Application for Potential 401(a) Alternative Retirement Plan Vendors

Applicant Questions

1. The list of universities participating in the ARP 401(a) on page 4 did not include the smaller colleges but there is a note that outlined that the 2 year and community colleges also participate in the ARP. Can you please confirm if we should be considering the 23 community colleges listed below in our responses?
   - Belmont College
   - Central Ohio Technical College
   - Cincinnati State Technical & Community College
   - Clark State Community College
   - Columbus State Community College
   - Cuyahoga Community College
   - Eastern Gateway Community College
   - Edison Community College
   - Hocking College
   - Lakeland Community College
   - Lorain County Community College
   - Marion Technical College
   - North Central State College
   - Northwest State Community College
   - Owens Community College
   - Rhodes State College
   - Rio Grande Community College
   - Sinclair Community College
   - Southern State Community College
   - Stark State College
   - Terra State Community College
   - Washington State Community College
   - Zane State College

Response: Yes, please consider the 23 community colleges in your responses. However, please keep in mind that this is not a plan by plan evaluation. The purpose of the application process is to review and evaluate your current services and offerings to ensure that you are satisfying the requirements as stated in the Code.

2. Please confirm if we are permitted to answer yes to both requirements (A and B) for Question 2 on Page 7 of the RFP. A vendor meets both requirements and question specifically requests one requirement.

Response: Confirmed, you may answer yes to both requirements.
3. There are questions in the RFP that suggest that new hire and eligibility information is currently being provided to the ARP vendors. Unfortunately, we are not currently receiving the eligible employee information at this time. We will respond to the questions under the premise that this information may be provided in the future. Can you please advise if there are future plans for this data to be shared with the ARP vendors?

Response: Some universities may provide this information. There is no intent for all universities to provide new hire information to the vendors.

4. Please provide the total plan assets by University and current vendor.

Response: This information is not available at this time and not deemed necessary information to evaluate whether your services and offerings are in alignment with the Code.

5. Please provide by vendor the assets that are currently in individual contracts vs. group contracts.

Response: This information is not available at this time and not deemed necessary information to evaluate whether your services and offerings are in alignment with the Code.

6. Please provide the total number of participants by University and vendor.

Response: This information is not available at this time and not deemed necessary information to evaluate whether your services and offerings are in alignment with the Code.

7. What payroll vendor is used for each university?

Response: This information is not available at this time and not deemed necessary information to evaluate whether your services and offerings are in alignment with the Code.

8. Is pricing requested? If yes, is fixed or bundled pricing preferred? Should pricing be provided at the University level or as a whole?

Response: Pricing is not requested at this time as each institution or college will independently contract with the approved vendors they select. The purpose of the application process is to review and evaluate your current services and offerings to ensure that you are satisfying the requirements as stated in the Code.

9. Is there a requirement to have a minimum number of vendors?

Response: Please review the Code requirements for specifics relating to the minimum number vendors. At a high level, the Code requires a minimum of 4 vendors to be made available, if there are at least 4 approved vendors. If after this process there are only 3 approved vendors, the minimum is reduced from 4 to 3, etc.

10. Is the goal to have a uniform vendor and fund lineup across all the Universities?

Response: No.
11. There are two tabs in the investment detail appendix that reference information as of June 2015 and the remainder tabs as of September 2015. Please clarify which date the investment detail should be as of?

Response: The June 2015 dates were a typo. All investment details should be as of September 2015.

12. Will there be a minimum/maximum number of vendors that each University may select?

Response: Please refer to question 9 about the minimum number of vendors. There is no maximum number of vendors, other than the maximum number of approved vendors.

13. In addition to completing the RFI for the current offering, are existing providers permitted to propose an alternate offering, including enhancing the current product?

Response: An alternative option can be submitted IN ADDITION to the information on the current offering. Please note that as part of your response, you must indicate how the new offering would be implemented and how the current funds/investments would be impacted. You should do so by supplying an additional tab in the Excel document and label it “Alternative”.

14. If the existing provider wanted to propose an alternate or enhanced offering, should multiple RFI responses be completed?

