

June 29, 2015



Indiana Public Retirement System

Recordkeeping and Annuity Services
Request for Proposal

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1 Introduction

1.1 The Indiana Public Retirement System (INPRS or the System) is pleased to invite proposals from your organization for (i) plan administration services, (ii) annuity services, or (iii) plan administration and annuity services. This document provides an introduction to the process and instructions to complete this Request for Proposal (RFP). INPRS will be assisted throughout the procurement and implementation process by our strategic consultant, Callan Associates (Callan).

Objectives

Recordkeeping

INPRS is seeking a formal written proposal from qualified recordkeepers. To be eligible for consideration, the recordkeeper must be qualified to administer and maintain accounts and records of plans that meet the requirements for qualification under Section 401(a) of the Internal Revenue Code applicable to governmental plans that are eligible defined benefit and defined contribution plans.

INPRS seeks to achieve the following objectives through the search process:

- Identify the most qualified Recordkeeper to deliver recordkeeping administration as well as participant and plan sponsor services.
- Identify a Recordkeeper whose costs are reasonable and commensurate with the services that are being provided.
- Identify a Recordkeeper with the flexibility to meet the INPRS' and members' current and future needs.
- Identify a Recordkeeper whose quality assurance practices are able to ensure that each of the plans managed by INPRS is administered in accordance with applicable statutes, administrative rules, and plan administrative documents.
- Ascertain which Recordkeeper best meets the INPRS' service needs.
- Identify a recordkeeper with excellent financial strength and the ability to serve as a long-term partner to INPRS.

Annuity Services

INPRS is soliciting proposals from all qualified firms who wish to be considered as a vendor to provide tax-qualified, single premium, immediate annuities for all eligible members who elect to purchase an annuity upon retirement election from a plan or fund administered by INPRS, such purchases being as frequent as daily to fulfill members' withdrawal requests.

INPRS seeks to achieve the following objectives through the search process:

- Identify the most qualified annuity provider.
- Identify an annuity provider that provides competitive rates.
- Identify an annuity provider that is willing and able to partner with INPRS and its vendors to integrate call center and web services to assist with the annuity purchase and retirement planning process for members.
- Identify an annuity provider with excellent financial strength and the ability to serve as a long-term partner to INPRS.

Contact Information

Callan has been engaged to manage the bidding process for INPRS. In connection with this RFP process, you should not solicit or attempt to solicit information directly from INPRS, its staff, or Board of Trustees. Upon

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release of the RFP, all candidates should not be in direct contact with INPRS or its staff on matters regarding this search.

Primary contact information is as follows:

Ben Taylor	Callan Associates 600 Montgomery St. Suite 800 San Francisco, CA 94111	503-308-8875	taylorb@callan.com
With Copy to: Stan Lanman	Procurement Officer INPRS One North Capitol, Suite 001 Indianapolis, IN 46204	317-233-4120	slanman@inprs.in.gov
ProposalTech Support	Proposal Technologies 4000 Barranca Pkwy # 250 Irvine, CA 92604	877-211-8316	support@proposaltech.com

2 Instructions and Timeline

2.1 Scope

The RFP requires responses from you in THREE parts, which are described below:

1. **General Questionnaire:** Your responses to the Callan 2015 Recordkeeping Questionnaire will be used for general questions. You will need to indicate which market segment (core, large, or mega) of the questionnaire is applicable to the System. The annual questionnaire will be re-opened so that candidates may review and change their responses as necessary.
2. **INPRS Custom RFP Questionnaire:** Your response to the RFP Questionnaire should provide answers that are tailored to the required services for INPRS. Some questions may be duplicates of questions in the general questionnaire that require more in-depth explanations applicable to the recordkeeping and administration of the System.
3. **Pricing/Fee Matrix:** Your required fees are to be included in the Fee Matrix found in ProposalTech.

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Timeline:

ACTIVITY	EXPECTED DATE
Release RFP	June 29, 2015
Initial Discovery Questions Due	July 10, 2015 3:00 PM EDT
Pre-Bid Conference Call - Recordkeeper	July 20, 2015 9:00 AM EDT
Pre-Bid Conference Call – Annuity Providers	July 20, 2015 1:00 PM EDT
Respondent’s Final Discovery Questions Due	July 24, 2015 3:00 PM EDT
Answers to Discovery Questions Published to Proposal Tech	August 3, 2015
RFP Online Responses Due	August 21, 2015 3:00 PM EDT
RFP Hardcopy Responses Due	August 28, 2015 3:00 PM EDT
Finalist Selection – Notification of Finalist	Week of October 19, 2015
Finalist Presentation in Indianapolis	October 26 – December 4, 2015
On-site Visits to Vendor Locations	October 26 – December 4, 2015
Selection of Vendor(s)/Award Notification	Mid December 2015
Conclude Letter of Intent for Implementation and Contracting Begins	Late December 2015
Recordkeeper Plan Conversion (if applicable), Annuity Provider Implementation (if applicable)	December 31, 2016

The System conversion date indicated above is a no-sooner-than date as the series of plans to be implemented have many unique features in addition to the impact of recent legislation to be considered. Annuity implementation date is also a no-sooner-than date. INPRS recognizes the potential complexity of services addressed by this RFP and wants to ensure these implementations are well planned and executed, with full benefits realization to INPRS members and enhancement to current operations. Requirements around implementation plans submitted in response to this RFP are addressed in a later section of this RFP along with the Callan 2015 Record Keeping Questionnaire, and should be reflective of the uniqueness of the INPRS plans, and the mix of services being requested in this RFP.

Pre-Bid Conference Calls

Pre-bid conference calls will take place as follows:

- recordkeepers – July 20, 2015 9:00 AM EDT
- annuity providers - July 20, 2015 1:00 PM EDT The conference call number is 317-759-5511 with code 97199#

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Please submit questions ahead of time to the email addresses in the primary contact block above. Submitted questions will be answered on the call first if a response is ready. Other questions will be answered on the call if possible; otherwise questions that are not answered will be addressed in the formal discovery question process.

Discovery Questions

Each respondent will be given until **3 pm EDT on July 24, 2015** to submit questions related to the RFP, the System, service requirements, operational environment, transition needs, etc. Questions should be submitted to Ben Taylor at Callan via email: taylorb@callan.com with a copy to Stan Lanman at INPRS via email: slanman@inprs.in.gov. A response to the questions will be posted on INPRS' web site: <http://www.in.gov/inprs/quoting.htm> by **August 3, 2015**.

RFP Responses

Responses should be submitted in hard copy in addition to the online format provided by ProposalTech.

Online RFP responses will be due by 3 PM EDT on August 21, 2015. Additionally, one (1) hardcopy proposal should be submitted to Ben Taylor of Callan Associates to be received by **August 28, 2015 and two (2) hardcopy proposals should be submitted to Stan Lanman at the following address:**

Stan Lanman
Procurement Officer
Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204

Finalists Presentations - Indianapolis

Finalists will be invited to present at the INPRS' offices in Indianapolis, between October 26th and December 4th, 2015. Please note these on your calendar, but note these dates are subject to change.

On-Site Visits at Finalists' Location

On-site visits at the Finalists' locations are expected to occur between October 26th and December 4th, 2015. Please note these on your calendar, but note these dates are subject to change.

Conversion Recordkeeper and Annuity Provider Implementation

INPRS intends to complete the plan conversion to the recordkeeper (if applicable) and annuity provider implementation (if applicable) by **December 31, 2016**.

Recordkeeper Selection Criteria

INPRS' RFP evaluation team expects to make a recommendation to its Executive Director on the selection of a Recordkeeper based on the following evaluation criteria, listed in no particular order:

- Organizational stability
- Experience with plan administration for plans of a similar size and complexity
- Services in line with specifications
- Strong compliance and oversight with rigorous controls
- Robust reporting capabilities
- Flexibility in meeting plan needs
- Proven experience in working with multiple payrolls and systems

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- Technical DC knowledge and skills
- Experienced and client-focused servicing team
- Availability and demonstrated leading edge products and services
- Strong communication capabilities with ability to customize
- Strong data security & disaster recovery
- Investment flexibility
- Ability to recordkeep existing fund lineup
- Ability to work with external custodian (Bank of New York Mellon), including potentially using Bank of New York Mellon for disbursement services
- Ability to support INPRS field representatives with materials without using a recordkeeper field force
- Ability to build an automated link to the selected outsourced annuity provider for the plan
- Fee transparency
- Reasonable fees
- Ability to convert by the desired date
- Ability to demonstrate services that drive customer satisfaction and create a seamless and effortless experience for our customers
- Ability to serve as the master source of demographic records for the System, including name, address, contact information, and communication preferences
- Best in class participant and plan sponsor web services
- Capabilities to offer disbursements via debit cards

3 Disclosures and Stipulations

3.1 Data

Questions regarding this material should only be directed to the contact(s) at Callan listed above. You should not solicit or attempt to solicit information directly from INPRS, its Trustees or its staff. Any breach of these communication requirements may result in disqualification of your organization from the selection process.

All responses to the RFP will become the property of INPRS. Additionally, INPRS reserves the right to disclose information in the RFP internally and with their professional vendors and advisers and for purposes of evaluating the responses.

Respondents are advised that materials contained in proposals are subject to the Indiana's Access to Public Records Act ("APRA"), IC 5-14-3 et seq., and, after the contract award, the entire RFP file may be viewed and copied by any member of the public, including news agencies and competitors. Respondents claiming a statutory exception to APRA must place all confidential documents (including the requisite number of copies) in a sealed envelope clearly marked "Confidential" and must indicate in the transmittal letter and on the outside of such envelope that confidential materials are included. The Respondent must also specify the applicable statutory exception. If the Respondent does not specifically identify the statutory exception(s), INPRS will NOT consider the submission confidential. Furthermore, if INPRS does not agree that the information designated is confidential under one of the disclosure exceptions to APRA, it may either reject the proposal or consider the merits of the proposal without honoring the confidentiality requested. INPRS does not accept blanket confidentiality exceptions for the totality of the proposal. INPRS does not consider pricing to be confidential information. INPRS reserves the right to make determinations of confidentiality. Any objection to INPRS' confidentiality determination may be raised with the Indiana Public Access Counselor.

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Right of Acceptance

INPRS reserves the right to accept a proposal other than that which is the lowest priced, to accept or reject any proposal in whole or in part, and to reject all proposals with or without notice or reasons. The issuance of this RFP does not obligate INPRS to accept any of the resulting proposals. INPRS may negotiate with multiple proposers during the course of this process. INPRS reserves the right to modify or discontinue the procurement process at any time or to modify or extend the deadlines noted above, and makes no commitments, implied or otherwise, that this process will result in a business transaction with one or more proposers or other parties.

In the event that a proposer is selected during this process and that subsequent negotiation with that proposer results in failure to reach agreement on significant contractual issues, INPRS reserves the right to resume negotiations with other proposers at any time.

The agreement with the finalist selected by INPRS, when and if awarded, may not be subcontracted or assigned in part or whole to another party by the proposer without prior written permission of INPRS.

INPRS will not be liable under any circumstances for any expenses incurred by any proposer in connection with the RFP, including, but not limited to preparation, submission and travel-related costs.

If the finalist is not the incumbent Recordkeeper, INPRS shall not pay nor reimburse the finalist for any fees, costs or expenses incurred during the transition by the Recordkeeper or in assuming the responsibilities thereof.

Respondent's Modification and Withdrawal of Proposal

The respondent may, without prejudice to itself, modify or withdraw its proposal by written request, provided that the request is received by Callan prior to the proposal due date and time by which the proposal is required to be submitted. Following withdrawal of the proposal, respondent may submit a new proposal, provided that such new proposal will be received on or before the proposal due date and time.

INPRS may modify any provision(s) or part(s) of the RFP documents at any time prior to the Recordkeeper selection. Respondent actively participating in the selection process at the time modifications are made will be notified of the modifications and will be given an opportunity to respond with changes to any previously submitted proposal.

