



## **State of Rhode Island Office of the General Treasurer**

### **401(a) Defined Contribution and 457(b) Deferred Compensation Plans**

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### **Request for Proposal to Provide Defined Contribution & Deferred Compensation Services**

Recordkeeping/Administration, Communication/Education,  
Onsite Education, Investment Advisory, Investment  
Management and Custodial Trustee Services

RFP Questions and Answers

## RFP QUESTIONS & ANSWERS

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- 1. Please provide the assets and number of participants enrolled in the Managed Account.**

Managed Accounts are only offered in the 457(b) Plans. Managed Accounts represent approximately \$650k and 22 participants in the TIAA 457(b) Plan, approximately \$1.8 million and 51 participants in the Voya 457(b) Plan, and \$6.4 million and 168 participants in the Fidelity 457(b) Plan.

- 2. Is Managed Accounts offered in the 401(a) plan? If so, please provide the number of participants and asset amount enrolled in Managed Accounts.**

As detailed on page 22 of the RFP, Managed Accounts are not offered in the 401(a) Plan.

- 3. Can you confirm how many payroll feeds are submitted via SFTP?**

In 2022, State of Rhode Island users connected via SFTP 598 times. In addition, they sent 100 SSO/SAML Feed Files and 83 CR or TC Data Files.

- 4. Can you confirm how many payroll feeds are submitted through the employer website?**

137 locations use the plan sponsor site to submit payroll feeds.

- 5. For third party SSO with ERSRI does the website utilize OAuth2 integration pattern?**

We do not use OAuth2 integration pattern. We use SAML 2.0 over TLS/SSL. As an SP we can support signed and encrypted SAML assertions.

- 6. How many full-time dedicated field service representatives currently are assigned to the 401(a) plan? Does the plan feel the current staffing level for the 401(a) plan is sufficient?**

TIAA currently has three financial consultants dedicated to the State of Rhode Island. Two of those financial consultants conduct one-on-one and group meetings on an in-person basis or virtually. In-person meetings occur onsite or at the local TIAA office. The third financial consultant is available to conduct virtual meetings only.

As detailed on page 56 of the RFP, the State is looking for your best ideas for providing services to the Plan. The status quo should not be used as a basis for recommending a servicing model.

- 7. Please provide details about your payroll processing including file types and method of submission.**

The preferred method of our current program manager for transmitting contribution remittance data is Secure File Transfer Protocol (SFTP), but they also accept File Transfer Protocol (FTP) with PGP encryption, or through a secured file upload on PlanFocus. Their preferred contribution remittance layout is SPARK 2.0, which contains all the data elements they need to support the many services offered.

This information is only provided so you know what our organizations use currently. If your option differs from the preferred method please provide detailed information on why this would be beneficial.

**8. In order to properly assess the plan, can you please share their current plan documents.**

Adoption agreements were posted to <https://treasury.ri.gov/open-government/requests-proposals-rfps/open-requests-proposal>.

**9. Can you please provide a copy of the based plan document for the 401(a) and 457(b) Plans?**

Adoption agreements were posted to <https://treasury.ri.gov/open-government/requests-proposals-rfps/open-requests-proposal>.

**10. Please provide the following data for the 457(b) Plan:**

Total Participants w/Balance	
Total Active Participants w/Balance	
Total Termed Participants w/Balance	
Total Eligible Participants	

There are three 457(b) Plans. The information requested above can be found on pages 24 to 32 of the RFP.

**11. What is the average annual employee turnover percentage?**

Based on the varying membership types enrolled in the 401(a) plan, we do not have data on annual employee turnover. From the 2021 Treasury Annual Report we do have data on average length of service per employer type:

State Employees: 14 years  
Public Safety: 12.6 years  
Teachers: 16 years  
Municipal Employees: 12 years

**12. Are there any other retirement plans that are not part of this request for proposal (i.e., nonqualified deferred compensation plans, equity plans, etc.) that would need to be integrated into the participant experience?**

As outlined in the RFP, the State requires that all onsite representatives be able to discuss the State's Defined Benefit Plan's features in addition to the DC component. While we would not expect program manager representatives to be versed on the

other retirement products available to members, they should be aware that municipal employees, teachers, and public safety employees have access to outside retirement accounts via their individual agencies.

