

# Deferred Compensation Plan

## BOARD REPORT 16-23

Date: July 13, 2016

To: Board of Deferred Compensation Administration

From: Staff

Subject: Request for Proposal for Third-Party-Administrator Services – Review Panel Recommendation

*Board of Deferred  
Compensation Administration  
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### **Recommendation:**

That the Board of Deferred Compensation Administration (a) consider the findings of the review panel for the Deferred Compensation Plan's Request for Proposal for Third-Party-Administrative (TPA) services, including the scoring and analysis of the responses and recommendation that Voya Institutional Plan Services be selected as the TPA service provider for a five-year contract term; and (b) request that the Plan consultant develop a report describing key considerations when transitioning TPA service providers.

### **Discussion**

#### **A. Background**

Following is a review of Board of Deferred Compensation actions to date relative to the development/issuance of a procurement for Third-Party-Administrator (TPA) services for the City of Los Angeles Deferred Compensation Plan:

- **July 21, 2015** - The Board approved moving forward with developing a Request for Proposal (RFP) for TPA services and a request to City Council to provide the Board with 5-year contracting authority for the Board's TPA and other contracts for services.
- **August 18, 2015** - The Board approved a proposed communication plan relative to development of the RFP, including moving forward with drafting a participant survey.
- **September 15, 2015** - The Board reviewed and had discussion relative to a presentation from staff and the Plan's consultant with respect to design of the RFP.
- **October 20, 2015** - The Board adopted a member survey to obtain feedback and help inform development of the RFP and evaluation of responses; the survey window was open November 15-29, 2015.
- **December 22, 2015** - The Board reviewed results of the participant survey, which received 1,653 responses.

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- **January 19, 2016** – The Board approved the proposed draft TPA RFP and authorized its release.
- **February 5, 2016** – The RFP was released to the vendor community, with a response deadline of March 24, 2016.
- **March 24, 2016** – Two RFP responses were received, from Empower Retirement and Voya Institutional Plan Services, and determined to be in compliance with City of Los Angeles general contracting requirements.

This report will next address the review panel's scoring and findings.

### B. RFP Summary Findings

The mission of the TPA RFP was to identify the firm which can best partner with the City in its mission to assist City employees and Plan participants in achieving retirement income security. Staff's and the Board's objective has been to frame this procurement from a "member-based" perspective focused first and foremost on addressing the features and services which Plan participants most utilize and value, and which best support their retirement readiness. That member-based perspective was informed by participant survey feedback as well as staff's assessment of participant service needs based on its day-to-day administration of the Plan.

The Board established a panel to review the proposals and develop a recommendation for selection. The Board's Review Committee consisted of Personnel Department staff members Steven Montagna and Esther Chang, and Segal Consultant Wendy Young-Carter. Each panel member independently conducted his/her review/analysis of the proposals. The summary averaged scores of the three rating panel members is provided as **Attachment A**. All panel members participated in Performance Exams held with the vendors May 23-24 on three separate topics (**Attachment B**). The performance exams were focused on three topics that represented areas of particular focus for the City's Plan: **administrative/communications flexibility and customization, distribution and loan processing, and creating participant success**.

Following their independent ratings and the performance exams, the rating panel members met to discuss and compare their scoring results. The scoring totals reflected in this report reflect the combined averaged scoring of the three panelists for all rating categories. The Review Committee believes its review and scoring process was sound, that its review was comprehensive, that it adhered strictly to the RFP rating factors, and that both respondents were fairly and objectively rated.

Based on the scoring results, the rating panel is recommending that the Board select Voya Institutional Plan Services as the Plan's TPA service provider. Overall, Voya best demonstrated an ability to partner with the City's Plan in developing and expanding success in fulfilling its core mission. Voya demonstrated significantly greater capabilities to:

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- (a) Customize its resources to the City's specific needs;
- (b) Integrate the City's core participant success methodology into its web platform;
- (c) Provide solutions to significant administrative challenges facing the City's Plan;
- (d) Provide within its cost proposal a new full-time Senior Communications Development staff resource that would exercise a leadership role in not only producing innovative, outcomes-based communications educational content, materials, and initiatives, but more broadly in assisting the City in improving key metrics such as participation, average contributions, rollover retention, and other metrics which impact participant retirement readiness;
- (e) Provide communications resources, flexibility and facility; and
- (f) Position itself to most flexibly partner with the City's Plan in its pursuit of retirement readiness for the City's workforce.

Notwithstanding the above, it is noted that the scoring differential between the two vendors was relatively narrow. The close scoring illustrates the fact that both firms are very capable providers of TPA services. Both firms demonstrated unique relative competencies and weaknesses which will be fully explored and detailed in this report. In the four primary rated broad categories, Voya received the highest overall score in three by relatively narrow margins; both vendors were virtually tied in in the fourth category.

Summary scoring by major RFP category is noted as follows. The respondent with a higher score within each category is indicated in yellow.

RATING CATEGORIES	% of Total	Point Scale	Empower	Voya
Organizational Strength, Recordkeeping & Plan Sponsor Services	30%	300	219	236
Participant Services	45%	450	334	349
Self-Directed, Trustee & Value-Added Services	10%	100	82	81
Financial Cost	15%	150	132	150
Total	100%	1,000	767	817

To provide Board members with ample detail regarding their proposals, in addition to the information provided in this report, **Attachment C** provides a comparative summary of much of the voluminous data submitted by the proposers. The focus in Attachment B is on those RFP questions where one vendor was determined to have submitted a stronger response than the other, because it is within these questions that the relative strengths and weaknesses for both vendors can be most clearly discerned.

Review panel member Wendy Young-Carter will not be available to attend this meeting. She will, however, attend the Board's August 16, 2016 meeting.

Following is a summary and discussion of the rating panel findings broken out by each of the topics included in the RFP. The respondent with a relatively higher score within

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each major or sub-category is indicated in yellow. Key or differentiating findings for each category are included as bullet points.