News Releases

If any respondent is selected to provide services to INPRS, news releases or any public disclosure related to the relationship between the proposer and INPRS and any reference to INPRS as a client must be approved by INPRS prior to any contact with the media.

Contract Terms and Conditions

If awarded a contract, the Recordkeeper will contract under the terms contained within the Sample Contract, see Exhibit A.

Rights Reserved

In order to serve the best interests of the Plan and its members, INPRS reserves the right to:

1. Postpone or cancel this RFP upon notification to all proposers.
2. Amend the specifications after their release with appropriate notice to all proposers.

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3. Request proposers to present supplemental information clarifying their proposal, either in writing or in formal presentation.
4. Ask for a best and final offer from all finalists.
5. Waive or modify minor irregularities in proposals received after prior notification to the proposer.
6. Reject any and all proposals received in response to this RFP.
7. Negotiate with the next highest rated proposer if negotiating a contract with the selected proposer cannot be accomplished within an acceptable time frame. No proposer will have any rights against INPRS arising from such negotiations.
8. Make any payment contingent upon the submission of specific deliverables.

Assurances

The proposer agrees that it will perform all of its obligations in the resultant contract in accordance with all applicable federal, state and local laws, regulations and policies now or hereafter in effect. The proposer affirms that the terms of the RFP and the attachments do not violate any contracts or agreements to which it is a party, and that its other contractual obligations will not adversely influence its capabilities to perform under the contract.

Contract Negotiations

INPRS' selection of the finalist Recordkeeper and/or annuity provider is subject to the negotiation of a mutually acceptable service agreement based on a form of agreement prepared by INPRS' legal counsel.

Proposal Life

All proposals made in response to this RFP must remain open and in effect for a period of not less than 180 days after the due date specified above. Any proposal accepted by INPRS for the purpose of contract negotiations shall remain valid until superseded by a contract or until rejected by INPRS.

Conflict of Interest

Proposers may be requested to provide evidence that the award of the contract from this RFP will not result in a conflict of interest with regard either to other work performed by the contractor, or to potential conflict of interest among specific contractor staff or subcontractors.

Information Security:

All data or files related to the INPRS plan shall remain physically or electronically stored only within the United States or U.S. territories or possessions.

INPRS engages with vendors committed to data security including protection of stakeholders' Personally Identifiable Information (PII) and who are fully involved with all of INPRS' security programs.

4 Plan Sponsor Information

4.1 Organization Background

INPRS was established by statute in 2011 as an independent body corporate and politic. The system is not a department or agency of the state but is an independent instrumentality exercising essential government functions. INPRS was established by legislation to manage the retirement funds of certain public employees throughout the State of Indiana. INPRS administers ten retirement plans including:

- Public Employees' Retirement Fund ("PERF Hybrid Plan")

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- Public Employees' Retirement Fund ("PERF ASA Only Plan") - there are two money types to track within this plan
- Teachers' Retirement Fund Pre-1996 Account ("TRF Pre-1996")
- Teachers' Retirement Fund 1996 Account ("TRF 1996")
- 1977 Police Officers' and Firefighters' Pension and Disability Fund ("1977 Fund");
- Judges' Retirement System ("JRS");
- State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan ("EG&C Plan");
- Prosecuting Attorneys' Retirement Fund ("PARF")
- Legislators' Defined Benefit Plan ("LEDB Plan")
- Legislators' Defined Contribution Plan ("LEDC Plan")

These 10 funds (PERF (to include re-employed), PERF ASA Only, TRF Pre-1996, TRF 1996, (TRF re-employed), 1977 Fund, JRS, EG&C Plan, PARF, LEDB Plan, and LEDC Plan) are managed separately and administered by INPRS. For additional information regarding INPRS and the funds detailed above, please access: <http://www.in.gov/inprs/>.

A copy of INPRS' FY2014 Comprehensive Annual Report (CAFR) may be reviewed at <http://www.in.gov/inprs/annualreports.htm>

Role

INPRS is responsible for receiving contributions from participating employers and members, investing those funds in a prudent manner, and paying benefits to qualifying members of the ten retirement funds. Services offered are fairly uniform across each of the ten funds, with certain exceptions based on the provisions that govern the specific plan.

Retirement benefits are based on creditable service and consist of a defined benefit pension plus an Annuity Savings Account ("ASA") for PERF, TRF Pre-1996 and TRF 1996 only. The defined benefit pension is a lifetime monthly retirement benefit funded by employers. The ASA is an individual account funded by a mandatory contribution from either the member or employer. Members may also choose to make voluntary pre- and/or post-tax contributions to the ASA.

HEA 1466 enacted in May, 2015 establishes that beginning January, 2016 political sub-division employers within PERF may elect to offer ASA-Only, Hybrid, or both plans to new hires in July, 2016 and forward. There will be no change to the plan for state public employees. The legislation will allow additional employer flexibility in establishing the percentage of funds paid to the member ASA and allows an optional matching component. INPRS is currently designing a roll-out of the program.

Member Base

PERF's member base includes PERF, 1977 Fund, JRS, EG&C Plan, PARF, LEDB Plan and LEDC Plan. PERF and the 1977 Fund are both multiple-employer retirement plans with a total of approximately 1,200 participating employers statewide. All other plans administered by PERF are plans sponsored by a single employer: the State of Indiana.

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TRF Pre-1996 and TRF 1996 provide benefits to members from about 365 participating employers. Defined benefit funding for members hired before July 1, 1995 (TRF Pre-1996), is on a “pay as you go” basis, and allocations for benefits are appropriated annually by the legislature. For members hired on or after July 1, 1995 (TRF 1996), individual employers fund the benefits with actuarially determined contributions.

As of December 31, 2014, there were over **237,000** active employees participating in the System alongside over **63,000** inactive employees with balances. As of that date, records of assets in the System kept by the recordkeeper were approximately **\$5.7 billion**.

The following organizations currently provide administrative, custodian, and consulting services to the System:

Recordkeeper:	Xerox
Custodian/Trustee:	Bank of New York Mellon
Managed Account:	None
Independent Consultant:	Callan Associates, Inc.
ASA Consultant	Capital Cities, LLC

A copy of the System Assets and Members by Manager and current investment options is attached as Attachment 2.

The System has several key features that can give rise to some complexity in administration. As part of this bid process, INPRS will seek to simplify plan administration as much as possible, with the goal of automating key processes to the maximum extent possible while maintaining or raising customer service levels for members. A brief summary of some of the key complexities of the System is below.

Payroll Frequency

There are currently four files processed daily, as well as certain other files for other aspects of administration that are processed weekly and monthly. Payrolls are also processed daily, for potentially up to 13 plans. (PERF, PERF Re-employed 1, PERF Re-employed 2, PERF Re-employed 3, TRF PRE 96, TRF 96, TRF Re-employed, PARF, JUDGES, 77 FUND, EG&C, LE AND ASA ONLY) INPRS strongly desires a recordkeeping solution that consolidates the file structures to the extent possible, utilizing the same file format. Further, the file structure will optimally permit INPRS to pass along changes to demographic information on daily file feeds for items such as direct deposit information, beneficiaries, and so forth.

Dedicated Call Center Structure and Two-Tier Call Center Structure

There are two aspects of the call center operations for INPRS that are unique – (i) the operation of a local call center dedicated solely to the plan, operated and staffed by Xerox, and (ii) a call transfer and data-sharing structure with an INPRS-staffed and operated call center that answers questions related to the total benefit system.

We are looking for respondents to provide recommendations that will create a call center operating structure that is conducive to maximizing positive member experience. We want to leverage technologies and a customer-centric service model that will propel our members experience forward beyond what they experience today. Focus needs to include, but not limited to:

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- Pros/cons of having dedicated staff versus non-dedicated staff;
- Details of your training and quality management programs;
- How, if at all, do you integrate customer satisfaction results into your quality management program;
- Details of your escalation process;
- How a respondent would ensure that people, processes, and technologies would be aligned to deliver consistent experiences across all communication channels;
- Seamless integration of communication channels;
- The proposed management infrastructure;
- Abilities to collect data and use it for predictive purposes;
- Demonstrations on defining and tracking first call resolution;
- Telephony platform and plans for the future;
- Ways CRM system(s) are being used to enhance member experience;
- Demonstrated work force management technologies and methodologies; and
- Abilities to share telephony and other technologies with INPRS.

INPRS would also like to know if the respondent has a call center model(s) where the recordkeeper aligns with an annuity service provider. If so, INPRS would like to know how that business model is arranged.

Unique Plan Provisions

There are many unique plan provisions that require administration, some of which are:

- As detailed elsewhere, distributions arise via an “Intent To Retire” process, which also includes designating a “Last Day in Pay”. This process includes many steps for benefits initiation and calculation by INPRS, and internal asset transfers prior to distributions from the ASA balances.
- Multiple year inactive processes – there are different standards and rules relating to vesting and benefit accrual related to members that are inactive for 2, 5, 7, and 10 years, respectively.
- There is a special three year death and beneficiary inactive process that may deviate from standard beneficiary processing.
- As part of retirement, there are basis recovery calculations conducted by INPRS related to assets from before and after 1986. This requirement also links defined benefit pension benefits to distributions from the ASA accounts.
- There are, at times, trailing contributions that require either distribution, or reamortization into annuity payment streams.
- Members eligible for PERF ASA Only plan have a 60-day window to elect ASA Only or they remain in PERF Hybrid.
- ASA Only members vest at 20% a year. If they terminate employment prior to becoming 100% vested, (five years of continuous employment) the unvested portion of the employer contribution is forfeited back to the DB unfunded liability. Forfeitures made under this scenario are not eligible to go back into the member’s account if the member re-employs.
- Manual processing is currently required for a number of processes, and a list is included in Attachment 3 Manual Processing Volume List to indicate volume. The most common manual processes include:
 - Requests to sweep assets into a temporary account during the retirement process
 - Processing trailing payments
 - Rollover Saving Account processing via email direction
 - Weekly file processing scheduling/modifications
 - Manual updates to the tax basis
- Although rare, there are times when a member’s annuity balance is used to offset an overpayment. This requires the agreement of the member and / or beneficiary as the case may be.

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- The PERF \$180 minimum benefit does not use the value of the ASA annuity (if any) in the determination of the minimum benefit amount.
- The TRF minimum benefit does use all benefit payments from TRF, other state sources, and SSA in determining the minimum benefit amount and the minimum supplemental benefit amount under IC 5-10.4-6-4 & 5.
- The PERF and TRF \$180 disability minimum benefit does not use the value of the ASA annuity (if any) in the determination of the minimum benefit amount.
- The minimum death amount provision does require that the ASA payments be taken into account along with any pension payments in determining the minimum death payment amount.
- The Social Security Integration option does not require that the ASA annuity (if any) be taken into account in determining the benefit reduction at age 62.
- The Basis Recovery determination does require that the ASA basis recovery (if any) be coupled with the pension benefit to determine the tax basis. Basis Recovery explanation and charts are an appendix to the TRF and the PERF Summary Plan Provisions documents.
- The 1977 Police and Fire Fund has special taxation reporting provisions. Charts with annotations are attached to the Summary Plan Provisions document for the 1977 Fund.

Background Related to the ASA and Annuity Services

Retirement benefits for the three largest funds (PERF, TRF Pre-1996 and TRF 1996) consist of two components: a pension benefit and an Annuity Savings Account (ASA). LRS retirement benefits consist of Legislators' Defined Benefit Plan (LEDB Plan) and the Legislators' Defined Contribution Plan (LEDC Plan). The other smaller funds include pension benefits and "employee accounts".

