

Georgia Peach State Reserves – Response to RFP Questions

PAYROLL SERVICES

1. Is payroll centralized for the 85% of PSR participants who are on the PeopleSoft platform?
PeopleSoft for payroll is centralized for about 65% of the population; the 85% number is for PeopleSoft demographics.
2. How many payrolls are processed monthly on the plan? Is payroll processed through a centralized location?
Currently, payroll posts every Friday, the 15th of each month and the last day of each month. These postings must be available at a minimum. Files come in at any time during the month but only get posted on those set intervals. Except for the estimated 65% that are on PeopleSoft for payroll, there is not a centralized location. We received 442 payroll files in August 2019 from 255 agencies/funding entities.

PARTICIPATING EMPLOYERS

1. Are there only two plans set up on the recordkeeping system? One each for 401k and 457?
Correct, two plans are set-up on the system.
2. Can you please confirm how many political subdivisions there are within the plan and also within the State?
See #3 below for the number of employers as defined in the CAFR. The definition of employer in the plan document allows school systems (called BOEs for Board of Ed) and community service boards (CSB) throughout the state to elect to be part of PSR. Currently, only four (4) school systems (out of at least 160 in the state) are in the Plan. While all CSBs used to be in the plan, many have left and some have consolidated or closed leaving only 14 CSBs out of about 28 (about 1,180 contributing CSB participants in the plan)
3. What is the total number of participating employers?
For our CAFR, we have defined the counts of employers as: 468 for 401(k) and 298 for 457(b)
4. Is each employer currently separated into a sub plan for reporting and/or other purposes?
It depends on what is meant by reporting. For audit purposes, ERSGA needs to break out contributions by each employer. For accounting, reporting is broken down by the different money sources, which are currently:
 - ***GSEPS ER***
 - ***GSEPS Prior ER***
 - ***CSB/GLC ER***
 - ***100% Prior ER***
 - ***Henry BOE ER***
 - ***Walton BOE ER***
 - ***Before-Tax***

- **GSEPS BeforeTax**
- **Rollover**
- **Roth 401(k)**
- **GSEPS Roth**

In general, ERSGA always want to be able to do separate reporting on GSEPS for everything.

5. What forms of manual remittance for those employer populations not using PeopleSoft are currently being used?

Additional submission forms being use are via the employer website portal and electronic file transfer.

6. If participants move from one employer to another, how is there vesting and vested service handled?

All vesting is on a 5 year, graded schedule; vesting service calculations:

- ***GSEPS participants: GSEPS vesting continues only for GSEPS participants who are rehired into a GSEPS eligible position within 31 days***
- ***Boards of Ed: Board of Ed vesting continues only for Board of Ed participants reemployed with Board of Ed within 31 days***
- ***CSB/Lottery: CSB/Lottery vesting continues as long as participant is employed with any employer in the Plan so long as any break in service is less than 31 days***

7. Do all employers remit contributions via wire or ACH debit/credit?

Yes

8. Are forfeitures tracked at the employer level? Plan level?

Forfeitures are tracked on the employer level.

9. Could a participant who performs service for multiple employers under the plan have different vesting applied to employer contributions made by each of the different employers?

Yes, this could happen, but to date, has not occurred.

10. Regarding the following sentence in the main RFP document: “For these participants, the Respondent will be responsible for ensuring that contribution limits are not exceeded and that vesting service for the 401(k) Plan is correctly calculated by employer.” Please clarify the Vesting Service calculation. Is it possible that a participant who works for two employers within the plan would have different vesting percentages based on service with each employer, or is vesting service at the “State” level?

See response to question #6 about vesting service calculation. While it is possible for a person to be employed by two employers with different vesting service calculations, it has never happened.

11. Does the State have a preference for how the Respondent should interface with employers regarding validating that contribution submissions include all deferral changes submitted by members?

Currently, e-mails are sent alerting ERs to reports available for download. This approach is working well but ERSGA is open discussing other approaches.

12. Does the State have a preference for how the Respondent should interface with employers regarding reminders to those who have not submitted contribution/demographic data by the expected date?

Currently e-mails are sent, which is working well, but ERSGA is open to discussing other options.

ANNUAL BENEFITS ADMINISTRATION

1. Regarding the Annual Benefits enrollment services, can you describe how the process works with your current vendors?

During the annual enrollment/re-enrollment benefit process, PSR elections are included in the online benefit election flow. For example, an employee would make an election for dental benefits and would then be prompted to make an election in PSR. The screen shows an employee's current PSR contribution election, whether that individual is saving enough to receive the full match and if not, a notice is triggered stating as such. A summary screen then shows how an individual's benefit elections, including PSR election, will impact their paycheck.

2. Who is the State's current health and flexible benefits administrator?

Currently, ADP is the provider for medical and Aight Solutions for flexible benefits; however both administration services are currently out for RFP bid.