### (1) ORGANIZATIONAL STRENGTH, RECORDKEEPING & PLAN SPONSOR SERVICES

ORGANIZATIONAL STRENGTH, RECORDKEEPING & PLAN SPONSOR SERVICES				
PLAN SPONSOR SERVICES	Percent	Point Scale	Empower	Voya
Organizational Background, Financial Strength, Experience	2%	20	18	11
Regulatory and Contractual Actions	1%	10	5	7
References	2%	20	20	20
Plan-level Website & Access to Plan and Participant Records	1%	10	7	7
Plan Sponsor Support Services: Legal & Special Administrative Functions	1%	10	8	5
Participant Service Issues Management	1%	10	6	9
Reserve Fund Administration: Accounting and Payment Services	1%	10	8	8
RECORDKEEPING SERVICES				
Recordkeeping Overview & Data Management Capabilities	3%	30	23	21
Contributions & Tax Vehicles	2%	20	16	17
Distributions and Tax Reporting	2%	20	17	17
Imaging and Document Storage	2%	20	13	16
Processing and Errors	2%	20	13	16
Security Protocols, Disaster Recovery & Guarantees	2%	20	15	13
Unitized Core & Profile Fund Administration	2%	20	15	15
Customization Capabilities & Resources	1%	10	8	9
Auto Enrollment Capabilities	1%	10	8	8
Performance Exam: Recordkeeping and Administrative Efficacy	4%	40	18	38
30%	30%	300	219	236

- **Organizational Background, Financial Strength & Experience** – The table below provides a side-by-side summary of assets under management, client base, and participant base for each firm. Empower has more assets under management. Voya has a substantially larger client base, although almost all that client base involves smaller plans (less than 5,000 participants). Both firms have an equivalent number of total participants in Section 457 plans. Voya has fewer larger plans.

Assets/Clients/Participants	Empower	Voya
Total DC Assets Under Management	\$410 Billion	\$289 Billion
Total Public Sector Assets Under Management	\$96 Billion	\$61 Billion
Total Section 457 Assets Under Management	\$72 Billion	\$34 Billion

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Client Retention as % of total Plans for 1/3/5 years	1 yr – 96.4% 3 yr – 96.3% 5 yr – 95.2%	1 yr – 95.4% 3 yr – 94.3% 5 yr – 92.9%
Number of 457 Plans Gained as of 1/3/5/ years	1 yr – 311 3 yr – 24 5 yr – 28	1 yr – 31 3 yr – 30 5 yr – 31
<b>Participant Base</b>		
Under 5,000	1,323	46,751
5,001 – 10,000	13	10
10,001 – 25,000	10	4
25,001 – 50,000	8	1
50,001+	8	0
Total	<b>1,362</b>	<b>46,766</b>
<b>Total Participants</b>		
Total (all plans)	7.5 million	4.5 million
Public Sector DC Plans	2.3 million	1.7 million
Section 457 Plans	1.4 million	1.3 million
<b>Asset Base</b>		
Less than \$100 million	1,312	46,526
\$100-\$500 million	30	176
\$500 million-\$1 billion	9	29
\$1 billion and above	11	35
Total	<b>1,362</b>	<b>46,766</b>

- **References** – The summary of contacts and references is included in Attachment B. Each vendor was asked to provide lists of terminated clients, largest clients, and most recently acquired clients. Staff was able to make contact with many but not all of the listed references. Overall, neither vendor received a relative scoring advantage/disadvantage based on those reference checks. Both firms were generally described as very capable administrators. Terminations of prior contracting relationships were generally the result of having received more competitive price proposals in a procurement process.
- **Regulatory & Contractual Actions** – Empower did not respond directly to the question as to whether it had engaged in protests or litigation against prospective clients; Voya stated they have not engaged in such actions.
- **Plan-Level Website & Access to Plan and Participant Records** – Both firms indicated their ability to meet all of the City’s baseline Plan-level website and participant record needs. Voya’s website functionality is currently in place; Empower is in a period of transition, indicating that the “NextGen” version of its website will launch in 2017. Voya was noted as having demonstrated a longer history of engaging plan sponsors in providing feedback on website development.
- **Plan Sponsor Support Services: Fiduciary, Legal & Special Administrative Functions** - Empower demonstrated deeper resources for assisting with



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regulatory and interpretive issues. Both firms can provide varying levels of beneficiary claim and Qualified Domestic Relations Order (QDRO) processing.

- **Participant Service Issues Management** - Both vendors were asked about complaint resolution statistics. Voya's response suggested they are resolving complaints more quickly. Voya's response also suggested they approach complaint management in a more systematic manner.
- **Reserve Fund Administration** - Both firms demonstrated that they could administer the City's Reserve Fund (the repository for fee revenue and account from which Plan expenses are made) within the current framework and functions.
- **Recordkeeping Overview & Data Management Capabilities** - Overall, Voya's response indicated a more flexible recordkeeping system that would be most responsive to the City's needs for customization. However, Empower provided more complete responses to questions regarding systems capacity and describing integration between their voice response, online and recordkeeping systems.
- **Contributions & Tax Vehicles** - Both vendors indicated similar capabilities for administering the multiple contribution and tax vehicle requirements included within the City's Plan.
- **Distributions & Tax Reporting** - Both vendors indicated similar capabilities for administering the multiple distribution processes and tax reporting requirements included within the City's Plan. Empower was noted as not being able to administer the option of allowing participants to elect periodic payments with annual Cost-of-Living adjustments.
- **Imaging & Document Storage** - Both firms image and store participant documents on their systems. Empower was noted as charging \$150 per hour to export documents during a conversion. Voya's response indicated they are able to upload and retain records from a prior plan administrator to a greater degree than Empower, which discussed going back to the prior recordkeeper for records on an as-needed basis.
- **Processing & Errors** - Empower did not provide a performance guarantee for investment fund transfer settlement and processing of rollovers into plan, and has a confirmation mailing standard of 5 business days as opposed to Voya's 2 business days standard. Voya did not fully respond to several questions regarding handling errors. Empower did not fully respond to two questions regarding refunds of over-contributions to participants, in particular on the issue of whether a hold harmless agreement from the plan sponsor is required before it will execute the transaction; Voya indicated that a hold harmless is not required.
- **Security Protocols, Disaster Recovery & Guarantees** - Empower was noted as having provided fuller descriptions of their disaster recovery procedures and protocols. Voya did not indicate whether they would provide credit monitoring or identity theft insurance. Empower did not provide any details of their disaster planning/prevention plans, citing the information as proprietary and confidential. Voya provided a full response.
- **Unitized Core & Profile Fund Administration** - Both firms demonstrated the ability to administer the City Plan's unitized core funds and risk-based asset

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allocation funds. Voya provided a more detailed description of such. Empower indicated certain associated fees for changes to underlying fund managers or allocation shifts within the risk-based funds, while Voya indicated no such fees. Voya also was clearer and fully responded to the question of what would occur if there were delays in obtaining pricing from underlying fund managers. Empower was noted as administering more blended fund clients than Voya.