Pension Benefits

The pension benefits are paid as a lifetime monthly benefit, funded entirely by employers at no cost to the member. Generally, members are vested in the pension benefit upon ten (10) years of creditable service in PERF or TRF covered employment (certain elected officials are vested in 8 years); 20 years of covered service for the 1977 Fund, 8 years of covered service for JRS, 15 years for the EG&C Plan, 8 years for PARF, 10 years for the LRS LEDB.

This RFP does not request any services relating to the pension benefits administered by INPRS, with the following potential exceptions:

- 1. If disbursements are performed by the recordkeeper rather than Bank of New York Mellon, disbursements may be performed for the entire System.**
- 2. In some cases, member service credit purchases may be made, which will potentially involve pension benefit calculations.**
- 3. Assistance with tax-basis calculations may be requested to streamline the retirement process.**

Annuity Savings Accounts

In 1955, the ASA accounts were established to serve as a supplement to the pension benefit at retirement (i.e., hybrid plan). Within the ASA there are two types of contributions – mandatory and voluntary. The mandatory portion can be paid by the employer, the employee or shared by both. State law requires that three percent (3%) of an employee's gross wages (i.e., regular and overtime pay) must be contributed to fund the ASA. The voluntary portion (up to 10%) is optional and available to members who work for an employer who participates in the voluntary contributions program, is credited with 5 years of service, and is within their 2 year election window. Members are vested in the ASA immediately and contributions are credited to an individual account in the member's name.

In 2012, the IRS approved the ASA Only Plan as an optional election for state public employees and the plan went into effect on March 1, 2013. The employee contribution is at 3%, and the State contributes to the ASA

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Only Plan. There is no defined benefit component to this election, and a member is 100% vested in his/her contributions and vests at 20% per year with full vesting at 5 years on employer contributions.

Investments in the ASAs, are individually directed and controlled by plan members who direct the investment of their account balances among a specified investment menu.

Members are also permitted to roll over from any of the following into their ASA, (i.e., Rollover Savings Accounts or "RSAs"):

- A qualified plan described in IRS Section 401(a), 403(a) an annuity contract or account described in Section 403(b).
- An eligible plan maintained by a state or political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state under IRS Section 457(b).
- An Individual Retirement Account (IRA) described in IRS Section 408(a) or 408(b).

A member may be eligible to withdraw their ASA, or RSA balance once he/she separates from service.

Upon retirement, members can withdraw their ASA or RSA balance in a lump sum distribution, they can defer or they can convert their balance into an annuitized amount.

This RFP concerns services solely relating to the annuity retirement option of a member's Annuity Savings Account (ASA), and Rollover Savings Account (RSA) balances.

The following chart shows the funds that would be applicable to this RFP:

Fund	ASA	ASA Only	RSA
PERF	x	x	x
TRF Pre-1996	x		x
TRF 1996	x		x
LEDC Plan	x		x

For a table of actual Annuity Purchase Volume, please see Attachment 4.

PERF and TRF currently offer a variety of annuity options available upon retirement for members (and for eligible survivor beneficiaries¹) that are internally managed and administered. Currently, if a member or eligible survivor chooses to annuitize the ASA, the total benefit is the state pension benefit plus the annuity paid in monthly installments. Historically, approximately 50% of INPRS retirees, or \$200 million per year, convert their ASA balance to a lifetime monthly annuity, with an average account balance of \$60,000.

After the annuity provider sought in this RFP (request for proposal) is providing services, this will no longer be the case, and all annuities provided from the ASA balances are expected to be funded through the newly selected vendor. Below is a brief description of the retirement election process and options.

Retirement Option Election

Unless one of the express statutory exceptions exists,² a member may not change his or her retirement options

¹ IC 5-10.2-3-7.5; IC 5-10.2-3-7.6; IC 5-10.2-3-8; IC 5-10.2-3-9

² IC 5-10.2-4-7 & IC 5-10.2-4-7.2

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election after the first day of the month in which the benefit payments are scheduled to begin. For purposes of this rule, it is immaterial whether a benefit payment has been sent, received, or negotiated.

ASA or RSA Options Upon Retirement

PERF and TRF use different option names, but they are generally substantively the same. Members can elect various payout options such as rollover, partial payout, deferral, or a combination of these. The following ASA and RSA annuitization options are available to a member or survivor at retirement:

5 year certain and life³

Straight life⁴

Modified cash refund + 5 year certain⁵

100% Survivor benefit⁶

66 2/3% Survivor benefit⁶

50% Survivor benefit⁶

Upon certain life change events (i.e., if a survivor dies or if the member remarries), there may be changes to the member's monthly annuity amount. The complete list of options for members at retirement is as follows:

Option 1 – Annuitize full amount of ASA

Option 2 – Pay full amount of ASA directly to member

Option 3 – Direct Rollover

Option 4 – Partial rollover with remainder of balance paid directly to the member

Option 5 – Complete reinvestment of ASA (defer entire ASA amount until a later date)

Option 6 – Partial reinvestment of ASA (defer all but pre-86 balance until a later date)

Option 7 – Annuitize ASA amount with pre-86 portion paid directly to the member.

Scope of Services

The objective of the RFP is to solicit bid proposals to provide tax-qualified, single premium, immediate life annuities for all eligible retired and/or separated INPRS members. It is expected that one or multiple contracts will be awarded.

The firm and/or manager must:

1. Provide, at a minimum, six types of immediate life annuity with or without cash refund:
 - a. Fixed and variable single life annuities
 - b. Fixed and variable joint with spouse annuities
 - c. Fixed and variable joint annuity with a survivor other than a spouse
2. Have minimum credit ratings of AA-/Aa3.
3. Be well-capitalized and have minimum total firm assets of \$100 billion.
4. Be licensed and insured to provide such service in all 50 states of the United States.
5. Agree to comply with INPRS' Investment Policy Statement, and as may be amended from time to time.

³ IC 5-10.2-4-7(b)

⁴ IC 5-10.2-47(b)(2)

⁵ IC 5-10.2-4-7(b)(4)

⁶ IC 5-10.2-4-7(b)(1)

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Investment services that utilize a separate account structure will also require a Sudan and Terror States compliance screen as defined in IC 5-10.2-9 and IC 5-10.2-10 and performed by a vendor on INPRS' behalf.

Selection criteria include, but are not limited to, highest yield per dollar invested, lowest fee/expense, and prior experience with public pension plan in transitioning accounts, similar to ASA, to annuity.

5 Description of the System

5.1 Summary of the System

The purpose of this recordkeeper search is to hire a single Recordkeeper to administer the Plan and to have the System under the selected Recordkeeper by January 1, 2017. The System is currently recordkept by Xerox.

ProposalTech Attachments

In addition to the information provided in this document, the following resources have been made available to you through the ProposalTech system.

- Attachment 1: Summary of Plan Provisions
- Attachment 2: System Assets and Members by Manager
- Attachment 3: Manual Processing Volume List
- Attachment 4: Annuity Purchase Volume
- Attachment 5: Call Volume statistics
- Attachment 6: Fee Matrix **(to be filled out by candidate)**
- Attachment 7: Performance Criteria **(to be filled out by candidate)**
- Attachment 8: Regular Retirement Map
- Attachment 9: INPRS Current State Systems Diagram
- Attachment 10: Current State Systems Narrative
- Attachment 11 ERM Diagram
- Attachment 12: Taxation Summary of the 1977 Fund
- Attachment 13: PERF and TRF Form 1099 Reporting Table
- Attachment 14: 1977 Fund Form 1099 Reporting Table
- Attachment 15: Recovery of Tax Basis Summary
- Appendices and Exhibits:
 - Exhibit A: Essential Clauses for Recordkeeper and/or Annuity Contract
 - Exhibit B: Mandatory Response Forms

INPRS System Data Summary

The following information applies to INPRS as a whole.

Plan Information (as of 12/31)	2012	2013	2014 4Q
Number of total members:			
-Number of active members		See Attachments	
-Number of term/retired members with a balance		See Attachments	
Number of eligible members (i.e., active employees who are eligible for the plan, but not contributing):		All eligible members are contributing	
Number of Union employees (if any)		----- Not applicable -----	

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Average participant balance	See Attachments		
Participation rate	100%		
Average participant deferral rate	Per statute 3% mandatory	Per statute 3% mandatory	Per statute 3% mandatory
Total plan assets	See Attachments		
Total plan loan balance	\$409,945.59		
Number of outstanding loans		\$414,451.96	\$391,916.31
% of employees with email address on file	20%	37%	42%

Plan Cash Flows (as of 12/31)	2012	2013	2014 4Q
Total Annual Inflows: Employee Contributions (i.e., pretax, Roth, after tax, rollover, etc.)	See Attachments		
Total Annual Inflows: Employer Contributions	See Attachments		
Total Annual Inflows: Loan Repayments	See Attachments		
Total Annual Inflows: Loan Interest	Not available on current reporting		
Total Annual Outflows: Loans	See Attachments		
Total Annual Outflows: Withdrawals/Distributions	See Attachments		

Plan Annual Transaction Information (as of 12/31)	2012	2013	2014 4Q
Number of new enrollments	See transactions spreadsheet embedded above		
Number of new loans issued	See transactions spreadsheet embedded above		
Number of partial distributions	See transactions spreadsheet embedded above		
Number of periodic/installment distributions	See transactions spreadsheet embedded above		
Number of total/lump sum distributions	See transactions spreadsheet embedded above		
Number of 70.5 RMDS	See transactions spreadsheet embedded above		
Number of in-service withdrawals, excl. hardships	----- See partial distributions -----		
Number of hardships	----- Not applicable -----		
Number of QDROs	----- Not applicable -----		
Number of excess return contributions	----- Not applicable -----		

Member Volume (as of 12/31)	2012	2013	2014 4Q
Website logins (annually)	See Attachments		
VRS Calls (annually)	244,974	235,040	307,296
Call Center Calls (annually)	206,914	183,174	209,507
Average Length of Call Center Calls	4.9	5.3	5.1

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Plan Characteristics	Response
Number of demographic files (i.e., HR data) received by the recordkeeper	Combined census/payroll files sent daily (Four files/day).
Number of payroll files received by the recordkeeper	See above for active payroll. Pension payroll: Weekly PERF/TRF LS files Weekly PERF pension payroll Weekly TRF pension payroll Monthly PERF pension payroll Monthly TRF pension payroll The current process includes a system limitation that prohibits processing monthly and weekly payroll on the same day. Going forward INPRS would like to eliminate this shortcoming.
Types of pay cycles (e.g., weekly, semimonthly)	Pay cycles vary by employee and are reported daily.
How many different locations send payroll files?	One – INPRS
Name of payroll provider	Plan Sponsor – INPRS in-house system (ERM)
Name of HR system	Plan Sponsor – INPRS in-house system (ERM)
How many source types are there? (i.e., pretax, Roth, rollover, employer match, etc.)	One – Pre-tax
Who calculates eligibility? (recordkeeper or plan sponsor)	Plan Sponsor – INPRS
Who calculates match? (recordkeeper or plan sponsor)	Plan Sponsor – INPRS
How often is match calculated? With each payroll?	With each payroll
Is there a match true-up feature?	Not applicable
Does the plan have auto enrollment?	Not applicable
Does the plan have auto escalation? If so, in what increment?	Not applicable
How many loans are allowed?	LEDB & LEDC Plans only – no limit
Types of allowable in-service withdrawals?	Yes – Rollover Savings Account (RSA) only FULL (entire balance) MNTH (annuitization) – note, there are several annuity options, covered separately herein PART (partial w/d with annuity) PWAJ (partial w/d with deferral) INV (deferred) Partial Term Withdrawal (LE only) Installments (LE and beneficiary)
Types of allowable term distributions?	
Does the plan allow Roth contributions?	No
Does the plan allow in-plan Roth conversions?	No
Any fund/liquidity restrictions on the Plan's investment options?	Equity wash on Money Market and Stable Value Fund
Is the plan a safe harbor plan?	Not applicable
Is the plan ERISA or non-ERISA?	Non-ERISA
Is the plan on a calendar year? If not, please state plan year dates.	Fiscal year ending 6/30
Is the plan document Individually Designed or Prototype/Volume Submitter?	Individually designed – statutes
Are beneficiary elections on paper, electronic, or both? Please provide approximate percentages of paper vs. electronic.	Both – 87% internet in 2014

Communication Services Provided	Response
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Current Call Center Hours	8:00 a.m. – 8:00 p.m. M-F note that this is a local call center, operated in Indianapolis
Does the plan receive customized communication?	Yes
Does the plan receive targeted communications?	Yes
Does the plan receive personalized communications?	Yes
Who creates fund fact sheets?	Plan Sponsor – INPRS
Number of group meeting days used annually	All meetings are conducted with INPRS staff, and this is not in scope for the recordkeeping firm
Number of company locations that provide meetings to members	All meetings are conducted with INPRS staff, and this is not in scope for the recordkeeping firm
Is a Total Rewards Statement provided?	Available but not currently included.
Language Requirements other than English?	Not applicable

Compliance Services Provided by Recordkeeper	Response
Non Discrimination Testing (yes or no)	Not applicable
Auditing Support (yes or no)	Yes
Other?	Not applicable

Guidance, Advice, Managed Accounts (if applicable)	Response
Provider Name	Not currently applicable for INPRS.
Number of members with managed accounts	
Total assets in managed accounts	
Advice, Guidance, Managed Account Fees	

Brokerage Window (if applicable)	Response
Provider Name	Not currently applicable for INPRS.
Number of members with brokerage accounts	
Annual Brokerage Window Fees	

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Expected Role/Requirements

The below information outlines the expected role/requirements of both the Recordkeeper and INPRS going forward.

