

Appendix C: Questionnaire

The following questionnaire must be completed and included with your response to this RFP. Type your responses in the same order as the questionnaire, listing the question first followed by your answer. The response should reflect the bidder's understanding of the stated requirements and the bidder's qualifications and experience in providing the required services. The responses to the following questions are expected to be incorporated as part of the contract between the recordkeeper and TRS. Please provide succinct answers.

Vendor Information

Name of Vendor: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Fax: _____

Federal Employer Identification Number: _____

Contact Person(s):

Name: _____ Phone: _____

Title: _____ Fax: _____

Email: _____ Website: _____

I. Firm Overview and Governmental Plan Experience

A. Company Information

1. Briefly provide an overview of your company and the history of the organization. Describe any parent/subsidiary/affiliate relationships. Are you currently participating in any alliances or joint marketing efforts? If so, describe in detail.
2. Are there any pending agreements or any active or contemplated negotiations or intentions to merge or sell your company or any portion thereof or to acquire another company? If yes, please explain.
3. What is the most recent date when the company or any component of the overall organization had a change in business structure whether through an acquisition or divestiture or through an alliance arrangement? If applicable, how did this change in business affect the defined contribution plan record keeping division and how the company provides such record keeping services?
4. List all subcontractors proposed to be used to provide any of your services, and fully describe the nature of the services to be provided and the subcontractor's experience and expertise.

5. Describe your errors and omissions coverage/professional liability, fiduciary liability insurance, and cyber liability insurance coverages, including the risks covered, carriers, levels, limits, and deductibles. Please also describe any additional types of insurance coverage and indemnification provided to protect clients.
6. Provide the amount of the company's expenditures record keeping expenditures in relation to the company's total company-wide expenditures. If you cannot provide actual figures, please provide the ratio of record keeping expenditures to total company expenditures within the given time frames. You do not need to provide ratio figures if you can provide total expenditures for the years listed:

	Record keeping expenditures	Total company expenditures	<u>Or:</u> Ratio of record keeping to total spending
Total for 2018:	\$	\$	
Total for 2017:	\$	\$	
Total for 2016:	\$	\$	
Total for 2015:	\$	\$	

B. Contracts, Pending Litigation and Recent Corporate Actions

7. Has your company been involved in litigation, regulatory or other investigations in the last five years or are there any pending litigation, regulatory or other investigations arising out of your performance or participation in servicing a client or delivering services similar to those outlined in the Scope of Work in this RFP? If so, please fully describe, including an explanation of the resolution of the matter, whether formally or by settlement. Exclude routine interpleader actions, garnishments and similar routine matters involving participants and beneficiaries that do not reflect on your performance of your contract.
8. Has your company ever filed or been petitioned into bankruptcy or insolvency or has your company ever made any assignment for the benefit of your creditors? If so, please fully describe, including whether such a petition has been discharged.
9. Identify any potential conflict of interest, or appearance of a conflict of interest, that your company would have in providing the services requested. (Please review the Board of Trustees listed on the TRS website - <https://www.trsil.org/trustees/board-of-trustees>). Describe how you will handle any conflict and why it should not be detrimentally viewed.
10. Please indicate whether you currently provide recordkeeping/administrative services to any of the 990 employers who will be participating in this plan (A map of the location of public school districts can be found at: <https://www.isbe.net/Pages/PublicSchoolDistrictLookup.aspx>). If so, please identify the employer.