- **Customization Capabilities & Resources** – Empower was noted as placing a limitation on error corrections by requiring that plan sponsors or the participant must self-report the error within 90 days or they will not be made whole for the error; Voya placed no such limitation.
- **Auto Enrollment Capabilities** – Both firms demonstrated the ability to implement the City's auto enrollment administrative and recordkeeping requirements. Voya was noted as having the ability to administer Roth auto enrollment, which Empower cannot presently do but indicated could be done with the NextGen version of their website. Empower was noted as providing a better response relative to its resource commitment to auto enrollment, both administratively as well as in its support work for legislative changes in the State of California.
- **Performance Exam: Recordkeeping & Administrative Efficacy** – Two hours were set aside for this performance exam due to the breadth and significance of evaluating vendor capabilities in this broad arena, which extends to the degree to which each vendor's recordkeeping and internal administrative processes/protocols demonstrate flexibility and responsiveness to the City's vision and needs. Voya was noted as demonstrating significantly greater capabilities at customizing its recordkeeping system and web platform to adapt to the City's needs, most especially in regards to the City's vision for focusing its participants around its unique methodology for measuring retirement readiness through its custom retirement income projection calculator. Voya has already built a web platform which is organized around a different construction of measuring retirement readiness; Empower indicated it will be shortly introducing a web platform which is similarly organized around a different construction of measuring retirement readiness.

What distinguished the vendors was their relative ability to adapt or not adapt their web platforms to the City's vision and methodology. Voya indicated that, notwithstanding that they have built a different tool, their recordkeeping system was designed to accommodate high degrees of customization which would allow the City to integrate its retirement income methodology and vision into, and in lieu of, Voya's construction. Empower, by contrast, made clear that it was highly unlikely that it would have this flexibility, and in fact left as an open question whether it would even be possible for the City to opt out of its "NextGen" web platform if it wanted to. This presents a significant risk that the City's Plan might be forced to abandon its unique retirement income vision and rather be swept into Empower's general platform. Empower's proposed solution to use the City's Retirement Income Projection calculator as an "add-on" function was deemed to

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be a non-solution, because that would lead to participant confusion in being given two competing and inconsistent methodologies for determining retirement readiness.

### PARTICIPANT SERVICES

PARTICIPANT SERVICES				
COMMUNICATIONS	Percent	Point Scale	Empower	Voya
Communications Philosophy and Resources	1%	10	5	9
Enrollment Guide	0.5%	5	5	6
Marketing & Educational Materials	1%	10	7	9
Distribution Guide	1%	10	8	6
Quarterly Statements & Newsletters	1%	10	8	7
Forms for Participant Transactions	1%	10	6	7
Customization Capabilities & Resources	1%	10	7	10
Compliance & Review: Timing, Process and Requirements	1%	10	7	8
Performance Exam: Success Metrics	2%	20	14	17
LOCAL STAFFING	Percent	Point Scale	Empower	Voya
Local Service Center Resources	3%	30	19	19
PARTICIPANT WEBSITE & OTHER TECHNOLOGY/MEDIA	Percent	Point Scale	Empower	Voya
Core Template Structure & Functions	3%	30	22	24
News/Messaging/Interactive Capabilities	1%	10	11	11
Electronic Records & Storage	1%	10	9	11
Customization Capabilities & Resources	1%	10	6	8
Planned Enhancements	1%	10	7	8
Media Technology: Video, Mobile Apps, etc.	1%	10	8	7
RETIREMENT READINESS & INCOME REPLACEMENT	Percent	Point Scale	Empower	Voya
Retirement Readiness Strategy/Philosophy	1%	10	5	8
Compatibility w/City Retirement Income Projection Tool	1%	10	7	7
Combined DB/DC Projections	1%	10	8	9
PARTICIPANT CALL CENTER (REPRESENTATIVES)	Percent	Point Scale	Empower	Voya
Training, Staffing, Hours, Languages	1%	10	9	7
Metrics & Standards	1%	10	8	7
Call Monitoring & Reporting Capabilities	1%	10	8	6
Customization Capabilities & Resources	1%	10	9	9
PARTICIPANT CALL CENTER (AUTOMATED)	Percent	Point Scale	Empower	Voya
Structure, Script, Time, Languages	1%	10	9	7
ENROLLMENT	Percent	Point Scale	Empower	Voya
Strategies, Metrics & Participation Results	1%	10	7	8
CONTRIBUTION PROCESSING	Percent	Point Scale	Empower	Voya
Deferral Limit Contribution Type Administration & Participant Interfaces	1%	10	9	6
Escalation, Special Contribution, and Miscellaneous Features	1%	10	9	6
Rollover/Transfer Interfaces	1%	10	8	7



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Catch-Up Reporting & Administration	1%	10	8	8
Account Contribution History	0.5%	5	6	3
DISTRIBUTION & ASSET RETENTION	Percent	Point Scale	Empower	Voya
Distribution Administration & Participant Interfaces	1%	10	7	8
Asset Retention Strategies & Results	1%	10	7	6
Beneficiary Designation, Alternate Payee & Benefit Claim Process	1%	10	6	8
RMD Notification and Automation	1%	10	8	6
LOAN PROGRAM ADMINISTRATION	Percent	Point Scale	Empower	Voya
Processing Requirements, Administration & Participant Interface	1%	10	8	9
Loan Communications (modeling, notifications, late loan, default, etc.)	1%	10	7	7
Retiree Loan Administration	0.5%	5	6	7
Corrections and Default Administration	1%	10	7	7
Advice and Managed Account Services	1%	10	6	4
Deemed IRA, Annuity Services and Other Services	0.5%	5	4	4
Performance Exam: Distributions, Rollovers & Loans	2%	20	10	18
45%	45%	450	334	349

- **Communications Philosophy & Resources** – The RFP asked whether vendors would be willing to establish a Senior Communications Development staff resource that would be available to work closely with the City and exercise a leadership role in producing innovative, outcomes-based communications educational content, materials, and initiatives, and coordinate the execution of local and headquartered communication functions. Empower indicated it did not have this resource available but would be willing to discuss this with the City at an additional cost. Voya offered to fund a full-time position based in the Los Angeles area to provide this resource, and indicated the cost of this was already included in its price proposal. Voya also provided much stronger responses on most of the communications-related questions by articulating a strategy of applying data analytics to meet key success metrics. Empower's response suggested that their approach to communications as a tool for improving participant outcomes is less mature.
- **Enrollment Guide** – Empower was noted as not having committed to generating a custom enrollment guide for participants who are auto-enrolled, whereas Voya did commit. For its sample communication materials for auto enrollees, Voya's enrollment guide was clearer and more directive to the prospective participant by giving clear steps to complete the process.
- **Marketing & Educational Materials** – The vendors were asked for samples of what they regarded to be their best marketing/educational materials. Both samples demonstrated proficiency – Voya's was found to demonstrate a somewhat more innovative and creative approach.
- **Distribution Guide** – The vendors were asked for samples of what they regarded to be their best distribution guide materials. Empower's layout was effectively framed around distribution options, while Voya's sample was simpler and did not provide as much information.