Service/Function	Recordkeeper	INPRS	Comments
A. Eligibility/Enrollment			
1. Identify newly eligible/rehired		X	
2. Add new employees to payroll		X	
3. Determine eligibility		X	
4. Request new hire enrollment kit	X		Welcome Letter(s). Note that communication is supported by Recordkeeper, but conducted primarily by INPRS staff.
5. Send new hire enrollment kit	X		Welcome Letter(s). Note that communication is supported by Recordkeeper, but conducted primarily by INPRS staff.
6. Accept completed forms	X		Processing is currently done in a local office in Indianapolis
7. Review completed forms	X		Processing is currently done in a local office in Indianapolis
8. Initiate contribution		X	
9. Establish plan account	X		
10. Send confirmation to member	X		
B. Employee and Employer Contributions			
1. Determine eligible pay		X	
2. Calculate match contribution		X	
3. Edit payroll and resolve issues		X	
4. Consolidate payrolls		X	ERM is the proprietary system used by INPRS to collect and centralize payrolls from the sub-employers
5. Send contribution file to vendor		X	

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6. Edit contributions	X		
7. Post contributions	X		
8. Deposit contributions	X		
9. Monitor vesting	X		
C. Investment & Account Maintenance			
1. Update account with daily unit value	X		
2. Maintain record of daily unit value	X		
3. Post all transaction activity to member account	X		
4. Process account corrections	X		
5. PIN/Password maintenance	X		
6. Produce and mail member statements	X		
7. Maintain member mailing addresses	X		
8. Maintain historical data	X		
D. Loans			
1. Provide loan availability information	X		
2. Provide forms	X		
3. Accept, review forms	X		
4. Process loan request	X		
5. Issue check	X		
6. Accept loan payment	X		
7. Create loan payment report	X		
8. Send loan payment file to vendor	X		
9. Edit loan payment report	X		
10. Post loan interest and principal payments	X		

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11. Update outstanding loan balance	X		
12. Deduct loan payment checks	X		
13. Deduct loan fee from member account	X		Not-applicable currently
14. Provide member loan payoff amount on request	X		
15. Notify member of loan payoff at end of term	X		
16. Monitor late payments	X		
17. Re-amortize loan schedule	X		
18. Determine delinquency	X		
19. Notify member of delinquency	X		
20. Review and determine default status	X		
21. Default loan	X		
22. Flag and monitor suspension	X		
23. Provide loan delinquency report	X		
24. Ensure member does not exceed loan limit	X		
25. Issue 1099R	x		In case of loan default
E. Distributions: Status & Monitoring			
1. Determine eligibility for distributions	X		
2. Locate missing members	X		
3. Identify and monitor inactive members	X		
4. Identify and monitor suspended members	X		
5. Identify mandatory distribution accounts	X		
6. Identify required minimum	X		

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distributions			
7. Identify and forfeit aged inactive accounts	X		
8. Notify members for RMDs	X		
9. Determine distribution amounts available	X		
10. Provide member available distribution amounts	X		
11. Provide distribution kits to termed members	X		
12. Provide distribution forms to members	X		
13. Collect and review distribution forms	X		
14. Collect and review RMD forms	X		
15. Approve in-service withdrawals	X		
16. Approve hardships			Not applicable
17. Process distributions	X		Disbursement services for distributions is currently done by BNY Mellon, at the direction of Xerox. This is up for consideration as in scope for proposing Recordkeepers. This process currently causes additional delays in issuing checks to members.
18. Issue distribution check/ACH/Debit Card/wire transfer	X		Direct BNY Mellon
19. Issue 1099-R	X		Direct BNY Mellon
20. Flag suspensions upon hardship			Not applicable
21. Monitor un-cashed checks, initiate stop pay	X		
22. Reinstate returned and aged checks	X		
F. Death Benefits			

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1. Identify deaths	X		
2. Confirm date of death	X		
3. Confirm beneficiary	X		
4. Provide beneficiary/estate account access	X		
5. Determine eligible amount	X		
6. Process death benefit requests	X		<p>Currently, INPRS must review each death notification to 1) determine the correct beneficiary and 2) determine the final disposition of monies/benefits to any applicable spouse and/or survivor. This is for active and retired members.</p> <p>INPRS inputs the date of death into our system, which is sent to the current RK. INPRS emails the RK with any specific instruction to set up a beneficiary account and/or payout monies.</p>
7. Issue check/ACH	X		Direct BNY Mellon
8. Issue 1099-R	X		There are some specific tax rules associated with our plans. This may include rules regarding disability, cost basis recovery, etc.
G. Beneficiary Maintenance			
1. Provide on-line beneficiary designation tool	X		
2. Maintain current designation on account	X		
3. On-going solicitation for beneficiary information	X		
H. Domestic Relations Orders			
1. Provide forms			Not applicable
2. Notify member of pending QDRO			Not applicable
3. Accept, review form			Not applicable

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4. Authorize account freeze			Not applicable
5. Freeze account			Not applicable
6. Qualify QDRO			Not applicable
7. Separate account			Not applicable
8. Maintain account for alternate payee			Not applicable
I. Compliance			
1. Identify military leave		X	
2. All required forms/notices	X	X	
L. Member Communication			
1. Voice response system	X		
2. Call center	X		<p>The call center is currently made up of two tiers, with one tier staffed by INPRS, and also handling DB information, and a local call center in Indianapolis.</p> <p>INPRS is willing to explore any and all call center models – local, non-local, multi-tiered, single, etc.</p>
3. Member website	X		
4. Forms fulfillment	X		
5. Member education		X	
6. Language services			Not applicable
7. Fund fact sheets		X	
8. Required member mailings	X	X	
M. Plan Sponsor Support			
1. Web access to data	X		
2. Ad hoc reporting	X		
3. Legislative updates	X	X	
4. Call history, activity	X		

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5. Document imaging	X		
6. Fee reports and disclosure			Not applicable
N. Brokerage Window Support			
1. Administration			Not applicable
2. Reporting			Not applicable
O. Other			
1. Add any additional responsibilities			
a) Monthly Indiana state tax electronic filing	X		
b) Annual Federal tax Form 945 filing			
c) County tax			

Dedicated Call Center

Call Center

INPRS currently has a dedicated and separate call center, which operates in a two-tier structure along with the INPRS call center staff, which handles general system questions, as well as items related to the defined benefit plan benefits. It is located in Indianapolis, IN and has approximately 20 employees. The location also houses staff that conduct data entry and form processing services on behalf of the plan. The employees are employees of INPRS' current Recordkeeper, Xerox.

Building and Equipment: Office space and furniture are rented by INPRS' current Recordkeeper, Xerox, which also provides computers, phones, etc.

INPRS is interested in entertaining proposals that include retaining the local call center, as well as proposals that utilize centralized vendor call center services. These centralized services may include outsourcing DB calls to the recordkeeper as well, if feasible. As a part of your base pricing, please provide pricing for both scenarios.

If you would like to suggest a different approach to the call center, you may do so in addition to providing pricing for the current/preferred structure. If you are proposing a different approach, please indicate the suggested approach and how this would impact pricing.

You will be able to provide your response regarding this in the communications and call center sections of the custom questionnaire as well as in the fee matrix.

Investment Fund Lineup

Please see Attachments for a list of the funds, vehicle types, their assets, and the number of members using the fund.

Existing funds or fund structures are largely expected to remain unchanged. Should there be any fund changes, they will be determined separately from the recordkeeper search process.

The recordkeeping revenue requirement should be manager agnostic and assume no proprietary funds of the recordkeeper are utilized.

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6 Questionnaire for Recordkeeper

All RFP questions should be answered clearly and completely. Please respond based on EXISTING functionality, not prospective functionality. Prospective functionality should be included, however, so we understand your technology strategy. You may add attachments within the ProposalTech system to the extent such material augments your responses to a particular question.

6.1 General

6.1.1 Please provide the requested information for your company:

	Response
Company Name	<i>Unlimited.</i>
Primary Contact Name	<i>Unlimited.</i>
Primary Contact Title	<i>Unlimited.</i>
Primary Contact Phone Number	<i>Unlimited.</i>
Primary Contact Email Address	<i>Unlimited.</i>
Remittance Address	<i>Unlimited.</i>

6.1.2 Which size segment would the System fall into (core, large, mega, etc.)?

Unlimited.

6.1.3 Please confirm that in addition to this Custom Questionnaire, you have also updated the 2015 General Questionnaire.

Unlimited.

6.1.4 What do you believe are your key differentiators for DC plan recordkeeping?

Unlimited.

6.1.5 Please submit a copy of your recordkeeping agreement with your proposal.

Single, Pull-down list.

1: Attached,

2: Not provided

6.1.6 Please detail any major improvements/enhancements your firm has made to DC recordkeeping services over the past three years. What enhancements do you have planned for the next three years?

Unlimited.

6.2 Clients and References

6.2.1 Please provide the number of plans your firm administers in the below categories.

	Number of Total DC Plans	Number of Total 401(a) Plans	Number of Governmental 401(a) plans
Under 500 Members	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>
501 to 1,000 Members	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>

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1,001 to 5,000 Members	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>
5,001 to 10,000 Members	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>
10,001 to 25,000 Members	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>
25,001 to 50,000 Members	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>
50,001 to 100,000 Members	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>
Over 100,000 Members	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>

6.2.2 Please provide the number of plans your firm administers in the below categories.

	Number of Total DC Plans	Number of Total 401(a) Plans	Number of Governmental 401(a) plans
Under \$100 million	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>
\$100 million to \$500 million	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>
\$500 million to \$1 billion	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>
\$1 billion to \$5 billion	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>
Greater than \$5 billion	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>

6.2.3 Please provide references of three current clients (at least one who converted their recordkeeping in the past 12 months) and three former clients (who have made a change in the last 18 months). At least two clients should be within the government sector. Also, at least one client should have over \$1 billion in assets. Finally, at least one client should use BNY Mellon as their DC custodian. ALL references should use external fund custodians. References that employ proprietary custodians will result in the response being considered non-responsive.