C. Data Security

11. Describe your company's data security team. Indicate the size, roles and responsibilities of personnel.
12. Describe the system protocols in place to ensure the integrity and security of records, data, and information and to prevent data theft. Has there ever been an instance where any of your systems were compromised? How does your company define a data breach? What is your corporate policy in notifying clients and participants if a data breach has occurred? What services, if any, are offered to clients and participants in the event of a data breach or potential data breach?
13. Please discuss your process for providing training to your workforce to prevent data breaches.
14. Describe your company's system back-up, security, and disaster recovery procedures. Are files archived and stored at an off-site location? If so, where is the location? Have procedures been tested? When did you last perform a full-scaled disaster recovery test? If you are not using backup, what do you use? If using a hot or warm site, provide the disaster recovery and business continuity plans. How is that controlled?
15. How does the company use independent, third-party testing and benchmarking to ensure compliance with security protocols? Describe how and the frequency of which third-party security audits are conducted. Provide a summary report of your most recent security audit.
16. How does the company assess potential risk associated with vendors and subcontractors? How does the company ensure security of data handled by subcontractors?
17. Will any participant data be sent offshore? Will any work be conducted by subcontractors or divisions of the company that are domiciled outside the United States? If yes, please describe the nature of the services provided and how your company ensures security of the data.
18. What security features are in place to ensure only the correct participant is given personal information? Describe your Personal Identification Number (PIN) generation capabilities (for new participants) and on-going PIN administration capabilities.
19. How do you control system access internally and on a client level?
20. Does your website have multi-factor authentication? Does your website have self-provisioning for maintaining multi-factor authentication?

D. Defined Contribution (DC) Plan Experience

21. Provide the number of years' experience your company has in providing administrative services for defined contribution plans.
22. What are your client retention statistics for each of the last three years? What is the historic average duration of client relationships for the company? For those clients who discontinued services, what percentage left due to issues pertaining to services provided by the company?

23. Identify the number of defined contribution plans your company currently administers with the following assets:

	Number of Participants in Plan	Number of DC Plans	Number of Governmental DC Plans	Number of Governmental 457(b) Plans
Less than \$500 million				
\$501 million to \$1 billion				
\$1 billion to \$5 billion				
\$5 billion to \$10 billion				
More than \$10 billion				
Total				

24. How many start-up plans similar to the DC Plan described in P.A. 100-0769 has the company implemented in the past 10 years. Please provide examples and any relevant experience.
25. Provide three governmental defined contribution plans administered by your company for at least three years as references. References should be clients you consider the most similar to TRS. Provide a contact name, address, and phone number so that TRS may contact these references if desired. Include the approximate number of participants, total plan assets, and a brief description of services provided and why they are similar to those requested by the TRS. Please note that your Reference Authorization Letters in Appendix A should match the references you provide below.

Plan Name			
Plan Type			
# Participants			
Total Assets			
Service Provided			
How similar to TRS			
Contact			
Phone #			
Email			

II. Implementation Strategy, Client Servicing Team, and Operations and System Capabilities

A. Implementation Strategy

26. Provide a draft implementation plan that is customized to TRS that illustrates your firm's ability to implement this RFP's Scope of Services by July 1, 2020. The plan should include

key milestones and other necessary steps needed to implement the TRS Supplemental Savings Plan. Describe your strategy for implementation and the rationale behind your proposed plan.

27. In your experience, what do you see as the major areas of operational and compliance risk in implementing this plan? Please describe how you would assist TRS to ensure a smooth implementation for both employers, participants and the TRS staff.
28. What process do you envision using to determine/finalize which functions should be completed by TRS and which should be completed by your firm?
29. As part of the implementation process, please describe your plan to assist TRS develop and implement a custom brand that will promote the TRS Supplemental Savings Plan and encourage participation in the program.
30. How would you propose communicating the new Plan to the approximate 160,000 existing participants as well as new hires? What communication strategies have you used to onboard clients similar to TRS? What methods of communication have worked well and what issues or challenges have you seen arise? Please include sample materials with your proposal.
31. Describe how your firm proposes to work with TRS to communicate the specific requirements and overall implementation aspects of the new Plan to employers and other third parties, such as payroll and/or software providers? Please describe how you would ensure that employers are comfortable with their responsibilities and understand the operational processes required to implement and meet ongoing obligations. What methods of communication have worked well and what issues or challenges have you seen arise?
32. Can you develop and maintain throughout the life of the contract a formal Administrative Manual to properly document all processes (both manual and automatic), procedures, roles and responsibilities of TRS relating to the new Plan? Can you develop a separate manual to be used by employers? Please describe your experience in working with clients to develop such manuals and how you would ensure the documents remain up-to-date.
33. Please confirm that you will be able to work with TRS to provide both internal staff and employer training on all aspects of the recordkeeping system, including training on the systems and remittance processes.