**13. For your single sign-on connections (inbound from company intranet, outbound to other benefit provider, etc.) do you want a single benefit portal only, or each location having their own?**

The connection between ERSRI and the vendor is a single benefit portal. Once the vendor has an SSO certificate from ERSRI it will be able to make a connection between a member in the ERSRI system and the account that matches up to the same employee in the 401(a).

**14. Are there any mandatory contractual terms that we need to review for this RFP? If so, please provide.**

The State would look to utilize a contract provided by the winner, agreed to by both parties, including standard provisions provided by the State.

**15. Please confirm if employer email addresses are provided on the payroll file. If not, is this something the state is interested in doing going forward?**

Employer email addresses are not currently on the payroll file. We are also not currently able to accommodate the information.

**16. Please confirm all available employer and personal email addresses will be transferred by the prior recordkeepers at conversion.**

Yes. Various indicative data is provided to new recordkeepers as part of TIAA's deconversion process, including email addresses.

**17. Please provide details of e-delivery utilization for required notices and statements.**

Currently, 58% of participants have a valid email address on file and 35% have elected e-Delivery, for both required notices and statements within the TIAA Plans. In the Voya 457(b) Plan, 1,049 participants have elected for e-delivery. E-delivery utilization is 66% for required notices and 65% for statements for the Fidelity 457(b) Plan.

**18. Is day-to-day plan administration centralized to one office/one person? If not, please confirm total contacts.**

Kimberly Shockley serves as the Defined Contribution Program Administrator/Benefit Compliance Chief within the Office of Rhode Island General Treasurer. Ms. Shockley would serve as your primary contact. Paula Cofone and Mike Sligar, within the Rhode

Island Department of Administration, are also contacts that assist the recordkeepers for the 457(b) plans only.

- 19. You stated that there are 177 locations for the 401a) Plan, where each submit their own payroll files. Can you confirm how many locations there are for the 457(b) Plan and if the submission of payroll files and contact for payroll is centralized to one location/person? Please detail.**

The 457(b) Plan is only relative to one location. Payroll files and contact for this payroll are centralized to one location/person.

- 20. The Service Provider Preference section states that the successful service provider will absorb all the Plans' programming costs to accommodate any changes to its payroll system. If all 177 payroll locations require changes to their system, are you looking for the provider to pay for all expenses at the 177 locations? If not, then what fees are you looking to have absorbed?**

We anticipate based on previous recordkeeper transitions that there will not be an issue with accommodating payroll files.

- 21. Please provide copies of your SOPs and OPS payroll/indicative file formats. What is the difference between the two? Please detail. If not available, please confirm you will use the provider's standard file layouts.**

SOPs and OPS are industry standard formats for employers to provide data to our current program manager. OPS is the base layout and SOPS is normally used by employers who manually create remittance files. They can also be used for corrections. See attachments for examples and instructions.

- 22. For participants in the 401(a) Plan, can they have different contribution files simultaneous from different locations, or do you combine the contributions in one file, before submitting? Please provide details.**

Each org type sends an individual file containing all employee contributions for that org. A member can only be paying in from one location at a time.

- 23. If a location has a small number of participants, is the way they submit their contributions differ then a location that has a larger number of participants?**

Different file types are not based on employer size. Some employers utilize a payroll vendor with a Spark File, others utilize a SOPs or OPS file.

- 24. Who is responsible for calculating employer contributions?**

The employer is responsible for calculating member contributions.

**25. Who is responsible for calculating eligibility?**

The employer is responsible for determining if a member is eligible for the 401(a) or 457(b) plan(s).

**26. Are there any challenges with respect to current day-to-day administration (i.e., employee transfers between classifications, rehires, etc.)?**

We are not aware of any current challenges.

**27. Are there any other plan design changes under consideration besides Roth?**

The legislature is considering a bill that would allow any participating municipality (as defined by RIGL 45-21-2) to elect to offer the state's deferred compensation plan to its municipal employees. The account of any municipal employee who participates in the state 457 plan shall be subject to the same admin, charges, costs, rules, and regs as are applicable to the accounts of the employees in the state deferred comp plan.