	Reference 1: Current Client	Reference 2: Current Client	Reference 3: Current Client	Reference 4: Former Client	Reference 5: Former Client	Reference 6: Former Client
Organization Name	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>
Line of Business	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>

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Contact Name/ Telephone No	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>
Email address	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>
Address	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>
Size of Plan	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>
Number of Plans	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>
Number of Years in Retainer	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>
Services provided	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>

6.3 Team and Servicing

6.3.1 Please provide the names, roles, and backgrounds of those individuals who would be on the Plan team on an ongoing basis. Please add additional team members as necessary.

	Team Member 1	Team Member 2	Team Member 3	Team Member 4	Team Member 5	Team Member 6	Team Member 7
Name	<i>Unlimited.</i>						
Title	<i>Unlimited.</i>						
Role	<i>Unlimited.</i>						
Location	<i>Unlimited.</i>						
Total years with your firm	<i>Unlimited.</i>						
Total industry years	<i>Unlimited.</i>						
Current client assignments (please indicate the number of plans served)	<i>Unlimited.</i>						
% of time commitment during conversion	<i>Unlimited.</i>						
% of time	<i>Unlimited.</i>						

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commitment ongoing							
Why selected for the Plan	<i>Unlimited.</i>						
Additional Information	<i>Unlimited.</i>						

6.3.2 Provide an organization chart denoting all the functional staff positions to be utilized for the System.

Unlimited.

6.3.3 Is there one main point of contact for the System, or will they interface with different people at your firm for different functions?

Unlimited.

6.3.4 With what frequency will your firm meet with INPRS, its staff or other service providers for the Plan? On an ongoing basis, how often will you conduct status meetings, project-related meetings, strategic meetings, etc.?

Unlimited.

6.3.5 Provide a detailed reporting and oversight structure for every member of your proposed service team. Describe in detail who INPRS would reach out to should there be concerns with any member of the service team, and describe how often INPRS would be in contact with that individual(s) during the year, absent a service concern.

Unlimited.

6.3.6 What is the average client relationship duration?

Unlimited.

6.4 Conversion

6.4.1 Identify by name the people who will work with INPRS in the conversion process for the System.

- Describe their role in the process.
- How long have they been at your firm?
- Will they be a part of the ongoing administration team?
- Will future conversions or projects for INPRS be managed by the same project managers?
- How many other conversions will they be engaged in simultaneously?
- Indicate the average number of conversions handled at a time by these individuals.
- Describe their qualifications and number of prior conversions at your company.

Unlimited.

6.4.2 Attach a detailed project schedule for a January 1, 2017 conversion assuming the business is awarded in December 2015. Additionally, please address the following questions:

- What is your standard timeframe to convert a DC plan?
- Please address any concerns you have with the proposed timing. If you believe a different timeframe would be more appropriate, please indicate your preferred timing.
- How will implementation differ from your normal process, given an outsourced annuity provider will be being brought on board at the same time?

Unlimited.

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6.4.3 How long is the anticipated blackout period? Be very clear to distinguish between blackout timing required by your organization, and any time estimates on behalf of the outgoing vendor.

Unlimited.

6.4.4 What access/transactions are available during the conversion and blackout?

Unlimited.

6.4.5 How many DC implementations/conversions have you completed over the past three (3) years?

Unlimited.

6.4.6 How many DC plans have you converted from the System's current recordkeeper, Xerox, in the last three (3) years? In the last ten (10) years? What challenges have you encountered?

Unlimited.

6.4.7 Provide detail of the involvement that will be required from the client (roles and functional area) during the conversion process. What is the estimated number of full-time equivalent personnel for the System needed through conversion?

Unlimited.

6.4.8 How will your firm transfer any paper records over to your system? Will you keep them in paper format or move them to electronic format? What will you do with the paper records after transfer?

Unlimited.

6.4.9 At conversion, what is your best practice for beneficiaries? Are beneficiaries re-solicited or do you convert prior beneficiaries/elections into your system?

Unlimited.

6.4.10 What member history is converted over? After conversion, will members be able to see any balance history prior to the conversion date?

Unlimited.

6.4.11 Upon termination of a client relationship, what data does your firm provide to the plan sponsor for their records (i.e., member transaction data, balance data, imaged forms, etc.)? What options exist for your de-conversion file?

Unlimited.

6.5 Communication

INPRS' communication team focuses first on achieving measurable outcomes. This is a deliberate departure from approaches that focus exclusively on the quantity and aesthetic appeal of communication output. The team requires use of the four-step planning process and a clear understanding and application of decision/adoption/change models. INPRS' award-winning communication team members average more than 20 years' experience in both private and government settings. We are open to truly collaborative and integrated strategic consulting relationships that go beyond generating "good ideas."

In that regard, INPRS communication and outreach team will continue responsibility for development and execution of tasks including, but not limited to, digital communication and website development/management, direct mail campaigns, email marketing, customer newsletters, collateral material, retirement education workshops in-person and online, member counseling services, retirement education workshops and activities

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related to both DB and DC-like plans, employer education, etc. The recordkeeper will be responsible for distribution of a variety of member letters, such as milestone letters. In addition, the recordkeeper will be responsible for distributing quarterly statements and may be given the opportunity to quote on other statement-related or member communication projects. INPRS' communication organization would value the opportunity to consult with recordkeeper communication and education professionals as needed. And, as needed, the recordkeeper will obtain quotes for production assistance. In addition, INPRS' communication team will continue to manage the system's customer satisfaction surveying program including, but not limited to, call center satisfaction and web site satisfaction research.

6.5.1 What communications and member education services are included in your proposal (e.g., standard, customized, and compliance notices)? Itemize the included services and those that are at an additional cost.
Unlimited.

6.5.2 What level of customization/personalization/targeting do you envision for the System's communication materials? Describe how your targeting can be defined and if you are able to target various groups within the overall population (e.g., members who are eligible but not using catch up contributions, members without beneficiaries, diversification issues, specific groups, etc.). Are you able to measure the effectiveness of your targeting campaigns?
Unlimited.

6.5.3 How do you consult with clients to determine the optimal communication approaches?
Unlimited.

6.5.4 Please provide the milestone conversion communication pieces and approximate dates for the time period leading up to the conversion. Take care to explain how these would be developed jointly, and at the direction of the INPRS team.
Unlimited.

6.5.5 Can member communications be custom branded to the System? Please provide detail on what communications/media can be custom branded. Is your communications group able to work with INPRS and its staff to ensure branding requirements are followed?
Unlimited.

6.5.6 Attach a copy of your standard member level statement. Please provide an example that shows how fees are shown to members on the statement (i.e., does it show as a line item under expenses or elsewhere?).
Single, Pull-down list.

- 1: Attached,
- 2: Not provided

6.5.7 Please confirm your ability to send quarterly member statements no later than 15 business days following the last day of each calendar quarter.
Unlimited.

6.5.8 How can defined benefit payments, or annuity income streams be reflected on your statements? Please provide examples, if possible.
Unlimited.

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6.5.9 INPRS has a strong preference to default members to receipt of electronic statements. Can you support this if the member has an email on file? What technical requirements exist for this to be done?

Unlimited.

6.5.10 The plan does not wish to employ managed account services, and conducts combined system-wide retirement counseling with in-house staff. Please describe how your service approach can support this practice.

Unlimited.

6.5.11 Please address any system limitations in which your communications and web services are integrated with managed accounts, and how you will adapt them when managed accounts are not used.

Unlimited.

6.5.14 What support can you provide, including calculators and retirement benefit estimation services or software, to support client staff conducting retirement counseling services. Include examples.

Unlimited.

6.5.15 The System currently follows a very detailed "Intent to Retire" process, which involves a significant number of steps, as detailed in Attachment 9 How would your communications team assist with this process, or facilitate any proposed improvements to this process?

Unlimited.

6.5.16 What step-by-step development process does your firm follow when designing and implementing communication and education programs/initiatives?

Unlimited.

6.5.17 How does your firm measure the outcome and efficacy of education and communication initiatives? Provide specific examples.

Unlimited.

6.5.18 What diffusion, adoption, or decision models does your firm employ for communication and/or retirement education initiatives?

Unlimited.

6.6 Compliance

6.6.1 What compliance services are included in your offer? Please provide a detailed list. Please give additional compliance services available, along with pricing.

Unlimited.

6.6.2 Describe your ability to calculate tax-basis recovery in a hybrid system. Do you do this for any current clients?

Unlimited.

6.6.3 How does your firm ensure that the System stays in compliance?

Unlimited.

6.6.4 In the plan audit process, how many hours of auditing support do you include in the proposal?

Unlimited.

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6.6.5 How is data supplied for the audit?

Unlimited.

6.6.6 What fiduciary responsibility does your firm assume?

Unlimited.

6.6.7 Please provide a copy of your most recent SSAE 16.

Single, Pull-down list.

1: Attached,

2: Not provided

6.6.8 Please comment on how your system will accommodate rules like the 45 year rule, or the ten year forfeiture rules with INPRS benefits eligibility, which require tracking employer codes for employee transfers among sub-employers within the system with different benefits accrual structures. Please comment on how your system will accommodate the forfeiture rules for ASA Only and for PERF Hybrid, TRF Pre 96 and TRF 96 when a member is deceased for three years and has a balance in their annuity that has not been claimed.

Unlimited.

6.7 VRS

6.7.1 Attach a copy of the standard voice response menu.

Single, Pull-down list.

1: Attached,

2: Not provided

6.7.2 Is the password for the VRS the same password that members use for the website?

Unlimited.

6.7.3 How can the VRS be adapted to be coordinated with the two-tier call center structure, which includes passing calls back and forth between the two call centers?

Unlimited.

6.7.4 How can the VRS be adapted to work with an external annuity partner?

Unlimited

6.8 Call Center

6.8.1 Currently, the Plan has a two-tier call center structure. The current recordkeeper, Xerox, operates a local call center, and INPRS operates another call center, which handles some questions related to the system as well. The local Xerox-operated call center is located in Indianapolis, IN. Please see the additional information at the beginning of the RFP for more information.

Unlimited.

6.8.2 If you are proposing a dedicated, separate call center, would it be your preference to use the same location and the same representatives? Or would you propose using a different, separate location and hiring new representatives/use existing representatives from your firm?

Unlimited.

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6.8.3 If you are proposing a dedicated, separate call center, would you recommend maintaining the same number of representatives? If not, please provide your recommendations for scope/staffing. Additionally, indicate how this would impact the proposed per member pricing. Please include the annual cost per representative.

Unlimited.

6.8.4 If the System instead used your existing call center location and call center representatives, please indicate how this would impact the proposed per member pricing.

Unlimited.

6.8.5 Please list the location of all other call centers that could be expected to handle the Plan's participant calls for business continuity purposes. Be clear to explain whether you are proposing that your firm take DB plan calls as well, or solely ASA calls, and any impact on pricing.

Unlimited.

6.8.6 Please confirm your ability to provide licensed and FINRA registered call center representatives?

Unlimited.

6.8.7 Across your client base, how many co-sourced, i.e., separate dedicated, call centers does your firm integrate with?

Unlimited.

6.8.8 What are your standard call center hours of operation?

Unlimited.

6.8.9 Are you willing to match the current call center hours, or improve upon them?

Unlimited.

6.8.10 On average, how long does it take to pull a digital copy of a recorded conversation with a member?

Unlimited.

6.8.11 Will you allow INPRS and its staff to listen to recorded call center calls? What limitations apply?

Single, Radio group.

1: Yes,

2: No, please explain

6.8.12 Are you able to provide a vanity 800 number for the Plan? Is there an additional fee for this?

Unlimited.

6.8.13 Would you be able to use the current 800 number? What would be involved with transferring the number? Please note that INPRS owns the 800 number.

Unlimited.

6.8.14 Are you able to provide handicap access for the hearing impaired by telecommunications device for the deaf?

Unlimited.

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6.8.15 For the Call Center staff, what is the percentage of turnover over the last five years? What incentives are used for retention?