Response: One RFI response should be completed with a clear distinction between the current offering and the proposed alternative/enhanced offering.

15. Is it your expectation/preference for existing assets to be converted to the new product being proposed by current providers?

Response: This has not been reviewed or evaluated at this time and is not part of the application review process.

16. In the event existing provider(s) are deselected, will the remaining assets be eligible for conversion?

Response: Each university may determine the available actions under a deselected provider. There is no requirement to move funds to the new provider.

17. What is the expected contract term?

Response: Each institution or college will independently contract with the approved vendors they select and thus, contract terms will be negotiated at that time.

18. What is the expected implementation date?

Response: TBD
19. Under Item 3 of the RFP (Evaluation & Application Scoring Criteria), you've indicated that "Once the ODHE has concluded the approval process, the universities may contract with any or all of the approved vendors." Can you please clarify that "Any or all" is consistent with the language in the OH Revised Code 3305.03, which states "public institution of higher education shall enter into agreements with a minimum of four vendors or, if fewer than four vendors are available, with the number of vendors available."?

Response: Please refer to question 9 about the minimum number of vendors.

20. If/when a vendor is selected as an approved ARP provider, will AON remain as consultant to each university as they evaluate and enter into agreements with 4 or more providers?

Response: This information is not deemed necessary information to evaluate whether your services and offerings are in alignment with the Code.

21. Is there a timeline when universities would have to select and enter into an agreement with an approved provider? If not, can you describe how the existing plans/vendors will be treated, provided they have met the requirements under chapter 3305.03 of the OH Revised Code?

Response: There is no time requirement for the colleges and universities to select and enter into an agreement with an approved vendor. Each college and university will independently contract with the vendors they select from the approved list. An existing vendor, even if they are approved through this application process, may or may not be selected by a college or university going forward.

22. Are you looking for vendors to accept appointment as a 3(16) Fiduciary under ERISA?

Response: The plans are not subject to ERISA, but the services and duties provided should be in accordance with fiduciary standards.

23. Would the ability to administer distribution of benefits, loans, hardships and QDRO's suffice?

Response: Vendors should be able and willing to provide qualification services for all of the above mentioned transactions in addition to supplying the administration capabilities to process such transactions.

24. What is the expected annual amount of the expense budget account?

Response: There is no “expected annual budget amount”. You should respond considering the following: If there is revenue sharing generated in excess of the administrative fee requirements, are you willing to establish an expense budget (ERISA) account?

25. Would employees be forced to transfer money held at a current approved vendor to a new vendor if the current vendor is not approved under the application? If yes, how quickly?

Response: Please refer to question 16.
26. Will the application be available to complete online?

Response: No.

27. The application references “partnering” on page 5 under the section titled Reservations. Please define what the plan considers to be partnering.

Response: “Partnering” refers to including any subcontractor in your response. Subcontractors include, but are not limited to, any individual who may provide services directly to a plan participant and/or a university. This includes investment advisors, brokers, etc. For example, Company A is currently providing services to a university. Company A is a broker associated with Company B. Only one response may be provided for both Company A and Company B.

28. Will the ODHE provide vendor applicants a copy of the current master plan document prior to the deadline for vendor application submission?

Response: No. There is no master plan document and each college and university maintains their own set of plan provisions.

29. Are investments other than annuities such as mutual funds permitted under the plan?

Response: Yes.

30. Going forward under the new process, which entity will have primary responsibility for administration of the plan? For example will the universities have plan administrators or is the vendor responsible for hiring a third party administrator?

Response: The vendor structure at each college and university is unique. In some cases, there may be a master/lead vendor and in others there may be no master/lead vendor. This will be determined by each individual university at the time they contract with the approved vendors they select.

31. If an existing vendor pursues vendor renewal and its affiliate also pursues new vendor approval are all eligibility requirements indicated under question 2 on page 7 of the application required of both entities separately and independently of the other?

Response: Any affiliate of an existing vendor will be considered a subcontractor as defined in question 27 and must submit only one response for both vendors. Therefore, all eligibility requirements indicated under question 2 on page 7 of the application can be met jointly.