B. Client Servicing Team

34. Name the person who will be the Implementation Manager responsible for managing all aspects of the implementation and coordinating both with TRS and with the vendor's staff.
 - a. Provide the resume for this individual including his/her qualifications, any licenses, experience, and number of years with your company, and current primary work location.
 - b. Describe the duties and responsibilities that this person will have.

- c. Provide the number of current client relationships he/she is responsible for, number of plan participants, and length of the relationships.
 - d. Will this person be 100% dedicated to the implementation?
35. Please describe the team members who will provide service to the TRS relationship during the transition and on-going. For each such identified individual, please provide a brief biography, experience working with governmental defined contribution plans, the number of clients serviced, and the amount of time allocated to the TRS relationship.
36. Please also briefly describe the process by which these team members interrelate, communicate and coordinate their respective functions. For team members who will service multiple clients, please describe how the company ensures that all client work is transacted each day and that all client needs have been met.
37. Please discuss the compensation and incentive strategy for the individuals assigned to TRS. Indicate whether any of your employees who will work on the new DC Plan receives incentive compensation (such as commissions, bonuses or other increased compensation). For each type of employee, indicate the basis under which this incentive compensation is paid.
38. Does your company have a continuous education program in place for your client service personnel to stay current with changes in the law both at the federal and state level, changes in regulations, changes in technology or changes in investments? Please describe.

C. Operations and System Capabilities

39. Provide a technical reference model of the system you use in recordkeeping and to administer defined contribution plans. Related to the technical reference model, how many years have you been using the system and how often are these systems upgraded? What was the date of the last major upgrade? What was the upgrade, and did it disrupt client services at any point? If so, how and what was learned to prevent a similar issue from occurring in the future?
40. Describe how your hardware and software environments are kept in compliance with laws, regulations, industry best practices, and new technologies.
41. Will your system allow data transmissions for member defined benefit information to be incorporated into an annual statement and/or displayed on the participant website?
42. Discuss your ability to provide a daily feed to TRS containing participant account balances as of the close of the day.
43. Describe your change control process for implementing system enhancements.

44. Describe your process for handling stale-dated checks. Are you able to issue direct deposits or electronic funds transfer into an employee's bank account in order to avoid the challenges with outstanding checks?
45. Describe the operational, administrative and workflow documentation that will be developed in support of the operation of the new DC Plan.
46. Do you provide participants with the option to receive vendor communications (statements, confirmations, communications, etc.) either by mail or online? If yes, can each participant make the selection?
47. Please confirm that your company will work with TRS, employers and payroll providers to develop the needed file feeds prior to the implementation and continue making improvements as needed during the remaining contract term.
48. Each participating employer will interface directly with TRS to upload participant data files and will also directly remit participant contributions and employer contributions to TRS which will then be transmitted to the recordkeeper's preferred custodian.
 - a. Describe your typical process for cash and data flow. What are your typical frequencies of data file submissions and contribution remittances?
 - b. What hardware, systems, formats are presently in place for electronic receipt and upload of information from clients?
 - c. What types of validation checks do you have in place for uploaded employer contribution files?
 - d. Please describe the reconciliation process. Would you work directly with the employers or through TRS to resolve discrepancies?
 - e. Describe how you propose data would be transmitted to and from TRS. Describe what feeds would be provided back to TRS or directly to the employers.
 - f. Describe what type of file feeds would typically be transmitted from your system to the Employers, if any.
 - g. If you are provided with the salaries of eligible participants are you able to determine you are receiving the correct contributions for each participant?
 - h. Describe your capability to provide RESTful APIs for your clients.
49. Explain how errors are handled through your recordkeeping system, including data transmission errors, for:
 - a. Enrollment
 - b. Contributions
 - c. Withdrawals/Distributions (both over and under-payments)
 - d. Transfers
 - e. Rollovers
 - f. Allocation of earnings
 - g. Tax reporting

III. Plan Sponsor Experience: Reporting, Administrative and Compliance Support, Online

System, Commitment to Customer Service, Issue Resolution, Thought Leadership and Innovation

A. Standard Reporting

50. Please indicate what reporting is available to TRS on the participant and on a plan level. To what extent can these proposed reports be customized? Confirm your ability to provide ad-hoc reporting and describe the limitations, if any, of what TRS can request. What is the process for developing customized report formats and delivery mechanisms customized to client requests?
51. What are the timelines for generating and delivering reports by hard copy? By electronic delivery? Include your organization's average response time for a client to receive standard reports and special reports.