ADMINISTRATIVE PROCESSES

1. We understand distributions that include GSEPS employer contributions and earnings require participants to complete an O.C.G.A. § 50-36-1(e) (2) Affidavit. Would the state be open to finding an electronic solution so that all distributions can be processed electronically?

Yes, ERSGA is open to an electronic process, but it must meet the requirements outlined in statute and as interpreted by the AG's office.

2. Does the State expect members to have the ability to set Automatic Rebalances to process both immediately and at specific intervals in the future?

Yes, this is currently available, and ERSGA would like to continue to have both options available for participants.

3. The PSR cash-out sweep process for balances of \$1,000 or less currently takes place 90 days after separation from service. Would the plan be amenable to having this process run twice per year instead (which would result in some former employees keeping balances of \$1,000 or less in the plan)

Yes, ERSGA is open to discussing changes to sweep timing.

4. There are a number of manual processes mentioned in the documentation, including contributions, payroll, and distribution requests. Are you open to offering automated solutions?

The recordkeeper currently handles all participant distribution requests.

If manual refers to the smaller employers who use the online portal, then implementing an automated solution is unlikely. Many of the small employers would not be able to pay for coding and testing of their systems to accommodate an automated approach, and ERSGA does not want to require they spend money to do so.

5. Other than the \$1,000 small balance sweep, are all other distributions processed manually?
Small balance sweeps, RMDs and installment payments are all automated. All other distributions are elected by participants and processed at the time of election.

RETIREMENT INCOME STATEMENTS

1. For the Defined Contribution plan projections, please describe the data that will be provided to calculate the member's projected account balance including future contributions, future earnings and projected appreciation. Also, what would be the frequency of this interface?
Currently, only data in the DC recordkeeping system is used to create the DC projections, and Financial Engines (FE) is utilized by the TPA for the projections. There is an interface between FE and the TPA, which for statement purposes, would be one interface annually, as of 12/31.
2. Will the State provide data to the Respondent to use to calculate each member's Social Security benefit?
Current salary data is provided to the TPA.
3. The State provided copies of the "On track" statement and the "Save more" statement. If different, can you also please provide a sample of the quarterly and annual statements that PSR participants receive and the quarterly and annual statements that participants receive from ERSGA?
Only annual statements are generated. If the participant is an ERS member, then one of three the integrated DC/DB/SSA statement is sent (On track, Save more or DB only); samples are posted with the RFP on the ERSGA site. All other PSR participants get a DC only statement (attached).

PSR 401Statement
2017.pdf
4. Can the Annual Retirement Income Statement be delivered electronically rather than through the mail for participants who have email addresses, provided they can request the income statements be sent through the mail?
ERSGA originally made a purposeful decision to mail the Annual Retirement Income Statement but could revisit the decision in the future.
5. Are you open to having quarterly and annual statements delivered electronically for all participants who have email addresses, provided they can request statements be mailed?
See answer to #4 above. For the DC only statements, ERSGA is open to discussing electronic versions only.
6. What is the current e-delivery rate for participant statements/mailings?
Statements are not currently delivered via e-mail.

CALL CENTER, WEB SERVICES & INITIAL POINT SUPPORT SERVICES

1. Does the plan sponsor own any custom URLs used by the PSR plans or are some URLs owned by Alight (or other entity) that will need to be purchased?
The URL currently used is not owned by ERSGA, but may be owned by another State agency. If PSR is decoupled from the flexible benefits administration, a new URL might be needed. However, it may be possible to leverage ERSGA's existing URL (ers.ga.gov), which is owned by ERSGA.
2. Participant call volumes located in PSR Stats September 2019 in appendices, please confirm that the ERSGA counts provided are for all of the pension plans from participants calling into the ERS Call Center?
The numbers provided are for all calls, for all plans into the ERSGA call center.
3. For the pension plans, what percentage of the ERSGA annual calls would you anticipate that the respondent could complete without the need to transfer the participant to ERSGA for resolution?
ERSGA estimates 70% would not need to transfer.
4. Are transfers between the respondent's call center and the ERSGA call center soft or hard transfers, that is, does the representative wait for a warm transfer to the ERSGA rep or do they merely transfer the call?
The goal would be a warm transfer.
5. Will respondents call center have access to the ERS internal system to answer basic questions for pension or access to the ERS website?
Yes, it would be helpful for the call center to have view access to the ERSGA pension system screens, though that it not currently being done.
6. For transfers from the Respondents call center to ERSGA call center, will all calls be received by a person for a warm transfer or potentially voicemails? If a participant has been transferred to ERSGA for an issue and need to call back for additional questions, will they be provided direct access to ERSGA or route through the respondents call center?
A warm transfer is the goal, but voice mail is possible. ERSGA will provide direct contact to pension analysts after initial contact.
7. Are there any shared call center notes between ERSGA and the Respondent?
If ERSGA is provided access to the call center, then call notes will be available.
8. Does the State require the Respondent to provide a Chat capability via the website?
No, it is not required but is considered a beneficial feature to have.
9. For the Defined Benefit plans, please describe the data that will be provided and the frequency of the interface.
Currently, DB benefit calculation data for the ERS plan is provided twice a year for integration into the online tools and the Annual Retirement Income Statement. The call center will also have real-time read access to the ERSGA system. In order to have online account access authenticated by the

DC TPA, ERSGA would provide demographic data (name, SSN, DOB, address, etc) and any other data required to facilitate the authentication process. Data could be provided at intervals deemed necessary to support the authentication process.