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- **Quarterly Statements & Newsletters** – Empower’s newsletters were noted to have more real estate available to plan sponsors for custom messaging, and the samples submitted were somewhat more “newsy;” Empower allows participants to access old newsletters for three (3) years, Voya for two (2) years.
- **Forms for Participant Transactions** – Both providers appear similarly capable of generating and administering necessary participant transaction forms; Empower was noted as having a stricter policy regarding not honoring older versions of forms 90 days past their expiration date; and for requiring that a participant record their Social Security number (SSN) on every page of a form, while Voya does not require this.
- **Customization Capabilities & Resources** – Voya was noted as having indicated in its response the ability to generate communications content in English, Spanish and other languages using the assistance of a language translation firm; Empower only offered English and Spanish.
- **Compliance & Review: Timing, Process & Requirements** – Voya was noted as having speedier compliance review (10 days versus 12 days) or not having a review required for certain material.
- **Performance Exam: Success Metrics** – Both vendors expressed support for the City’s initiatives around measuring success and improving participant outcomes. Both received similar scoring, although Voya was noted as demonstrating to a greater degree how organizationally it has been considering metrics and outcomes for some time, while Empower appeared to be in the process of a more recent attention to these issues. Voya also discussed at length the opportunities for driving improvement in the City’s participant outcomes through the use of its proposed Senior Communications Development staff person. It was noted that Voya viewed this position, although titled “Communications Development,” to have the potential to be much broader in its reach and more focused on achieving improvements in key metrics such as participation, average contributions, rollover retention, and other key metrics which impact each participant’s retirement readiness.
- **Local Service Center Resources** – Empower was noted as conveying a much greater degree of training requirements and had longer tenures for their local staff. Voya's response indicated they will provide for a 5.6% increase in local contacts versus 15% for Empower without a change to their cost proposal; Voya also had stronger responses regarding the incentive structure for local representatives and how they would administer efficiencies in the interactions of their onsite local staff with City staff during the normal course of the workday.
- **Participant Website Core Template Structure & Functions** – Both vendors indicated their ability to provide all of the essential features of the Plan website identified in the RFP; Voya was noted to have indicated a more technologically sophisticated administration of participant authentication.
- **News/Messaging/Interactive Capabilities** – Neither vendor provided compelling examples in this category.
- **Electronic Records & Storage** – Empower was noted to allow participant access to documents for three (3) years versus two (2) years for Voya.

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- **Customization Capabilities & Resources** – Voya had a lengthy response which had a substantial list of features that were customizable; Empower's response was only a few brief sentences.
- **Planned Enhancements** – Voya's response demonstrated a higher degree of more meaningful and appropriate enhancements, such as quick enrollment, personalized videos, etc.
- **Media Technology: Video, Mobile Apps, etc.** – Voya's mobile app demo was engaging, interactive, and clearly built to be its own experience. Empower's mobile app came across as less appealing and less developed.
- **Retirement Readiness Strategy/Philosophy** – Voya was very precise about having an organizational methodology for retirement readiness, although that methodology differs from the City. They indicate their philosophy is to use an average monthly income replacement rate of 70% of pre-retirement income in retirement from all sources (defined contribution, pension and social security as applicable, as well as outside income such as personal savings, prior employer plans, rental income, etc.). By contrast, Empower's brief response on this question provided no details or discussion. Voya acknowledged the City's philosophy and methodology regarding the City's retirement security objective and stated a wish to dialogue about it and support the City in its objective. Empower did not reference the City's approach/methodology and their response did not clearly relate to the City's objective.
- **Compatibility with City Retirement Income Projection Tool** – It is clear from both providers that the approaches they are taking with respect to retirement readiness deviate significantly from the approach and methodology developed by the City. As noted earlier, this is a problem only to the extent that a vendor can or cannot allow the City to customize the vendor's website in order to communicate the City's unique vision, philosophy, and methodology.
- **Combined DB/DC Projections** – Both vendors demonstrated a similar ability to accept and display defined benefit plan information provided they receive the appropriate file feed from the City.
- **Participant Call Center: Training/Staffing/Hours/Languages** – Empower was noted to have greater training and licensing requirements than Voya for its call center representatives, and better staffing ratios of representatives to covered participants.
- **Metrics & Standards** – Both vendors had either consistent standards or a roughly equal greater number of items in which it had higher standards than its competitor.
- **Call Monitoring Reporting Capabilities** – Empower was noted to have provided greater detail as to its managerial review of participant complaints regarding call center service.
- **Customization Capabilities & Resources** – Both vendors described equal capabilities relative to how their call centers control the accuracy of, and accountability around, communicating Plan-specific information to the Plan's participants.

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- **Automated Call Center: Structure/Script/Time/Languages** – Empower's automated line was noted to provide a faster opt-out to a customer service representative, and real-time updates to its recordkeeping system versus Voya's batch cycle.
- **Enrollment Strategies/Metrics/Results** – The RFP asked the vendors to describe how they would approach establishing goals/metrics around increasing enrollment. Voya's detailed response demonstrated discipline and multi-engagement tools that create accountability; Empower's response was brief and lacking a well-considered strategy. However, in response to a second question asking for a sample enrollment campaign, Empower provided a credible example while Voya did not.
- **Deferral Limit Contribution Type Administration & Participant Interfaces** – The RFP requested samples of participant interfaces with respect to the election of pre-tax and after-tax (Roth) contributions; neither vendor really addressed the question, but Empower was somewhat more responsive.
- **Escalation, Special Contribution, and Miscellaneous Features** – Voya indicated it is not able to accommodate a one-time change to a deferral amount which then automatically reverts back to the prior contribution amount; Empower indicated it has accommodated and can continue to accommodate this.
- **Rollover/Transfer Interfaces** – Both vendors indicated similar capabilities of processing incoming/outgoing rollovers.
- **Catch-Up Reporting & Administration** – Both vendors indicated similar capabilities of processing catch-up contributions.
- **Account Contribution History** – Voya's responses were lacking detail, while Empower provided data history items.
- **Distribution Administration & Participant Interfaces** – Voya processes distributions same day versus two (2) days for Empower; in response to a problem resolution essay question regarding where their ability and deficiencies lie in terms of creating distribution materials that are clear and user-friendly to the participant, Empower did not really address the question while Voya stated a philosophy of user-friendliness.
- **Asset Retention Strategies & Results** – Neither vendor provided compelling examples of goals, strategies or examples of successful asset retention campaigns.
- **Beneficiary Designation, Alternate Payee & Benefit Claim Process** – Voya demonstrated stronger abilities in this area by allowing for the recording of a beneficiary's phone number in their system; allowing alternate payees to take out loans; and by providing a much warmer sample communication to a beneficiary than Empower's.
- **RMD Notification and Automation** – Empower's response to describing their Required Minimum Distribution (RMD) process was much more detailed than Voya's. Voya indicated they have an RMD force-out provision to ensure that participants don't violate the rule.
- **Loan Processing Requirements, Administration & Participant Interface** – Responses indicated that both vendors have similar capabilities for loan