B. Administrative and Compliance Support

52. Describe how the company handles audit documentation regarding paperless processing.
53. Indicate what legal support you provide internally to administer the new DC Plan in compliance with applicable laws and regulations. Indicate how you will review and inform TRS of changes in the law and current legislation potentially affecting the new DC Plan.
54. Describe your experience in working with public sector clients in addressing legislative requests for information during session and implementing legislative changes.
55. What fiduciary responsibility does your company assume?
56. Describe how you monitor and communicate the age 70 ½ Required Minimum Distribution (RMD) requirements? Does your RMD process include automatic distribution of the minimum required amount if participants do not respond to your notifications, or do you require action by TRS?
57. Describe how you help administer the distribution of small account balances of terminated participants with assets under \$5,000. What outside Individual Retirement Account providers can you partner with to accept these balances. Please indicate in the cost proposal if there are additional fees if TRS wishes to partner with an IRA provider of their choice.

C. Online Systems

58. Describe the account services and transaction capabilities available through your participant website.
59. What are routine maintenance periods for your website? Provide statistics for the last twelve (12) months on down time other than routine system maintenance.
60. Describe the organization responsible for maintaining and supporting your online systems. Are these functions performed in-house, or are they sub-contracted?

61. What is your typical release schedule for application upgrades, and how are changes communicated to clients? How are enhancement requests made by clients?
62. What access is provided to TRS via the website, i.e. transactional or informational services? What access is available to participating employers? Describe any transactional capabilities for employers via the website.
63. What are your customer support capacities to respond to and troubleshoot participant technical difficulties?
64. Are there any improvements to your Internet/web capabilities expected to occur in the next three years? If so, please describe.

D. Customer Service and Issue Resolution

65. Does your company conduct client specific surveys to measure satisfaction with its administrative services? If so, how frequently do these occur? Please provide the results of your most recently completed client survey.
66. How does your company plan to measure and evaluate the satisfaction of participants, employers and TRS? How does your company intend to report the results of such measurement to TRS?
67. Describe in detail the quality control system and quality improvement system you have in place.
68. Describe your error notification including at what point you anticipate elevating problems to TRS. What types of issues you resolve internally?
69. How are participant grievances/complaints handled? Describe your process, including communication with the participant as well as how you collaborate with TRS for remedy.

E. Thought Leadership and Innovation

70. What differentiates you from your competitors? Identify any leading-edge products or services available from your company that would not be available from other firms.
71. Identify plans for developing additional products or services that would be available to TRS and participants over the next three (3) years.
72. How do you incorporate the thoughts/perspectives of clients as you are developing new technologies? Do you survey clients or offer advisory councils?

IV. Participant Experience: Micro-site/Website, Statements, Call Center and Voice Response Unit (VRU)

A. Micro-site/Website

73. Describe the vision behind your web design as well as the attributes of the site that may be customized for the program, such as layout, colors, images, and materials. Please note that TRS expects the website to be fully branded to the new DC Plan and flexible enough to be updated regularly. Confirm your ability to accommodate. How do you envision the relationship (navigations, functions, etc.) between TRS' website and your website?
74. What communication and investment materials are offered on the participant micro-site? Will these differ from materials available once a participant logs into his/her account?
75. Describe any other tools and services available to participants through the participant website such as calculators and financial modeling tools.
76. Describe how your website supports online enrollment. Identify and provide access to sample enrollment instructions prior to any log-in to the system or provide access that you propose to give to a new employee desiring to enroll online for the first time. If new participant data cannot be provided in advance of enrollment, describe your solution to allowing online participant enrollment without delay.
77. Describe any other materials or technology you have available (smart phone apps, videos, etc.) that can be provided to engage and assist participants in enrolling in the plan and understanding their benefits.