10. Please define what data the State would provide regarding the reference to “high- level DB information” on page 10 of the rfp pdf document.

Examples of high-level DB information:

- **Plan information available in the handbooks (see ers.ga.gov for all plan handbooks)**
- **Estimated timing to process DB requests (ERSGA would provide this information)**
- **Explain how to process DB requests online**
- **Take initial information for off-line requests (e.g. death notification and service purchase requests)**

11. Does the ERSGA online system utilize Multi-factor Authentication as part of its security protocol?
ERSGA does not currently have multi factor authentication but is moving in that direction.

12. Please specify the data that will be provided for the Defined Benefit only members vs. those who are in both the DB & DC plans.

For ERS members who receive an Annual Retirement Income Statement, the call center should be able to answer questions about the statements. If a person questions a DB benefit calculation, then the call would be transferred to ERSGA. For all other DB calls, high level data should be provided (see answer to #10 above).

13. For complex questions on the Defined Benefit would there be an available resource for warm transfers if necessary? Would Georgia be agreeable to provide access to the existing DB portal for all DB participants?

The goal would be a warm transfer and read-only access to the ERSGA DB system.

14. We noticed 53,000 Health and Welfare calls, along with 17,000 enrollment calls on your plan data grid. Regarding the Health and Welfare calls, would there be an available resource for warm transfers if necessary? Participant call volumes located in PSR Stats September 2019 in the appendices, please confirm if the counts are for a six month period (Jan through June) or for a year (July to June)?

The answer here is unknown as this work is currently out for RFP bid. The call counts are for a full twelve-month period, July – June.

INVESTMENTS & FEES

1. Please provide the assets in each investment fund or percentage of total assets.

This information is not pertinent to your response.

2. Please provide the current investment lineup with balances and tickers/cusips.

This information is not pertinent to your response. As noted, no assets are being considered with this proposal and the custodian, JP Morgan, performs all of the services related to pricing. As

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3. What is the current annual fee being charged to participants as a hard dollar amount or in basis points for the overall cost of the program?
Please refer to Section 1 Scope of Services, Investments, Fee Collection, Forfeitures & Trustee/Custodial Services for how fees are currently assessed. Forfeitures currently cover a significant portion of operations.
4. Please provide a list of any ancillary fees that are currently being charged to the plan and or its participants, i.e. QDRO's, financial advice, etc.
QDRO, SDB and financial advice (managed accounts)
5. What are your current transactions fees? Do you wish to retain those?
See the response to #4 above. Yes, ERSGA wishes to retain the above transactions.
6. We see the plan currently has a managed account program. Please provide the total assets in the program today.
About \$239 million.
7. What is the total asset amount in the managed accounts program?
See the response to #6 above.
8. Please provide the amount of assets in the managed account program.
See the response to #6 above.
9. We see the plan currently has a self-directed brokerage account program? Please provide the total assets in the program today.
About \$20 million
10. Please provide the amount of assets in the self-directed brokerage.
See the response to #9 above.
11. Is there a preference for the type of fixed account to be used by the plan (i.e., separate account, GICs, insurance company general account or another type of arrangement)?
This information is not pertinent to your response. As noted, no assets are being considered with this proposal and the custodian, JP Morgan, performs all of the services related to pricing. As noted, no assets are being considered with this proposal and the custodian, JP Morgan, performs all of the services related to pricing.
 - Do you have a stable value product? If yes:
 - ⇒ If the Stable Value fund is a Synthetic Guaranteed Investment Contract, Separate Account, or General Account Product:
 - What is the Stable Value fund market/book ratio?
 - What are the Stable Value fund exit provisions?