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administration; Voya was noted to presently have the ability to permit general purpose loan initiations through the call center, which Empower indicated in its response it does not. Voya can also allow participants to make advance ongoing loan repayments through payroll deduction, which Empower indicated it cannot.

- **Loan Communications** – Voya’s sample loan communications were poorer than Empower’s, although neither was deemed very effective; neither vendor provides modeling to show the impact on an account from taking a loan, although Voya offers a calculator.
- **Retiree Loan Administration** – Both vendors displayed similar capabilities for administering retiree loans.
- **Corrections & Default Administration** – Both vendors displayed similar capabilities for corrections and loan default administration.
- **Advice and Managed Account Services** – Empower was noted to have less expensive managed account services and more clients utilizing this service.
- **Deemed IRA, Annuity Services and Other Services** – Both vendors indicated similar capabilities in their ability to offer these services.
- **Performance Exam: Distributions, Rollovers & Loans** – This one-hour performance exam focused on internal processes and recordkeeping for distribution and loan processing. Voya was significantly stronger in this performance exam than Empower by demonstrating a number of practical solutions to challenges that the City’s plan currently has with respect to distribution processing and loan communications. Empower’s responses suggested a much lesser level of flexibility within their system to either adapt its processing across its entire client base or to come up with customized solutions to the City’s challenges.

### (2) SELF-DIRECTED & TRUSTEE SERVICES

SELF-DIRECTED, TRUSTEE, & VALUE-ADDED RESOURCES				
SELF DIRECTED BROKERAGE OPTION	Percent	Point Scale	Empower	Voya
SDBO Organizational Background, Financial Strength, Experience	1%	10	8	8
Website Facility and Content	1%	10	8	8
Investment Menu, Trading Options & Fee Schedule	1%	10	8	8
Recordkeeper Interface & Participant Reporting	1%	10	8	8
Pre-Tax vs. Roth Recordkeeping	0.5%	5	7	7
Call Center Support	1%	10	6	6
Advice Services	0.5%	5	5	5
Transition	1%	10	8	8
	Percent	Point Scale	Empower	Voya
TRUSTEE SERVICES	3%	30	23	23
10%	10%	100	82	81

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- **Self-Directed Brokerage Option** – Both vendors utilize Charles Schwab as their brokerage window provider. As a result, after a full comparative review of their written responses, both vendors were scored on an equivalent basis for this option.
- **Trustee Services** – Voya’s response was more detailed than Empower’s. Voya uses Voya Institutional Trust Company, which provides trust and custody services to over 3,000 retirement plans representing over \$48 billion and custody services, and over 98,000 IRA accounts representing over \$7 billion as of December 31, 2015. Empower offers Wells Fargo’s Institutional Retirement and Trust division, which serves more than 3,000 trust and custody clients with assets totaling more than \$570 billion. This includes approximately \$22 billion for public retirement fund clients. When asked whether the trustee/custodial firm, or any affiliates, had been a party to any litigation, investigations, or settlements during the last three years, Voya responded in full, while Empower did not respond as requested.

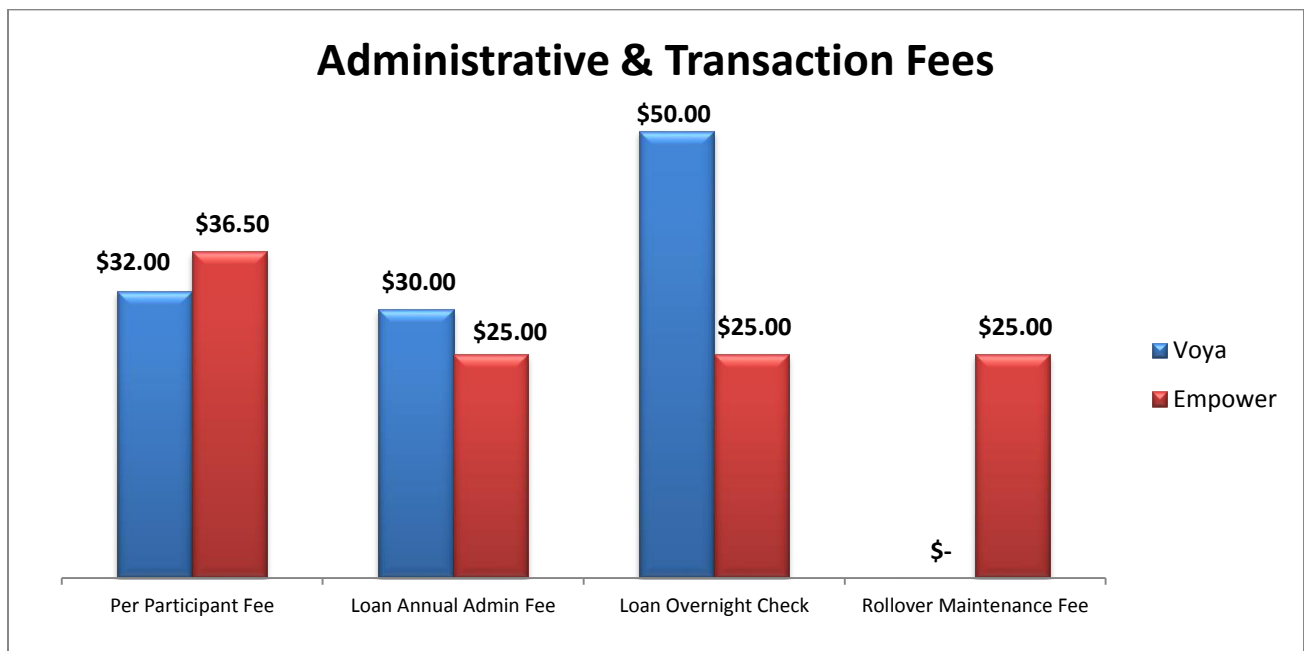
### (3) FINANCIAL COST

FINANCIAL COST				
	Percent	Point Scale	Empower	Voya
Participant Fees	14%	140	129	140
Performance Guarantees	1%	10	3	10
<b>15%</b>	<b>15%</b>	<b>150</b>	<b>132</b>	<b>150</b>

