

Q: Are there any transfer restrictions on the T. Rowe Stable Value fund?

Q: Please confirm any transfer restrictions for the current Cash Preservation Fund.

A: There will be no transfer restrictions or termination fees assessed.

32. **Q:** Section VII (Questionnaire) – Q # 176: Would a Stable Value Fund or a Guaranteed Fixed Account product which is not priced with an NAV structure be an acceptable alternative to a \$1.00 per share NAV product?

A: All products proposed will be considered but only products permitted by the Plan Document and the NYS Deferred Compensation Board Rules and Regulations should be proposed.

33. **Q:** Please provide information on the fixed funds in the plan today with T. Rowe Price. What is the current crediting rate? Is there a guaranteed rate of return? What are the expense ratios?

A: The Plan currently offers the T. Rowe Price Stable Value Common Trust Fund (Schedule F).

Expense Ratio = 0.15%

There is no guaranteed rate of return. Performance as of 6/30/2019 is below.

3 month	0.58%
YTD	1.16%
1 year	2.33%
3 year	2.13%
5 year	2.11%
10 year	2.61%

34. **Q:** Will the assets from the T. Rowe Price stable value product be available on 7/1/2020 and will the assets be at par (100%)? Are there any termination provisions or liquidity restrictions (i.e. MVA, 12 month put, etc.)?

A: The assets from the T. Rowe Price Stable Value Fund will be available on 7/1/2020.

35. **Q:** Would you accept a stable value product that does not have a surrender charge, penalty or market value adjustment, but does pay out in a lump sum within 60 days at market value (the market value maybe higher or lower than the total book value)?

A: The Board will not accept a stable value product that pays out lower than book value. As set forth in the NYS Deferred Compensation Board Rules & Regulations, the Board may not enter into an agreement that imposes penalties or surrender charges for the transfer of assets or responsibilities on expiration of the agreement. Only products that are permitted by the Plan Document and the NYS Deferred Compensation Board Rules and Regulations should be proposed.

36. **Q:** Knowing this is a 3 year contract with the ability to extend to 5 years, how would you handle the book value out provision for the stable value product? Would you accept a stable value product that pays out the book value at the duration of the portfolio, but could extend up to a maximum of 3 additional years?

A: All products proposed will be considered by the Board but only products that are permitted by the Plan Document and the NYS Deferred Compensation Board Rules and Regulations should be proposed.

37. **Q:** Can you provide Stable Value fund cash flow history including contributions, withdrawals, transfers in and transfers out?

A: Please see below. Withdrawal/distribution figures are not available.

	1Q2018	2Q2018	3Q2018	4Q2018	1Q2019
Contributions	1,964,385	1,953,083	1,459,876	1,424,167	1,905,924
Exchanges In	19,439,334	7,947,260	12,477,745	22,579,776	16,116,344
Exchanges Out	16,607,925	7,677,601	6,052,359	12,264,341	10,550,330

38. **Q:** How many field service representative(s) does the current Service Provider have servicing your plan? How often are the representative(s) onsite? Are the representative(s) 100% dedicated to the County?

Q: How many onsite service days and group meetings are currently provided for the participant education? Is this sufficient?

Q: How many onsite service dates should be included in our cost proposal?

Q: Can you confirm if you have a specific number of on-site days that you would like us to offer to the plan? Or would you prefer a “full time” commitment where we would have a dedicated local advisor team available for all Suffolk County DCP participants and employees 5 days a week throughout the year?

Q: Can you confirm the current T. Rowe Price service commitment, number of days on site and number of advisors dedicated?

A: The need is evaluated annually by the Board. The current service provider provides one field service representative onsite for 60 days per year (one week per month). The representative is not 100% dedicated to the County.

39. **Q:** How many worksite locations across the County would the provider be expected to provide onsite education services? Can the County provide a listing of each site with the current number of eligible employees per site?

A: The County has approximately 10,000 eligible employees in approximately 200 worksite locations. Currently, the onsite representative visits approximately 20 different sites, as determined by the Board based on volume.

40. **Q:** Can the County provide its Plan document?

Q: Please provide the current plan document.

A: The current plan document can be found on www.scdeferredcomp.org.

41. **Q:** Will you provide the current service agreement with T. Rowe Price?

A: No.

42. **Q:** Will you provide the latest quarterly revenue calculation from T. Rowe Price.

A: No.

43. **Q:** What is the current fee for the plan today with T. Rowe Price?

A: The Board will not be providing the current fee.

44. **Q:** Can you provide a list of any ancillary fees that are currently being charged to the plan and or its participants?

A: No.

45. **Q:** Does the plan prefer a revenue requirement (implicit fee paid through revenue share of the plan) or an explicit per participant fee (asset based or per head) fee structure?

A: The Board will consider all proposals.