B. Participant Statements

78. Attach a copy of the quarterly statement you intend to prepare for TRS.
79. What statement content may be selected or de-selected by TRS? Describe your capabilities to incorporate retirement income projections on the quarterly participant statement. Please outline any additional abilities to customize.
80. Do you have the ability to create an annual statement that shows the DB project and DC contribution and any expected gap in savings?
81. How do you prefer to coordinate returned mail (including statements and checks)? What steps would you recommend ensuring customer addresses are kept up-to-date? Explain.
82. Describe your process and procedures, include the specific data or documents maintained, in tracking statements, notices, and any other mailings sent to participants.

C. Customer Call Center and Voice Response Unit

83. Where is your customer call center located? Will your recordkeeping and administrative services also be processed at this location? If not, where will these services be provided?

84. Provide statistics related to actual performance for the last three calendar years:
 - a. Number of calls received
 - b. Percentage of calls answered
 - c. Average length of calls
 - d. Average response time
 - e. Percentage of calls requiring follow-up
 - f. Call abort rate
85. How many customer service representatives does your company currently employ? How many do you anticipate will be taking calls from participants? Does the company anticipate establishing a separate call center queue?
86. What days/hours will customer service representatives be available?
87. How do you serve hearing impaired participants?
88. What is your company's policy for initial and ongoing training and licensing of client service and call-center personnel? Include a description of your required licensing and education program.
89. How will your customer service center representatives be trained on the new plan in order to respond quickly and efficiently to the questions that existing participants and new hires will ask? Please describe this training.
90. How does your firm anticipate working with TRS' call center staff to plan for events that may cause an uptick in calls and to identify participant needs/questions that may be addressed by a broad communication?
91. Will your representatives be able to handle high level questions related to the DB plan? Will your representatives be able to provide warm transfers to the TRS call center if a DB question requires additional discussion?
92. Describe the types of transactions your operators are permitted to accept from participants. Do operators have direct access to the recordkeeping system? If a participant exits your voice response system with a problem, can operators monitor the progress of the attempted transaction?
93. Will representatives at the customer service center be able to offer additional support to participants such as answering questions regarding investment options and contributing toward retirement goals?
94. Describe how questions that could not be answered at the customer service center will be handled or directed.
95. What security procedures do you use at your customer service center to authorize transactions that the participant makes over the phone?

96. Do you monitor and record participant phone calls? Describe the oversight and monitoring activities your company conducts to ensure that the service provided by your representatives meets quality standards. Are you willing to periodically provide sample calls for review by TRS?
97. Will participants have access to a Voice Response System (VRS) that will allow them automated access to their account information and ability to make changes?
98. What security procedures do you use to authorize transactions the participant makes using the VRS?
99. Will you provide customization for the VRS? If yes, briefly describe the level of customization available.

V. Participant and Employer Education: Custom Communication and Education Capabilities and Onsite Representatives

A. Participant Communication and Education

100. Briefly describe your background and experience in providing communication and education programs.
101. Based on the information provided in this Request for Proposal, please provide responses to the following questions.
 - a. How many individuals would you propose should conduct one-on-one and group meetings across the state. Describe the levels of experience, education, and any licenses or certifications they will have.
 - b. Will these individuals be 100% devoted to TRS?
 - c. Do you plan to leverage existing representatives within the firm or to hire representatives? If you are planning to hire, please provide an overview of the time requirements for the hiring and training process.
 - d. Describe your approach to providing education services for 990 employers across the state. How will field staff be deployed? How would the company expect to work with employers to schedule and conduct meetings?
 - e. What strategies would you propose in order to accommodate the schedules of public-school teachers.
 - f. Describe a typical one-on-one consultation that offered to a participant. How would your representatives respond to questions regarding the investment options, what information would be provided, and what approach would the representative take toward making suggestions or providing guidance? Describe how your

representatives will ensure that inquiries are appropriately directed to another party if needed.