- **Fees** – The RFP requested that proposers disclose their per-participant fees as well as all other charges and fees that provide revenue streams. Voya’s proposed annual per participant fee is \$32.00; Empower’s is \$36.50, or 14% higher than Voya’s. However, there are a variety of other participant administrative fees and charges that can produce significant streams of revenue for the providers. As a result, the rating panel’s analysis focused on the fee differential on a total vendor revenue basis over a five-year period using current statistics for participant utilization of certain transactions subject to fees and charges.

The first chart below compares administrative and transaction fees for both providers as individual transaction costs:

# Deferred Compensation Plan BOARD REPORT 16-23



Although Voya's per participant charge is lower than Empower's, Voya has higher annual loan administrative fees and overnight check fees than Empower. However, Voya does not have a rollover account maintenance fee, which Empower does.

The next point of fee comparison is on a total revenue basis. The tables that follow apply the per participant or transaction fees against the applicable current volume statistics; those volume numbers are then inflated by an assumed 2% annually. The columns under the names of each proposer indicate the total amount of projected revenue for each proposal. The difference column indicates how much greater or lesser revenue would be collected by Empower as compared to Voya.

FEE ANALYSIS				
PER PARTICIPANT FEE	Participants	Empower	Voya	Difference
Fee-->		\$36.50	\$32.00	\$4.5
Year 1	42,071	\$1,535,592	\$1,346,272	\$189,320
Year 2	42,912	\$1,566,303	\$1,373,197	\$193,106
Year 3	43,771	\$1,597,629	\$1,400,661	\$196,968
Year 4	44,646	\$1,629,582	\$1,428,675	\$200,907
Year 5	45,539	\$1,662,174	\$1,457,248	\$204,926
		<b>\$7,991,280</b>	<b>\$7,006,054</b>	<b>\$985,226</b>

LOAN ANNUAL ADMIN FEE	Participants	Empower	Voya	Difference
Fee-->		\$25.00	\$30.00	\$(5.0)
Year 1	19,550	\$488,750	\$586,500	\$(97,750)

# Deferred Compensation Plan

## BOARD REPORT 16-23

Year 2	19,746	\$493,638	\$592,365	\$(98,728)
Year 3	19,943	\$498,574	\$598,289	\$(99,715)
Year 4	20,142	\$503,560	\$604,272	\$(100,712)
Year 5	20,344	\$508,595	\$610,314	\$(101,719)
		<b>\$2,493,116</b>	<b>\$2,991,739</b>	<b>\$(498,623)</b>

LOAN OVERNIGHT CHECK	Participants	Empower	Voya	Difference
Fee-->		<b>\$25.00</b>	<b>\$50.00</b>	<b>\$(25.0)</b>
Year 1	511	\$12,775	\$25,550	\$(12,775)
Year 2	516	\$12,903	\$25,806	\$(12,903)
Year 3	521	\$13,032	\$26,064	\$(13,032)
Year 4	526	\$13,162	\$26,324	\$(13,162)
Year 5	532	\$13,294	\$26,587	\$(13,294)
		<b>\$65,165</b>	<b>\$130,331</b>	<b>\$(65,165)</b>

ROLLOVER MAINT. FEE	Rollover Accts	Empower	Voya	Difference
Fee-->		<b>\$25.00</b>	<b>\$-</b>	<b>\$25.0</b>
Year 1	2,970	\$74,250	\$-	\$74,250
Year 2	3,000	\$74,993	\$-	\$74,993
Year 3	3,030	\$75,742	\$-	\$75,742
Year 4	3,060	\$76,500	\$-	\$76,500
Year 5	3,091	\$77,265	\$-	\$77,265
		<b>\$378,750</b>	<b>\$-</b>	<b>\$378,750</b>

<b>\$10,928,311</b>	<b>\$10,128,124</b>	<b>\$800,187</b>
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On a total revenue basis for the fees detailed above, Empower would collect **8%** more revenue than Voya.

There are two additional cost items which should be noted. The RFP asked the vendors to indicate what portion, if any, of their per-participant fee represents implementation costs that may be amortized over the contract term. Voya indicated that their implementation cost is \$4.61 per participant, or approximately \$214,000 annually that would in theory be eliminated after an initial five-year contract term and (all other things being equal) reduce their per participant fee from \$32.00 to \$27.39.

In addition, it should be noted that included within Voya's administrative fee is the cost of a Senior Communications Development staff person, which has some unknown additional dollar value to the City's plan (because the compensation costs for this position are unknown). Empower did not propose this position, and securing an equivalent resource from them would represent an additional cost to the City's Plan which would likely be reflected in a higher per participant fee.



# Deferred Compensation Plan

## BOARD REPORT 16-23

Otherwise both vendors are proposing the same number of local staff as set forth in the RFP.

- **Performance Guarantees** – Voya is willing to negotiate with the City to define the guarantees and is putting a substantial amount of their annual compensation at risk. Voya states that it is willing to place up to \$200,000 at risk for not meeting the service standards agreed upon during the implementation process, and that the penalties may be broken out by the metrics that are most important to the City. Empower has performance guarantees for a variety of processing standards (e.g. related to processing of distributions, contributions, mailings, etc.) with much more modest non-compliance penalties (e.g. \$500 in a quarter or \$1,000 annually where a standard is not met).

### C. Proposed Next Steps

Due to the significance of this decision, staff has anticipated that the Board may not be prepared to take immediate action and may request that certain additional information be provided. In addition, because review panel member Wendy Young-Carter was not available to participate in this meeting, staff has further anticipated that the Board would wish to have an opportunity to include her in its deliberations prior to rendering a decision. As a result, staff's recommendation for the July meeting is to consider the findings of the review panel and the information included within this report and defer a final decision until its August meeting.

In addition, the Board may wish to include as part of its overall consideration greater details as to what is involved in a transition of a plan with the size and complexity of the City's Plan. The last time that the City's Plan underwent a transition was in 1999. As a result, staff recommends that the Board request that its consultant develop a report describing key considerations when transitioning TPA service providers for consideration at its next meeting.