**28. For the 457(b), can participants be contributing to more than one vendor? Can participants move their accounts from one vendor to another? Please provide details. If so, how often does this occur?**

Yes, participants can contribute to more than one vendor.

Yes, participants can move their accounts from one vendor to another.

In 2022, there were 12 occurrences of Plan-to-Plan transfers.

**29. If a new vendor is selected and a current vendor is de-selected for the 457b plan will the assets from the de-selected vendor need to move to one of the selected vendors? Is it possible that a participant can choose to leave their current assets as a de-selected vendor?**

If a 457(b) service provider is deselected, the State will make its best efforts for those assets to move to the newly selected provider. However, participants will be given the choice of assets mapping to the new service provider or choosing among the remaining providers.

**30. Please provide information regarding your managed account services at each vendor?**

- Who is the provider?
- Total assets in managed accounts?
- Total participants?

Managed Accounts are only offered in the 457(b) Plans. Managed Accounts represent approximately \$650k and 22 participants in the TIAA 457(b) Plan, approximately \$1.8 million and 51 participants in the Voya 457(b) Plan, and \$6.4 million and 168 participants in the Fidelity 457(b) Plan.

**31. Can you please provide the number of group meetings and one-on-one meetings performed by each vendor annually?**

TIAA conducted 171 one-on-one meetings in 2022. TIAA completed quarterly group meetings in 2022, as well as a benefits fair.

In 2022, Voya conducted 146 group meetings either on site or virtually and 125 individual one on one meetings for their 457(b) Plan.

In the Fidelity 457(b) Plan, the existing agreement includes 57 days of annual onsite meeting days. In 2022, Fidelity offered 15 days with 91 appointments. Of those, 17 appointments were filled. In addition, Fidelity conducted over 200 appointments over the phone. Eleven group events were held.

As detailed on page 56 of the RFP, the State is looking for your best ideas for providing services to the Plan. The status quo should not be used as a basis for recommending a servicing model.

**32. Can you please describe the process for participants to choose the vendor for their 457b plan? Can you please detail the education materials provided to participants for each vendor?**

The State provides information to state employees on all three 457b providers; no one is marketed over another. Currently, the state provides information on the 457b plans to all new state employees at a monthly webinar and markets and allows time for all members to attend webinars from all three vendors. As to other education materials, all 457(b) information is on the Office of Employee Benefits website: <https://employeebenefits.ri.gov/benefit-programs/active-employees/supplemental-benefits/deferred-compensation-plan>

**33. Can the State provide more details regarding the length of the DEI Survey and the amount of time that is given to the provider to complete it (Question 16 on page 40)?**

We have typically given our partners approximately a month to respond to the survey upon issuance. None of our ~100 partners who received the survey expressed concerns related to the amount of time they were given to respond. We expect that most of the requested datapoints are readily available by your firm. The survey includes a variety of questions related to demographic statistics at different levels of the organization (e.g., executive level, total organization, etc.), as well as information related to hiring, attrition, and DEI policies. Our survey provider, Lenox Park, facilitates the process by working with our partners to address any potential areas of confusion.

**34. Could the State provide additional detail on what type of information they are looking to batch on Question 6(a) on page 43? Could an example be provided?**

Currently the state is not importing any data from our recordkeepers.

**35. Please provide the amount of non-mappable assets within the 401(a) & FICA plans by active vs. inactive participants.**

\$30,710,277.62 (as of 2/22/23)

1,608 participants, 988 active

**36. Please clarify the liquidity provisions on the TIAA Stable Value fund for the 401(a) & FICA plans.**

Plan sponsor-directed withdrawals:

The contract cannot be discontinued before the first anniversary of the contract issue date. Thereafter, contract discontinuance proceeds are always paid in a lump sum at book value, without any market value adjustments. Such payment will be made either within 90 days or two years from the discontinuance date. Payment date determination is based on criteria clearly stated in the contract. Such criteria are based on the general movement of interest rates over time. If the two-year payout applies, a discontinuance fee not to exceed 0.75% will be assessed, which reduces the crediting rate during such period.