Unlimited.

6.8.16 What standard call center reports do you provide to your customers and frequency?

Unlimited.

6.8.17 What are the most significant changes you have made to your call center in the last three years, why, and what were the results?

Unlimited.

6.8.18 What are your plans to enhance your call center(s) in the coming years, why and what results do you expect?

Unlimited.

6.8.19 What are all your contact center modes of communication e.g. chat, email, etc.? And, how do you manage them internally e.g. quality, controls, etc.? Do you have any cross business i.e. co-sourced arrangement using non-call mediums? For example, do you share chat capabilities between your site and a vendor site?

Unlimited.

6.8.20 How many menu layers in the IVR does it take for a caller to have the opportunity to ask to speak with a CSR?

Unlimited.

6.8.21 How long does it take (in seconds) from the time a caller hears the first IVR message to when they can be transferred to a CSR?

Unlimited.

6.8.22 Do you measure the number of abandon calls while in the IVR, while being able to determine those who received information via self-service or just hung-up?

Unlimited.

6.9 Participant Web Site

6.9.1 Provide a sample login id and password, enabling us to test a sample member web site. Please be sure the password provided does not expire for at least 4 months.

Unlimited.

6.9.2 Are you able to provide a vanity web address for the Plan? Is there an additional fee for this?

Unlimited.

6.9.3 How can you integrate with external annuity providers to model annuity benefit payments? With what vendors do you currently have this capability built? Please provide a demonstration.

Unlimited.

6.9.4 What is the level of customization that the plan sponsor can have over the website? For example, can text be customized by the plan sponsor? Is there ad-hoc text flexibility whereby the plan sponsor could post a message to members on the website?

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Unlimited.

6.9.5 Are you able to create a customized pre-login page that provides Plan information (such as DB benefit information)?

Unlimited.

6.9.6 Can plan sponsor specific documents (e.g., administrative manual, notices, etc.) be posted on your website?

Single, Radio group.

1: Yes,

2: No

6.9.7 Is your member web site integrated with your Voice Response System and call center in real time?

Unlimited.

6.9.8 Please provide a description of your most recent website upgrade.

Unlimited.

6.9.9 Please outline how often the website is down for periodic maintenance. When is this typically scheduled?

Unlimited.

6.9.10 What types of retirement, investment, and other educational materials would be available on the website?

Unlimited.

6.9.11 Do you expect that your website would result in a loss of tools or functionality from the System's current website?

Unlimited.

6.9.12 Does your firm have single sign-on capabilities?

Unlimited.

6.9.13 How many of your clients offer single sign-on?

Unlimited.

6.9.14 Do you offer a mobile version of your member website that can be used with handheld devices (e.g. iPhone, Blackberry, iPad)? If yes, what type of devices are the mobile applications available on? Please describe your inquiry and transactional capabilities.

Unlimited.

6.9.15 How do you ensure confidentiality of customer data and prevent unauthorized access to information?

Unlimited.

6.9.16 Has your member website ever experienced a security breach?

Unlimited.

6.9.16 To what degree will any customized websites, pieces of your website, or landing pages be self-service by INPRS, and what content management systems does your firm employ?

Unlimited

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6.10 Plan Sponsor Reporting and Website

6.10.1 Provide a sample user name and password enabling us to view a demo of the plan sponsor site. Please be sure the password provided does not expire for at least 4 months.

Unlimited.

6.10.2 Please provide a list and explanation of the reporting capabilities on the site, specifically noting what types of reports come pre-packaged and what types of reports would be considered custom. How much flexibility is there in the reports?

Unlimited.

6.10.3 Please provide a list of administrative functions that can be managed on the site (e.g., updating employee status codes).

Unlimited.

6.10.4 Please provide the standard turnaround time for ad hoc reports, both standard reports and more complex reports.

Unlimited.

6.10.5 Do you provide an administration manual? Please provide a sample. Will you update this annually?

Unlimited.

6.10.6 Can the plan sponsor make changes to member accounts? If so, how is this done – through the plan sponsor website or through another mechanism?

Single, Radio group.

1: Yes, explain: [Unlimited] ,

2: No

6.10.7 Please confirm that your organization will provide the System with its annual financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP) as well as other audit reports the System needs to fulfill its fiduciary responsibility.

Unlimited.

6.10.8 Describe your procedures for monitoring client and member satisfaction.

Unlimited.

6.10.9 Can you provide an ongoing report that shows the amount of rollover distributions and which financial institution they were sent to?

Unlimited.

6.10.10 Are you able to survey members about their satisfaction with System services and provide survey results to INPRS? If so, please describe your process for doing so.

Unlimited.

6.11 Processing and Administration

6.11.1 Please confirm your ability to administer the System according to the plan documentation included in the supplemental information section of the RFP. In terms of plan provisions, have you identified any aspect of

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INPRS' requirements that would cause a deviation from your normal service standards under this plan? Describe any plan provisions for the System that are problematic within your recordkeeping and administration environment as well as a proposed or alternate solution.

Unlimited.

6.11.2 Given the information provided, please describe any complexities in processing that would be required for the Plan.

Unlimited.

6.11.3 Please confirm that your firm is able to adhere to the requirements under the expected role/requirements descriptions.

Unlimited.

6.11.4 Specifically address how your firm might propose to streamline the Intent to Retire (ITR) process, or wholly separate it from withdrawals from the ASA balances. Please take into consideration the need to calculate tax-basis recovery.

Unlimited.

6.11.5 Please describe operational requirements, and any challenges you anticipate with receiving consolidated payroll via the INPRS ERM system.

Unlimited.

6.11.6 Can your system accommodate a single daily file transfer process with INPRS to accommodate all necessary operations, or will weekly and monthly files be required for certain operations, as is the case now?

Unlimited.

6.11.7 Which entity will serve as the final record for member demographic information in your service structure? Will it be your firm? INPRS? How will conflicts in data be resolved?

Unlimited.

6.11.8 How would your firm propose to allow retirement initiations – paper forms, online, via email, call center, etc? What impact would the different mechanisms have on service delivery?

Unlimited.

6.11.9 Under what circumstances (death, etc.) would your firm NOT use direct deposit information on file? When a direct deposit fails to process, how do you detect it, and remediate the issue?

Unlimited.

6.11.10 When there are challenges related to direct deposits or stale checks, how would your firm work with INPRS to (i) detect the error, (ii) track the issue to conclusion, and (iii) remediate the problem?

Unlimited.

6.11.11 What is your standard timing to post payroll once the payroll file has been received by your firm?

Unlimited.

6.11.12 What is your process for collecting members' beneficiaries on an ongoing basis? Is this done online, via form, or both? If online is available, please describe your capabilities and how this would work for the Plan.

Unlimited.

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6.11.13 As part of the death process, how do you ensure that beneficiaries have been informed that there has been a transfer of assets into their account?

Unlimited.

6.11.14 How are loan defaults and deemed distributions tracked and processed. How are members informed?

Unlimited.

6.11.26 Have you had any systematic problems with loans within the past 10 years? If so, how were they resolved?

Unlimited.

6.11.27 In rolling out system wide updates to your system, are clients able to opt out of certain updates, or postpone them to a later time?

Unlimited.

6.11.28 Does your system have the capability to process combined payments for members that are receiving retiree and death benefits?

Unlimited

6.11.29 Does your system have a process to combine all stale checks into a single replacement payment?

Unlimited.

6.11.30 Payments are currently processed on monthly and six-month calendars, which can create conflicting payment dates. How would your system process these payroll timelines?

Unlimited.

6.11.31 How does your firm receive and process state and federal tax levies? How does your organization ensure that treatment of liens and levies is consistent across benefit types at INPRS (e.g. ASA, DB, etc.)?

Unlimited.

6.11.32 What capabilities exist to offer disbursements via debit cards?

Unlimited

6.11.33 How does your system process payments when direct deposits are rejected, and can rejected payments be made to a debit card?

Unlimited

6.11.34 Describe all fees associated with any debit card program.

Unlimited

6.11.35 Describe how your firm would process state and federal tax reclaims on behalf of the plan. Include a description of what forms you would process, timelines for execution, and staffing for this service. Include a discussion of standards of timeliness for follow up with INPRS staff.

Unlimited.

6.11.36 Would your firm be willing to set up a debit card program for INPRS disbursements? Is a debit card program part of your technology roadmap?

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Unlimited.

6.11.37 How does your system resolve conflicts among multiple payroll files sent on the same day, if those are on different timing schedules (monthly, weekly, etc.)?

Unlimited.

6.11.38 If a member receives multiple payments (e.g. as a beneficiary, and as a retired member) can your system combine their payments?

Unlimited.

6.12 Investments, Self-Directed Windows, and Retirement Income

6.12.1 The proposed bid should not contain any proprietary fund expectations. Please confirm that your bid does not have any proprietary fund expectations.

Unlimited.

6.12.2 Please confirm that your firm can support the System's current investment lineup (including the mutual fund vehicles, the internally managed Stable Income fund, and the multi manager separate account international fund).

Unlimited.

6.12.3 Please provide any revenue sharing agreements/amounts your firm has for any of the funds in the System.

Unlimited.

6.12.4 Please detail your capabilities and experience levels in recordkeeping custom multi-manager funds. Please address this assuming an external custodian is used.

Unlimited.

6.12.6 How many of your DC clients have custom multi-manager funds? What is the total number of custom multi-manager funds that you have across your DC clients?

Unlimited.

6.12.7 If an underlying manager within one of the custom multi-manager funds is replaced, what is your process for handling this change? For example, what system changes must occur, how will these changes be communicated, etc.? Is there an additional fee assessed to change underlying managers?

Unlimited.

6.12.8 Is your firm able to provide the fund fact sheets for the System, for all the mutual fund investment options? Which provider do you use for fact sheets?

Unlimited.

6.12.9 Please provide the calculation used for personalized rate of return. Include whether or not the calculation includes member cash flows. Is the ROR calculated over a 12 month rolling period or some other period?

Unlimited.

6.12.10 What is the name of the service/firm through which brokerage window services are provided? Please describe your brokerage window capabilities.

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Unlimited.

6.12.11 Please provide the total number of mutual funds available in the brokerage window. How many no-transaction fee mutual funds are available?

Unlimited.

6.12.12 Is there a minimum trading requirement for the brokerage window and what is it?

Single, Radio group.

1: Yes, explain: [Unlimited] ,

2: No

6.12.13 Can members enroll in the brokerage window electronically or are they required to fill out paperwork? Please provide a sample enrollment form for the brokerage window.

Unlimited.

6.12.14 Can ongoing contributions be directed directly into the self-directed brokerage window (or does it have to go into the plan's designated core accounts first?) If contributions can go directly into the window, do they go into a sweep account or directly into the selected funds?

Unlimited.

6.12.15 Describe the sweep account for the brokerage window.

Unlimited.

6.12.16 Can you limit the brokerage window to only mutual funds and ETFs?

Unlimited.

6.12.17 Will members receive a separate statement for the brokerage window?

Unlimited.

6.12.23 Please provide a general description of the retirement income solutions that are available to members on your platform. Please differentiate between standard retirement income solutions, and solutions that can still be supported, but are not standard. Be careful to include annuity shopping services, annuity referral services, and direct annuity partnerships.

Unlimited.

6.13 Third Party Interfacing and Other Services

6.13.1 Do you have an existing interface set up with Bank of New York Mellon?

Unlimited.

6.13.2 How many of your DC clients use Bank of New York Mellon as their DC trustee/custodian? *Unlimited.*

6.13.3 If your firm does not have an interface currently setup with Bank of New York Mellon, what would be involved in setting up the interface? And what involvement would be needed from INPRS, its staff, and the custodian throughout the setup and testing process?

Unlimited.

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6.13.4 Describe how your firm would process 1099's under the structure currently utilized by the System.