Submitted by:

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Steven Montagna

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Wendy Young-Carter

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Esther Chang

DEFERRED COMPENSATION PLAN 2016 REQUEST FOR PROPOSAL				
EVALUATION CATEGORIES/WEIGHTINGS				
THIRD-PARTY-ADMINISTRATOR				
Averaged Rating Panel Scoring				
ORGANIZATIONAL STRENGTH, RECORDKEEPING & PLAN SPONSOR SERVICES				
PLAN SPONSOR SERVICES	Percent	Point Scale	Empower	Voya
Organizational Background, Financial Strength, Experience	2%	20	18	11
Regulatory and Contractual Actions	1%	10	5	7
References	2%	20	20	20
Plan-level Website & Access to Plan and Participant Records	1%	10	7	7
Plan Sponsor Support Services: Legal & Special Administrative Functions	1%	10	8	5
Participant Service Issues Management	1%	10	6	9
Reserve Fund Administration: Accounting and Payment Services	1%	10	8	8
RECORDKEEPING SERVICES				
Recordkeeping Overview & Data Management Capabilities	3%	30	23	21
Contributions & Tax Vehicles	2%	20	16	17
Distributions and Tax Reporting	2%	20	17	17
Imaging and Document Storage	2%	20	13	16
Processing and Errors	2%	20	13	16
Security Protocols, Disaster Recovery & Guarantees	2%	20	15	13
Unitized Core & Profile Fund Administration	2%	20	15	15
Customization Capabilities & Resources	1%	10	8	9
Auto Enrollment Capabilities	1%	10	8	8
Performance Exam: Recordkeeping and Administrative Efficacy	4%	40	18	38
30%	30%	300	219	236
PARTICIPANT SERVICES				
COMMUNICATIONS	Percent	Point Scale	Empower	Voya
Communications Philosophy and Resources	1%	10	5	9
Enrollment Guide	0.5%	5	5	6
Marketing & Educational Materials	1%	10	7	9
Distribution Guide	1%	10	8	6
Quarterly Statements & Newsletters	1%	10	8	7
Forms for Participant Transactions	1%	10	6	7
Customization Capabilities & Resources	1%	10	7	10
Compliance & Review: Timing, Process and Requirements	1%	10	7	8
Performance Exam: Success Metrics	2%	20	14	17

<b>LOCAL STAFFING</b>	<b>Percent</b>	<b>Point Scale</b>	<b>Empower</b>	<b>Voya</b>
Local Service Center Resources	3%	30	19	19
<b>PARTICIPANT WEBSITE &amp; OTHER TECHNOLOGY/MEDIA</b>	<b>Percent</b>	<b>Point Scale</b>	<b>Empower</b>	<b>Voya</b>
Core Template Structure & Functions	3%	30	22	24
News/Messaging/Interactive Capabilities	1%	10	11	11
Electronic Records & Storage	1%	10	9	11
Customization Capabilities & Resources	1%	10	6	8
Planned Enhancements	1%	10	7	8
Media Technology: Video, Mobile Apps, etc.	1%	10	8	7
<b>RETIREMENT READINESS &amp; INCOME REPLACEMENT</b>	<b>Percent</b>	<b>Point Scale</b>	<b>Empower</b>	<b>Voya</b>
Retirement Readiness Strategy/Philosophy	1%	10	5	8
Compatibility w/City Retirement Income Projection Tool	1%	10	7	7
Combined DB/DC Projections	1%	10	8	9
<b>PARTICIPANT CALL CENTER (REPRESENTATIVES)</b>	<b>Percent</b>	<b>Point Scale</b>	<b>Empower</b>	<b>Voya</b>
Training, Staffing, Hours, Languages	1%	10	9	7
Metrics & Standards	1%	10	8	7
Call Monitoring & Reporting Capabilities	1%	10	8	6
Customization Capabilities & Resources	1%	10	9	9
<b>PARTICIPANT CALL CENTER (AUTOMATED)</b>	<b>Percent</b>	<b>Point Scale</b>	<b>Empower</b>	<b>Voya</b>
Structure, Script, Time, Languages	1%	10	9	7
<b>ENROLLMENT</b>	<b>Percent</b>	<b>Point Scale</b>	<b>Empower</b>	<b>Voya</b>
Strategies, Metrics & Participation Results	1%	10	7	8
<b>CONTRIBUTION PROCESSING</b>	<b>Percent</b>	<b>Point Scale</b>	<b>Empower</b>	<b>Voya</b>
Deferral Limit Contribution Type Administration & Participant Interfaces	1%	10	9	6
Escalation, Special Contribution, and Miscellaneous Features	1%	10	9	6
Rollover/Transfer Interfaces	1%	10	8	7
Catch-Up Reporting & Administration	1%	10	8	8
Account Contribution History	0.5%	5	6	3
<b>DISTRIBUTION &amp; ASSET RETENTION</b>	<b>Percent</b>	<b>Point Scale</b>	<b>Empower</b>	<b>Voya</b>
Distribution Administration & Participant Interfaces	1%	10	7	8
Asset Retention Strategies & Results	1%	10	7	6
Beneficiary Designation, Alternate Payee & Benefit Claim Process	1%	10	6	8
RMD Notification and Automation	1%	10	8	6
<b>LOAN PROGRAM ADMINISTRATION</b>	<b>Percent</b>	<b>Point Scale</b>	<b>Empower</b>	<b>Voya</b>
Processing Requirements, Administration & Participant	1%	10	8	9

Interface				
Loan Communications (modeling, notifications, late loan, default, etc.)	1%	10	7	7
Retiree Loan Administration	0.5%	5	6	7
Corrections and Default Administration	1%	10	7	7
Advice and Managed Account Services	1%	10	6	4
Deemed IRA, Annuity Services and Other Services	0.5%	5	4	4
Performance Exam: Distributions, Rollovers & Loans	2%	20	10	18
45%	45%	450	334	349

SELF-DIRECTED, TRUSTEE, & VALUE-ADDED RESOURCES				
SELF DIRECTED BROKERAGE OPTION	Percent	Point Scale	Empower	Voya
SDBO Organizational Background, Financial Strength, Experience	1%	10	8	8
Website Facility and Content	1%	10	8	8
Investment Menu, Trading Options & Fee Schedule	1%	10	8	8
Recordkeeper Interface & Participant Reporting	1%	10	8	8
Pre-Tax vs. Roth Recordkeeping	0.5%	5	7	7
Call Center Support	1%	10	6	6
Advice Services	0.5%	5	5	5
Transition	1%	10	8	8