In the 2-year payout scenario, the crediting rate is reduced by a 75 basis points discontinuance fee. If at any point the declared crediting rate minus the applicable minimum guaranteed crediting rate is less than 75 basis points, then TIAA's system will automatically reduce the 75 basis points on a temporary basis to the point where the declared crediting rate less the temporarily reduced discontinuance fee is equal to the minimum guaranteed crediting rate.

**37. Please provide the unique participant count.**

As detailed on pages 22 and 23 of the RFP, there are 1,578 participants within the TIAA Stable Value Fund within the 401(a) Plan, while there are 5 participants within the TIAA Stable Value Fund in the FICA Plan.

**38. Please provide a minimum of five years of the TIAA Stable Value fund cash flow history, including contributions, withdrawals, transfers in and transfers out from within the 401(a) & FICA plans?**

Example below:

FICA Plan				
YEAR	TOTAL CONTRIBUTIONS	TOTAL WITHDRAWALS	TOTAL TRANSFERS IN	TOTAL TRANSFERS OUT
2018	\$601	(\$2,117)	\$4,465	(\$147)
2019	\$414	(\$1,873)	\$976	(\$1,509)
2020	\$380	(\$66)	\$42	\$0
2021	\$0	\$0	\$695	(\$406)



<b>2022</b>	\$225	\$0	\$1,242	\$0
<b>401(a) Plan</b>				
<b>YEAR</b>	<b>TOTAL CONTRIBUTIONS</b>	<b>TOTAL WITHDRAWALS</b>	<b>TOTAL TRANSFERS IN</b>	<b>TOTAL TRANSFERS OUT</b>
<b>2018</b>	\$1,374,864	(\$595,022)	\$3,495,949	(\$1,121,123)
<b>2019</b>	\$1,215,356	(\$986,946)	\$4,302,128	(\$1,646,068)
<b>2020</b>	\$1,137,699	(\$1,760,258)	\$8,398,693	(\$2,838,145)
<b>2021</b>	\$844,711	(\$2,548,291)	\$5,858,541	(\$4,033,725)
<b>2022</b>	\$1,334,960	(\$3,503,606)	\$13,261,540	(\$3,081,148)

**39. Please provide the TIAA Stable Value funds year-end balance for the last 5 years within the 401(a) & FICA plans.**

<b>Date</b>	<b>401(a) Plan</b>	<b>FICA Plan</b>
December 31, 2022	\$30,546,208	\$4,211
December 31, 2021	\$21,978,232	\$2,788
December 31, 2020	\$21,379,978	\$2,542
December 31, 2019	\$15,962,202	\$2,241
December 31, 2018	\$12,756,677	\$4,293

**40. Please provide the asset demographic data for the TIAA Stable Value fund within the 401(a) & FICA plans broken down by ages (10-year increments, if possible) as well as by active versus inactive (terminated/retired employees), example below?**

<b>Age Range</b>	<b># of Active Participants</b>	<b># of Inactive Participants</b>	<b>Total Participants</b>	<b>\$ Stable Value Balance Active Participants</b>	<b>\$ Stable Value Balance In-Active Participants</b>	<b>Total \$ Balance</b>
<30	10	5	15	\$25,971.33	\$1,719.51	\$27,690.84
30 - 39	95	18	113	\$961,722.50	\$124,978.78	\$1,086,701.28
40 - 49	239	30	269	\$3,570,259.08	\$217,406.87	\$3,787,665.95
50 - 59	444	43	487	\$7,377,309.46	\$670,012.36	\$8,047,321.82
60 - 69	360	208	568	\$8,182,560.16	\$3,827,212.66	\$12,009,772.82
70>	35	119	154	\$1,194,023.41	\$2,725,152.24	\$3,919,175.65
Grand Total	1,183	423	1,606	\$21,311,845.94	\$7,566,482.42	\$28,878,328.36

**41. May a provider bid solely on the 457(b)?**

Yes.

**42. Can you confirm all assets in the 401(a) plans are mappable to the new provider with the exception of the TIAA Stable Value fund (roughly \$29.8M as of 9/30/2022)? If so, it appears the TIAA Stable Value is subject to liquidity within**

**90 days or two years from discontinuance date. Can you clarify which payout option is likely?**

Yes, all assets mappable except TIAA Stable Value. Two-year discontinuance is most likely. In the 2-year payout scenario, the crediting rate is reduced by a 75 basis points discontinuance fee. If at any point the declared crediting rate minus the applicable minimum guaranteed crediting rate is less than 75 basis points, then TIAA's system will automatically reduce the 75 basis points on a temporary basis to the point where the declared crediting rate less the temporarily reduced Discontinuance Fee is equal to the minimum guaranteed crediting rate.