Unlimited.

6.13.5 If the custodian will cut the checks, it is expected that the Recordkeeper calculates the payment information and provides that to the custodian. Please confirm your ability to provide payment information to the custodian.

Unlimited.

6.13.6 Are there any services related to trust and custody that your firm cannot outsource to an external custodian, such as daily cash flow reconciliation, sweep account services, payroll processing and float, etc.? If yes, please detail in full.

Unlimited.

6.13.7 Please describe the process for how your firm works with the external custodian for contributions/distributions, and for settling and placing trades.

Unlimited.

6.13.8 Bank of New York Mellon currently holds the System's assets. Please confirm that you are able to provide direction to the external custodian on a daily basis for all Plan transactions.

Unlimited.

6.13.9 What service limitations, if any, arise from your firm working with Bank of New York Mellon relative to internal or other external custodians?

Unlimited.

6.13.10 Does your firm have experience and documented mutually agreed materiality threshold and error resolution policies with Bank of New York Mellon? Please describe.

Unlimited.

6.13.11 Is there a material service efficiency or cost advantage to having your firm issue distributions instead of the custodian? If so, please describe.

Unlimited.

6.13.12 Apart from the above questions, will all processing or administrative services be performed in-house? If any services will be outsourced, please list these services and the provider who will be performing the services.

Unlimited.

6.13.13 What infrastructure does your firm have in place to pre-populate information when receiving transfers from an INPRS call center?

Unlimited.

6.13.14 What infrastructure does your firm have in place to facilitate an annuity purchase through a provider that INPRS selects for ASA/RSA annuity distributions? Please describe the process of bringing such a provider on board, to include call center services, print materials, website links, and annuity benefit calculations.

Unlimited.

6.13.15 INPRS may want to outsource most, but not all annuity purchases options to an external annuity provider. In that scenario, what, if any, service delivery modifications may occur, and why?

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Unlimited.

6.13.16 Please list all custodial banks with whom your firm jointly administers defined contribution, or deferred compensation plans.

Unlimited.

6.14 Contracting, Service Level Agreements, and Other Terms

6.14.1 Please confirm your ability to assume a 5-year contract with up to one five-year extension for pricing purposes.

Unlimited.

6.14.2 INPRS is requesting that significant fees be at risk for performance standards. Please confirm what level of fees you would be willing to put at risk, and please detail the amount of fees you would be willing to put at risk for each standard in Attachment 7 (see next question).

Unlimited.

6.14.3 Attachment 7 contains INPRS' desired Performance Criteria. As a part of your RFP response, please indicate how you plan to measure each of these criteria and the proposed fees at risk. If there are certain criteria you will not include, please specify which criteria and why you feel your firm should not be measured by these criteria.

INPRS reserves the right to add, modify or remove criteria, amend measurement standards and adjust penalties for future performance periods after reasonable discussion and consultation with the Recordkeeper. Changes may be based on the Recordkeeper's performance, market standards and practices or the needs of the System and its members.

Unlimited.

6.14.4 In measuring the Performance Criteria, INPRS is requesting that your firm review the full scope of plan data as opposed to selecting a sample set of data. Please confirm that your firm can adhere to this.

Unlimited.

6.14.5 Please confirm that INPRS and its auditors have the ability to audit System data at your firm at any time.

Unlimited.

6.14.6 Please verify that the agreement will be governed by the laws of the State of Indiana.

Unlimited.

6.14.7 Please provide information on your insurance coverage and bonding with respect to fiduciary liability, errors and omissions, and any other areas.

Unlimited.

6.14.8 INPRS would like to have an Annual Business Plan/Management Report whereby specific Plan goals are set each year and a plan is put in place to achieve and measure those goals. Is your firm willing to put together and adhere to such a plan? Please provide your experience in doing so.

Unlimited.

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6.14.9 Is your firm willing to act as a fiduciary with respect to the System and members for services which are under your control in accordance with INPRS' Rules and Regulations?

Unlimited.

6.14.10 INPRS owns certain intellectual property related to the Plan (e.g., the web address, certain logos, etc.). Is your firm able to work with INPRS and staff to continue to use this intellectual property?

Unlimited.

6.15 Data and IT

6.15.1 Please describe your recommended approach to ensure effective data flow, stewardship, and retention. Please detail which parties will be responsible for ownership of specific data fields and the methods proposed to ensure accurate data syncing throughout all systems.

Unlimited.

6.15.2 INPRS currently has several state-mandated document and image retention policies. These include guidelines on the retention dates of physical documents, archiving of physical and electronic documents, and micro-filming of all plan participant documents. Please describe how your solution approach will meet the objectives detailed below:

- INPRS will maintain permanent legal ownership of all member documents
- Respondent will provide real-time or close to real-time electronic access to member documents to INPRS as Plan Administrator
- Respondent will provide a standard electronic file on a periodic basis of all member documents received via physical or electronic medium to the Indiana Commission on Public Records (ICPR) for micro-filming

Unlimited.

6.15.3 Please describe your organization's overall information security Program including:

- i. Definition of Security Framework and how Availability/Integrity/Confidentially are protected
- ii. Security Management (management of framework)
- iii. Information/ Data Classification
- iv. Vendor Management – Third Party Consultants including contractors
- v. Control Methods/Types
 - Risk management / risk assessment
 - Security governance (Auditing)
 - Incident Response
 - Security Awareness
 - Business Continuity and Disaster Recovery

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Unlimited.

6.16 Fees

6.16.1 Describe your billing practices for services, including the frequency of invoices for each service, payment terms, and the level of detail provided to support the charges.

Unlimited.

6.16.2 Please outline any cross selling requirements (e.g., rollover IRAs) that your firm has, should your firm be selected as the Recordkeeper for the Plan.

Unlimited.

6.16.3 Please outline any indirect revenue (e.g., revenue sharing, rollover IRAs) you expect to receive from administering the System.

Unlimited.

6.16.4 Please describe any variables that can affect your fees (i.e., inflation, significant increase in population size, recordkeeping one plan vs. multiple plans, use of proprietary funds, etc.).

Unlimited.

6.16.5 At what frequency is the fee typically charged to the System (i.e., monthly, quarterly, etc.)? Are you able to charge fees on a semi-annual basis as they are currently charged?

Unlimited.

6.16.6 Please outline your capabilities for rebating revenue sharing (i.e., mutual fund reimbursements) back to plan members. Are you able to rebate the revenue sharing directly back to the fund that generated it?

Unlimited.

6.16.7 We are requesting you provide us with the revenue your firm requires to run the System as a per member hard dollar fee. Please assume a 5-year contract with up to one five-year extension. Please outline all fees as specified in the attached fee matrix.

Single, Pull-down list.

1: Pricing attached,

2: Not provided

6.16.8 In the event that the System offers Advice and Managed Accounts, please provide the fees for these services in the fee matrix under the Advice/Managed Accounts section. Additionally, please confirm whether there would be a change to the per member recordkeeping fee if Advice/Managed Accounts was offered. Finally, please provide a breakout of any indirect revenue shared due to the use of Advice/Managed Accounts.

Unlimited.

7 Attachments

7.1 All attachments and reference documentation are located on the Manage Documents page. A link has been provided in the left-hand side menu. You will find the following attachments.

To be completed based on earlier list and additions.

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8 Annuity Questionnaire

To facilitate the timely evaluation of proposals, a standard format for proposal submission has been developed and is documented in this section. All Respondents are required to format their proposals in a manner consistent with the guidelines described below.

A complete proposal will include the following:

- Electronic submissions as per the guidelines in Section 2.1 this RFP.
- Hard copy submission of a transmittal letter (with the information in Section 8.1 of this RFP).
- Hard copy submission of a business proposal (with the information and attachments described in Section 8.1 of this RFP).
- Hard copy submission of a fee proposal (with the information in Section 8.9 of this RFP).
- Original hard copy and a CD ROM of the entire proposal.

8.1 Transmittal Letter Instructions

8.1.1 The transmittal letter must first identify the RFP title and number.

8.1.2 The transmittal letter must identify the following information:

- Respondent Name
- Street Address
- City
- State
- ZIP
- Contact Name
- Phone
- Email

8.1.3 The transmittal letter must briefly summarize the Respondent's ability to supply the requested services. The letter must also contain a statement indicating the Respondent's willingness to provide the requested services subject to the terms and conditions set forth in the RFP, including INPRS' standard contract clauses.

8.1.4 An authorized representative of the Respondent must sign the transmittal letter. Respondent personnel signing the transmittal letter of the proposal must be legally authorized by the organization to commit the organization contractually. This section must contain proof of such authority. A copy of corporate bylaws or a corporate resolution adopted by the board of directors indicating this authority will fulfill this requirement.

8.1.5 Any other information the Respondent may wish to briefly summarize will be acceptable.

8.2 Business Proposal – The business proposal must contain the required information and be organized under the specific section titles as listed below.

Executive Summary - Provide a high level description of the proposed scope of services.

Relevant Experience – See Questionnaire Below

Organizational Capability – Describe the Respondent's organizational capability to provide the scope of work described in this RFP. To demonstrate organizational capability, provide the following:

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i. Personnel

See Questionnaire Below

ii. Registration to do Business

Respondents proposing to provide services required by this RFP are required to be registered to do business within the state with the Indiana Secretary of State. This process must be concluded prior to contract negotiations with INPRS. It is the Respondent's responsibility to successfully complete the required registration with the Secretary of State. The Respondent must indicate the status of registration, if applicable, in this section of the proposal.

iii. Financial Statements and Quality Assurance Report

This section must include the Respondent's financial statements, including an income statement and balance sheet for each of the two most recently completed fiscal years. In addition, please provide a copy of the Respondent's most recent financial statement audit report.

iv. Subcontractors

The Respondent must list any subcontractors that are proposed to be used in providing the required Services. The subcontractor's responsibilities under the Proposal, the subcontractor's form of organization, and an indication from the subcontractor of a willingness to carry out these responsibilities are to be included for each subcontractor. This assurance in no way relieves the Respondent of any responsibilities in responding to this RFP or in completing the commitments documented in the Proposal.

v. Fee Proposal

Please provide a detailed fee proposal. Fee calculations/formulas shall assume U.S. dollars. The Services and asset thresholds detailed in this RFP are the basis for the proposed fees. The proposed fees shall include all costs for providing Services to INPRS as described and shall be guaranteed through the contract term. In no case will the final fee be higher than the fee contained in the Proposal. Payment of fees shall be in arrears. Please answer the "Investment Vehicles, Fees, & Terms" portion of the Questionnaire.

FAILURE TO SUBMIT A DETAILED FEE PROPOSAL MAY ELIMINATE A RESPONDENT'S ORGANIZATION FROM CONSIDERATION.

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8.3 Questionnaire

8.3.1 BACKGROUND & GENERAL INFORMATION

Contact information:

Firm Name:	
Address:	
Telephone Number:	
Fax Number:	
Website:	
Primary Contact	
Name:	
Title:	
Telephone Number:	
Email:	

8.3.1. Provide a brief overview of the firm, its history and main lines of business. Specify any lines of business and provide the approximate percentage of firm revenues that each comprises. Please also provide an overview of the proposed annuity product.

Unlimited

8.3.2 Attach an organizational chart depicting the firm's distinct business units as **Appendix A – Firm Organizational Chart** and provide the total number of employees within each business unit.

Single, Pull-down list.

- 1: List attached,
- 2: Not provided

8.3.3 List the firm's office locations and the main functional responsibilities of each. In addition, indicate the location(s) of the investment team responsible managing the proposed annuity product.

Unlimited

8.3.4 Provide an organization chart denoting all the functional staff positions to be utilized for the System.

Unlimited.

8.3.5 Is there one main point of contact for the System, or will they interface with different people at your firm for different functions?

Unlimited.