- g. Do you have the ability to offer an online scheduling tool to enable participants to sign up for one-on-one meetings or group education sessions?
 - h. Please confirm that your company and its representatives will not engage in cross-selling of other products and services to members or participants. Please indicate how you ensure that cross-selling of other products does not occur.
102. Describe your capabilities in providing investment advice at no additional charge to plan participants. Identify all the channels through which investment advice is provided (i.e. financial advisor, website tools, over the phone, face-to-face). How do you ensure that the investment advice is given without any conflicts of interest?
103. Do you provide the following elements as part of a standard communication and financial education program?
- a. **Interactive Calculators.** Calculators that participants can use for tasks such as: determining shortfalls in retirement savings, determining how long savings will last in retirement, planning for college, estimating net worth, budgeting to save.
 - i. What types of information do your calculators take into account?
 - ii. Do you have the capability to import and incorporate data from the DB benefit into your calculators?
 - iii. What types of predictive functions do your calculators provide?
 - iv. Do your calculators allow participants to compare multiple scenarios taking into account factors such as different retirement ages, salaries, contributions to savings, and changing expenses?
 - v. What types of interactive tutorials are provided to assist participants in using the calculators to test different scenarios and understand the impact of each?
 - b. **Mass Distribution of Educational Material and Targeted Mailings.**
 - i. Describe your ability to provide targeted communications developed using data mining that provide pertinent and actionable messaging at various stages of the participant's employment lifecycle.
104. Please describe your experience using live and recorded webinars and short videos to communicate with and educate participants about their benefits.
105. What criteria are used to evaluate the effectiveness or success of a particular education or plan marketing campaign?
106. Do you create your communication and education material in-house, through third parties, or a combination?
107. Who would be the primary contact regarding marketing and how would this person work with TRS to ensure the appropriate messaging is communicated to participants?

108. Describe how you intend to ensure that TRS is actively involved in the development of the initial communications and future materials. Describe how you would propose to incorporate TRS' input without delaying the development and production of materials and what turnaround and similar requirements you would impose.

B. Employer Education

109. Please describe your plan to work with TRS to develop communications, tools and other resources that can be provided to employers to assist in their understanding of the plan and responsibilities. Please describe your experience working with other clients with multiple employers.
110. Please provide an overview of your ability to participate in periodic webinars or conference calls to provide employers with training on the systems and remittance processes. Please share any experience you have working with other clients to train employers on your systems.

VI. Investment Flexibility and Custodial Coordination Services

A. Investment Flexibility

111. Describe your company's experience in coordinating on a daily basis with a variety of investment companies and investment products (mutual funds, collective investment trusts, separate accounts). Indicate whether there are any investment companies with which your company cannot work.
112. Can you perform recordkeeping for fixed annuity (general account) products or stable value (separate account) products managed by other companies? Please provide a listing of the investments that could be offered on your platform and explain any limitations/restrictions.
113. Please describe the process to replace one or more funds in the investment line-up during the contract period. Identify the notice period your firm would need to replace a fund and any associated fees.
114. Describe your ability to accommodate customized, static-allocation, "white label portfolios" maintained at and rebalanced to target allocation weights. Include your ability to rebalance at specific intervals.

B. Custodial Coordination Services

115. Please provide an overview of your preferred custodial bank and outline your experience in coordinating your recordkeeping and administrative services with a third-party holding plan assets. How long have you had a relationship with your preferred custodial bank?

116. What agreements or other arrangements will be necessary with the custodian bank to provide necessary coordination between your recordkeeping and administrative services and the services of the custodian bank?
117. Please provide a copy of the sample contract required to engage the services of your preferred custodian.
118. Do you anticipate that the custodial bank will process individual federal and state tax withholding? If not, how will that be handled?
119. As described in this RFP, TRS may elect to contract with State Street to provide custodial services to the Plan. Please confirm your ability to work with an outside custodian and any challenges you've encountered with other clients using a similar model.