**43. If the State selects a new lead recordkeeper on the 457(b) plan, are there assets that would convert from the other providers? If so, can you share the amounts available for conversion?**

There is not a lead recordkeeper on the 457(b) Program. As detailed in the RFP, pursuant to Rhode Island General Laws (R.I.G.L.) §36-13-1(b), the State is required to maintain three vendors in the 457(b) program. If a 457(b) service provider is deselected, the State will make its best efforts for those assets to move to the newly selected provider. However, participants will be given the choice of assets mapping to the new service provider or choosing among the remaining providers.

**44. We understand multiple employers submit their own payroll files to the 401(a) recordkeeper. In instances where there are a large number of payrolls, we have seen clients engage a TPA to aggregate the indicative data and contributions into a single file to send to the recordkeeper. Is this something the State has considered and would agree to support?**

Please provide information on this service as well as any costs associated with it. It is not how we currently manage our payroll files.

**45. Are there any plans to consolidate payrolls for the 401(a) plan?**

Not at this time.

**46. Can you share more about the compliance monitoring software and procedures currently in place for the 401(a) plan? Is the current provider ensuring employers are sending the anticipated contributions, both mandatory and employer, to the plan? Is the reporting available online for the sponsor to view, completed on a per payroll basis? What other compliance functions is the current provider supporting?**

As provided by TIAA, the current service uses the State's employer and employee data and plan rules to:

- Capture employee-elected salary deferrals
- Provide the State with a feedback file and reports, which includes forecasts for contribution amounts that the State will need to complete its contribution processing

The reporting is provided online through the provider's plan sponsor website.

Upon receipt of information from a plan sponsor or designated third-party provider in the form of a Census/Remittance file, steps to ensure compliance include:

- Upon receipt, a preliminary audit is performed through data validation engine in Good Order, so the data is readable, fields are mapped correctly, and Social Security numbers are present and valid.
- The Good Order validation engine is defined based on the services the [plan sponsor](#) adopts and validations include those across all downstream applications.
- The Good Order process creates a [more](#) streamlined remittance processing workflow, reducing multiple file validations due to the multiple downstream systems.
- This system also decreases data issues in the provider's systems because validations are performed upon file receipt.
- Additional edits are also made to help ensure the aggregate contributions are within compliance limitations.
- Files are then uploaded into the provider's recordkeeping system.
- Negative contributions are split out from positive contributions and processed separately in the recordkeeping system
- Once processed, the contributions are posted and allocated in an overnight batch, and contribution data is reflected on the participants account and the plan sponsor website the next business day.

The State is currently provided compliance support in all areas of plan design documentation. During the conversion, the provider worked closely with the State to:

- Set up the plans on the provider's recordkeeping system in accordance with plan provisions
- Provide the proper formats and data elements related to the contribution remittance process
- Keep the plan operating in compliance with all legislative and regulatory requirements

On an ongoing basis, the provider's relationship manager assesses the plan, consults on its design, and recommends and helps implement any plan amendments, and monitors overall plan administration, including any compliance issues. In addition, additional support is provided through:

- Articles on the plan sponsor site and in a quarterly newsletter about highlighting fiduciary and administrative requirements and federal and state legislative and regulatory developments
- Legislative alerts, including technical bulletins on public policy, legislative and regulatory developments – e.g., the proposed SEC Regulation Best Interest, the vacated Department of Labor (DOL) fiduciary regulation, and ongoing IRS and DOL audit programs – and their impact on defined contribution plans
- Callout boxes on the plan sponsor site that bring attention to important updates

- Analytical reports on current events
- Email communications

**47. Does the 401(a) file to ERSRI have to be shared via an API or would a daily file via EDT be acceptable? Are there data elements beyond balances that need to be included on the file?**

ERSRI prefers API. We would discuss with the winning vendor what data beyond balances can be provided.