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8.3.6 With what frequency will your firm meet with INPRS, its staff or other service providers for the Plan? On an ongoing basis, how often will you conduct status meetings, project-related meetings, strategic meetings, etc.? *Unlimited.*

8.3.7 Provide a detailed reporting and oversight structure for every member of your proposed service team. Describe in detail who INPRS would reach out to should there be concerns with any member of the service team, and describe how often INPRS would be in contact with that individual(s) during the year, absent a service concern. *Unlimited.*

8.3.8 What is the average client relationship duration? *Unlimited.*

8.3.9 Identify by name the people who will work with INPRS in the conversion process for the System.

- Describe their role in the process.
- How long have they been at your firm?
- Will they be a part of the ongoing administration team?
- Will future conversions or projects for INPRS be managed by the same project managers?
- How many other conversions will they be engaged in simultaneously?
- Indicate the average number of conversions handled at a time by these individuals.
- Describe their qualifications and number of prior conversions at your company.

Unlimited.

8.3.10 Attach a detailed project schedule for a January 1, 2017 conversion assuming the business is awarded in December 2015. Additionally, please address the following questions:

- What is your expected timeline to set up the System's plans?
- Please address any concerns you have with the proposed timing. If you believe a different timeframe would be more appropriate, please indicate your preferred timing.
- How will implementation differ from your normal process, given an outsourced annuity provider will be being brought on board at the same time?
- How will your firm facilitate reporting of annuity elections and benefit payments back to INPRS to facilitate DB processing that requires coordination with the ASA elections?

Unlimited.

8.3.11 List any subsidiaries, affiliates or joint ventures and briefly describe each relationship.

Unlimited

8.3.12 Provide a breakdown of ownership of your firm, including minority ownership.

Unlimited

8.3.13 Provide a timeline of any past changes to the firm's legal, organizational or ownership structure, or if possible, those presently contemplated.

Unlimited

8.3.14 Outline your firm's strategic focus and growth targets over the next three years, including new strategies or products currently under consideration.

Unlimited

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8.3.15 Describe your succession and continuity plans for management of the firm.

Unlimited

8.3.16 Please list turnover among senior staff (Officers, Managing Directors, etc.) over the past three years.

Unlimited

8.3.17 Provide a breakdown of total firm assets. Please include an explanation of any major changes in total firm assets in a given year.

Unlimited

8.3.18 Please provide the credit rating of the firm.

Unlimited

8.3.19 Please provide a description of the financial condition of the firm, including capitalization and status of insurance.

Unlimited

8.4 CASE STUDY

Please provide monthly annuity payment for each of the proposed annuity products for the following:

Account	Annuitant Age at Purchase	Spouse/Survivor Age at Purchase	Principal	Monthly Annuity Payment
Single	65	N/A	\$100,000	
Joint W/Spouse	65	62	\$100,000	
Joint W/Survivor	65	32	\$100,000	

Please clearly state each assumption utilized for monthly annuity payment calculation.

Single, Pull-down list.

1: Pricing attached,

2: Not provided

8.5 PROPOSED ANNUITY PRODUCT

8.5.1 Please describe in detail the features of each proposed annuity product.

Unlimited

8.5.2 Regarding the annuity interest rate:

- Please describe in detail how the rate is determined. If it is benchmarked to a market index, please state the index.
- How frequently is the rate determined? How would change in the rate be communicated?

Unlimited

8.5.3 Please describe in detail the requirements for INPRS members to be qualified for the proposed annuity product. (e.g. minimum principal balance, retirement age, health condition)

Unlimited

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8.5.4 Please provide sample informational materials available for prospective annuitants.

Unlimited

8.5.5 Please provide sample account report available for distribution to annuitants. Please attach a sample report as **Appendix B – Sample Client Report**.

Single, Pull-down list.

1: Pricing attached,

2: Not provided

8.5.6 Please describe a typical process used to integrate the proposed annuity product into the client's retirement procedure.

Unlimited

8.6 INVESTMENT TEAM

8.6.1 Attach an organizational chart encompassing the group(s) responsible for managing the proposed annuity product as **Appendix C – Investment Team Organizational Chart**.

Single, Pull-down list.

1: List attached,

2: Not provided

8.6.2 Provide a list of key individual(s) who are responsible for managing the proposed annuity product as **Appendix D – Key Investment Professionals**, and note the amount of time they dedicate to this product, number of years they have worked on this product with your firm and number of years they have worked on this product in the industry.

Single, Pull-down list.

1: List attached,

2: Not provided

8.6.3 Attach biographies for each of the individuals named above as **Appendix E – Biographies of Key Investment Professionals**.

Single, Pull-down list.

1: List attached,

2: Not provided

8.6.4 For those personnel listed in the questions above, please describe their compensation arrangements and incentives. How are employees evaluated and rewarded?

Unlimited

8.6.5 Are any of the investment activities or administrative services associated with the proposed annuity product fully or partially outsourced to third-party service providers? If so, please list each firm and describe their respective roles. Are any of these firms considered affiliates of your firm?

Unlimited

8.7 INVESTMENT STRATEGY & PROCESS

8.7.1 Describe your overall investment philosophy and approach as it relates to the proposed annuity product. Describe the investment process, including the committees, groups or individuals ultimately responsible for trading decisions.

Unlimited

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8.7.2 Provide a brief overview of your portfolio construction process, including a discussion of how position size is determined and managed.

Unlimited

8.7.3 Discuss unique methods of gathering or analyzing information – what is your firm's competitive advantage over other providers in your universe?

Unlimited

8.7.4 Describe the investment universe for the proposed annuity product, including the types of securities utilized. Within this universe, are there any subsets that could be characterized as the primary focus or would be excluded from investment?

Unlimited

8.7.5 If the proposed annuity product is a variable rate annuity, please provide an estimate of the approximate long-term breakdown of excess return into the following main components, and describe in detail how each component is implemented.

- Duration management
- Yield curve positioning
- Sector rotation
- Security selection
- Currency exposures
- Other (please specify)

Unlimited

8.7.6 Provide an overview of how the research efforts are organized, including identification of the groups or individuals that are responsible for specific areas/functions.

Unlimited

8.7.7 Regarding distressed and defaulted securities:

- In the event of default, is your firm actively involved in the workout process? Describe your typical approach to these types of situations.

Unlimited

8.7.8 Does the applicable portfolio for the proposed annuity product employ leverage? If so, discuss how leverage is used, typical amounts, limits, etc., and provide justification for its use. In addition, describe the leverage facility including providers, structure, terms, cost, etc.

Unlimited

8.7.9 Explain how the firm manages liquidity risk in this product. How does the firm ensure that it has the liquidity to meet scheduled benefit payments?

Unlimited

8.7.10 Describe any hedging activities pursued in the applicable portfolio for the proposed annuity product, including what risks/exposures are typically hedged, instruments used and how your hedging activities add value.

Unlimited

8.7.11 Regarding risk management:

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- List the main risks associated with the applicable portfolio for the proposed annuity product and describe how each is explicitly measured and managed at both the individual security and aggregate portfolio level.
- Identify the person(s) or group primarily responsible for the risk management function.
- Discuss how risk management both interacts with and maintains independence from the other aspects of the investment process.
- Discuss any material changes that have been made to the investment process or risk management techniques. Were these changes considered normal enhancements, or were they made in response to the macroeconomic environment and/or specific market events?

Unlimited

8.8 PERFORMANCE & PORTFOLIO COMPOSITION

8.8.1 If the proposed annuity product is a variable rate annuity:

- Please identify the most appropriate benchmark and provide a brief rationale.
- Please indicate performance targets or expectations (e.g. relative return, volatility, tracking error).
- Please describe any structural elements or biases (e.g., high quality focus, avoidance of a sector or industry) that might cause the portfolio to over/underperform in certain market environments.
- Please discuss any periods during which the portfolio experienced exceptionally good/bad performance or high/low volatility – in essence provide context and explanation for any periods that would be considered abnormal.

Unlimited

8.8.2 Provide metrics associated with the following areas:

- Number of securities held
- Current
- Historical range
- Position size
- Current average
- Current largest
- Maximum allowable (specify if measured at cost or market)
- Percent in top ten holdings
- Cash & equivalents allocation
- Current
- Historical range
- Maximum allowable
- Current and historical portfolio duration.
- Current and historical asset allocation weightings.

Unlimited

8.9 INVESTMENT VEHICLES, FEES & TERMS

8.9.1 Please state all fees that will be charged either to INPRS or to individual members for the services outlined in this proposal.

Unlimited

8.9.2 Unless covered above, does your firm currently offer an alternative fee arrangement? If so, describe the structure.

Unlimited

8.9.3 Are fees and/or terms negotiable for the proposed annuity product? If so, please describe the appropriate qualifiers.

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Unlimited

8.10 OPERATIONS, TRADING & CONTROLS

8.10.1 Briefly describe your administrative/back office operations and organizational structure.

Unlimited

8.10.2 If applicable, discuss fund administration and custody, indicating any relevant outside service providers.

Unlimited

8.10.3 Briefly describe the key systems and tools used for account management, analysis and accounting. Indicate if these systems are third party or internally developed.

Unlimited

8.10.4 Please provide an overview of the account valuation practices.

Unlimited

8.10.5 Provide an overview of your operational risk monitoring and management practices. If available, provide your auditor's opinion on whether controls are adequate to achieve specified objectives and whether controls were operating effectively at the time of audit.

Unlimited

8.10.6 Provide an overview of your business continuity and disaster recovery systems and plans.

Unlimited

8.10.7 Does your firm maintain a written ethics or standards of conduct policy? What steps are taken to ensure that employees comply with this policy?

Unlimited

8.10.8 Regarding counterparties:

- List all counterparties you have engaged to execute trades/establish positions related to the management of the proposed annuity product for the three years ending 12/31/14. Please also include the size of these relationships.
- How are your trading counterparties selected, monitored and evaluated?

Unlimited

8.11 LEGAL & REGULATORY ISSUES

8.11.1 Please provide a list of states that your firm is appropriately registered and insured to provide the proposed annuity product.

Unlimited

8.11.2 Please summarize the insurance coverage related to the proposed annuity product.

Unlimited

8.11.3 Has your firm or any officer, director, partner, principal or employee ever been involved in any past or pending civil or criminal litigation or legal proceeding? If so, describe each instance.

Unlimited

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8.11.4 Has your firm or any officer, director, partner, principal or employee ever been the subject of any past or pending non-routine investigation or inquiry by a federal or state agency or self-regulatory body? If so, describe each instance and indicate if any directives, letters or opinions were issued concerning said inquiry.

Unlimited

8.11.5 Has any officer, director, partner, principal or employee of your firm ever been convicted of, pled guilty to, or pled *nolo contendere* to a felony? If so, describe each instance.

Unlimited

8.11.6 Summarize the coverage for errors and omissions, professional liability, fiduciary insurance or fidelity bonds held by your firm (i.e., amounts and respective carriers).

Unlimited

8.11.7 Has your firm ever submitted a claim to your errors and omissions, liability, fiduciary or fidelity bond carrier(s)? If so, describe each instance.

Unlimited

8.11.8 Has your firm ever filed, voluntarily or involuntarily, for bankruptcy protection or otherwise been subject to the appointment of a receiver, trustee, or assignee for the benefit of creditors? If so, describe each instance.

Unlimited

8.12 MISCELLANEOUS

8.12.1 Attach a list of institutional clients contracted for the proposed annuity product or similar product as **Appendix F – Representative Institutional Clients**.

Single, Pull-down list.

- 1: Pricing attached,
- 2: Not provided

8.12.2 Provide references for five current institutional **clients contracted in the proposed annuity product**.

Single, Pull-down list.

- 1: Pricing attached,
- 2: Not provided

8.12.3 Provide references for three prior institutional clients that have terminated their contracts with your firm during the past two years.

Single, Pull-down list.

- 1: Pricing attached,
- 2: Not provided