- Is this subject to a 12 month Put?
- ⇒ Please provide a minimum of four years of the Stable Value fund cash flow history, including contributions, withdrawals, transfers in and transfers out, example below:

	<u>Contributions</u>	<u>Withdrawals</u>	<u>Transfers In</u>	<u>Transfers Out*</u>	<u>Total</u>
2015					0.00
2016					0.00
2017					0.00
2018					0.00
2019					0.00

- ⇒ Please provide the Stable Value fund year-end balance for the last 4 years.
- ⇒ Please provide the asset demographic data for the Stable Value fund broken down by ages (10 year increments, if possible) as well as by active versus inactive (terminated/retired employees), example below:

Age Range	# of Active Participants	# of Inactive Participants	Total # Participants	\$ Stable Value Balance Active Participants	\$ Stable Value Balance In-Active Participants	Total \$ Balance
<30			0			\$ -
30 - 39			0			\$ -
40 - 49			0			\$ -
50 - 59			0			\$ -
60 - 69			0			\$ -
70 >			0			\$ -
Total	0	0	0	\$ -	\$ -	\$ -

12. Are there any transfer restrictions and/or charges (deferred sales charges, market value adjustments) that will apply upon termination of the current provider's contract? If so, please describe.

This information is not pertinent to your response. As noted, no assets are being considered with this proposal and the custodian, JP Morgan, performs all of the services related to pricing.

This information is not pertinent to your response.

AD HOC COMMUNICATION, EDUCATION & REPORTING

1. Does ERSGA want to continue providing their own in-person educational sessions or would you like the new vendor to handle? If the latter, how many full time reps are currently assigned and how many one-on-one meetings/group meetings are held annually?

ERSGA will continue to provide internal support for in-person sessions but is interested in getting pricing from vendors to help supplement the internal team. Currently there is less than one full time position supporting in-person sessions. ERSGA does not currently offer one-on-one meetings. The vendor support would be for the delivery of group presentations for which slides are already created. Two to four group presentations are done each month.

MEMBER SEARCH SERVICES

1. What is the current process in place for combining the lost member search for ERSGA with that of Alight?

Lost participant searches are currently separate on the DB and DC side.

2. How many participants does ERS (all plans) have that are considered “missing”? Bad Address?

About 39,000.

3. Active and Retired Member counts are provided within the RFP. What volume of term vested does the main ERS Plan have and then the count for all plans?

ERS has approximately 6,300 and all other plans have approximately 5,400 for a total of about 11,700.

GENERAL

1. Who currently provide Plan Document services?

ERSGA with assistance from outside counsel via the AG’s office

2. On Page 21 Q.6 in the RFP, how does the Teachers Retirement System of GA plan differ?

ERSGA is not the Plan Sponsor for the TRS plan but statute permits a vested ERS person to retain ERS membership, even if being hired into a TRS position. The most recent tier of ERS benefit, the GSEPS group, has a 1% of salary times years of service DB benefit plus the 401(k) match. The TRS plan has a 2% times years of service DB benefit with no 401(k) match.

3. What is the unique number of participants between the 401k and 457 plans?

As of June 30, 2019, 6,092 people had a balance in both plans.

4. Please provide the total number of loans outstanding as well as the total number of loans issued in 2018.

PSR does not offer loans.

5. Does the State have any specific reporting requirements?

ERSGA would like to keep its reporting in roughly the same format what is currently done. The attached files include a number of different reports used.



reports.xlsx



Data File Interface
Layout v8.docx

6. Does the sponsor receive any financial reimbursements from the current provider?

This is not pertinent to your response.

7. What were the total contributions in dollars in calendar year 2018 and YTD June 2019?

This is not pertinent to your response.

8. Please provide 2018 annual contributions in dollars.

This is not pertinent to your response.

9. Please provide 2018 annual distributions in dollars.

This is not pertinent to your response.

10. What were the total disbursements in dollars in calendar year 2018 and YTD June 2019?

This is not pertinent to your response. The number of distributions. Below are full fiscal year distribution totals for each plan:

	FY18	FY19
401(k)	13,114	15,257
457	5,224	5,374

11. What is the average percentage of participant volume increase year over year for the defined contribution and pension plans? Refer to chart on page 36.

The count of participants with a balance in PSR continues to increase due to the GSEPS population. Below are the counts for the last three years, as of June 30:

2017 – 68,542

2018 – 72,699

2019 – 76,137

The overall pension population has remained fairly flat the past few years.

12. Does ERS have limitations on where services can be provided from? (offshore vs onshore)

See page 15 of the RFP:

“Contractual Requirements - ERSGA will require the successful Respondent to enter into a contract consistent with its contractual terms and requirements. Respondents are permitted to provide services related to PSR using off-shore personnel; however, these individuals cannot have access to member personal data. Also, per O.C.G.A §50-5-85, the Respondent must not currently be engaged in, and agrees for the duration of the Agreement, not to engage in, a boycott of Israel.”

13. Can you please clarify that the date on page 5 (September 27, 2019) is incorrect. What is the date you would like to receive hard copies?

Proposals are due October 11, 2019 by email with accompanying hard copy postmarked by October 11, 2019.

14. The RFP references a due date of submission on September 27, 2019 as well as a due date of October 11, 2019. Can you please clarify the due date of the RFP?

October 11, 2019