	Percent	Point Scale	Empower	Voya
TRUSTEE SERVICES	3%	30	23	23

10%	10%	100	82	81
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FINANCIAL COST				
	Percent	Point Scale	Empower	Voya
Participant Fees	14%	140	129	140
Performance Guarantees	1%	10	3	10
15%	15%	150	132	150

	Percent	Point Scale	Empower	Voya
TOTAL: 100%	100%	1,000	767	817



**Performance Exam**  
**City of Los Angeles Request for Proposal**  
**2016 DCP TPA**  
**TOPIC A - Administrative, Recordkeeping & Communications**  
**Efficacy - Integration, Customization, & Responsiveness**

**Background**

*This performance examination is designed as an interactive exercise in which you as the service provider will participate in a dialogue with the review panel for this Request for Proposal (RFP) regarding a specific objective, administrative challenge, and/or policy initiative relative to the provision of Third-Party-Administrative services to Deferred Compensation Plan members.*

*In this document you are provided with a brief description of the performance exam topic. In the discussion the review panel chairperson will briefly introduce the concept and provide additional background. You will be asked to engage with the topic by framing the issue from your perspective and discussing potential solutions/deliverables. Please note the following:*

- *The exam will last approximately **two hours**.*
- *No materials or equipment are permitted into the exam.*
- *Your firm may not present information on any organizational resources, capabilities, or services which are not the specific subject of this exam.*
- *All firms participating in the performance exams will be given identical exam exercises.*
- *The exam panel will include only those individuals who are tasked with scoring the written responses to the City's RFP.*
- *Scoring of the performance exams is independent of scoring of the written responses to RFP questions; information discussed in the performance exams will not enhance the scoring of any related topics included in the written responses to the RFP.*

*The City approaches this exercise as an opportunity to explore your firm's resources, capabilities, and creativity in partnering with the City on specific objectives. We look forward to participating with you in what we hope will be an informative, interactive, and engaging discussion.*

**Discussion**

Third party administrator recordkeeping involves a constellation of functions and processes that must satisfy a broad range of often conflicting goals and objectives. At their most essential, they must provide mechanisms to properly effect "money-in" and "money-out" for plan participants. At the same time, they must also incorporate operational efficacy and efficiency for plan sponsors and communications efficacy for plan participants. Finally, service providers, in order to be competitive, must create efficiencies in the design and administration of their services in order to meet the varying demands of a wide range of plan sponsors.

Plan sponsors, meanwhile, should be squarely focused on the unique needs of their participants. Participants, in order to be successful with their retirement savings objectives, need to be supported in the following ways:

- “Core” messaging regarding the most essential concepts and actions required to achieve retirement readiness must be communicated simply and effectively.
- “Process, Rules, and Opportunity” translation must take much larger and more complex sets of information and successfully balance communications efficacy, disclosure and regulatory responsibilities, and embedded administrative processes.



These communication and administrative challenges frequently involve inherent conflicts and contradictory outcomes. For example, a communication output driven by an administrative process within a specific regulatory structure can create participant confusion that leads to a failed outcome.

In this exam you will be asked to engage in a dialogue with the review panel regarding how successfully, creatively, and flexibly your firm will be able to support the City’s mission to balance successful participant outcomes with recordkeeping, process, regulatory, and complexity challenges by:

- Demonstrating whether and to what degree your firm has considered these challenges and both developed a work culture and integrated strategies for prioritizing participant outcomes;
- Indicating the degree to which your processes and protocols are grounded in a participant outcomes-based orientation; and
- Can work as a partner and collaborator in a team-based approach involving the City, its consultants, and other service providers around effective communications, engagement, advocacy and participant support.

# Performance Exam

## City of Los Angeles Request for Proposal

### 2016 DCP TPA

## TOPIC B - Distributions, Rollovers and Loans

### **Background**

*This performance examination is designed as an interactive exercise in which you as a service provider will participate in a dialogue with the review panel for this Request for Proposal (RFP) regarding a specific objective, administrative challenge, and/or policy initiative relative to the provision of Third-Party-Administrative services to Deferred Compensation Plan members.*

*In this document you are provided with a brief description of the performance exam topic. In the discussion the review panel chairperson will briefly introduce the concept and provide additional background. You will be asked to engage with the topic by framing the issue from your perspective and discussing potential solutions/deliverables. Please note the following:*

- *The exam will last approximately **one hour**.*
- *No materials or equipment are permitted into the exam.*
- *Your firm may not present information on any organizational resources, capabilities, or services that are not the specific subject of this exam.*
- *All firms participating in the performance exams will be given identical exam exercises.*
- *The exam panel will include only those individuals who are tasked with scoring the written responses to the City's RFP.*
- *Scoring of the performance exams is independent of scoring of the written responses to RFP questions; information discussed in the performance exams will not enhance the scoring of any related topics included in the written responses to the RFP.*

*The City approaches this exercise as an opportunity to explore your firm's resources, capabilities, and creativity in partnering with the City on specific objectives. We look forward to participating with you in what we hope will be an informative, interactive, and engaging discussion.*

### **Discussion**

Distributions, rollovers and loans involve high degrees of administrative, communications and process complexity. This exam will focus specifically on the administrative processes and participant communications your firm has created for Plan participants within each of these arenas:

- Distributions
- Loans
- Rollovers

In this performance exam you will be asked to discuss your distribution/loan/rollover request forms and educational materials as presented in your written RFP response, and administrative processes, and engage with the review panel in a participant-oriented, reflective evaluation of their efficacy and suitability for assisting Plan participants in achieving successful outcomes. To the extent that your materials may be determined to be unsuccessful or less than optimal in achieving successful outcomes, you will be asked to identify the factors that produced the deficiencies, the obstacles to creating change, and a path to overcoming those obstacles.

# Performance Exam

## City of Los Angeles Request for Proposal

### 2016 DCP TPA

## TOPIC C - Communications Resources & Success Metrics

### **Background**

*This performance examination is designed as an interactive exercise in which you as the service provider will participate in a dialogue with the review panel for this Request for Proposal (RFP) regarding a specific objective, administrative challenge, and/or policy initiative relative to the provision of Third-Party-Administrative services to Deferred Compensation Plan members.*

*In this document you are provided with a brief description of the performance exam topic. In the discussion the review panel chairperson will briefly introduce the concept and provide additional background. You will be asked to engage with the topic by framing the issue from your perspective and discussing potential solutions/deliverables. Please note the following:*

- *The exam will last approximately **one hour**.*
- *No materials or equipment are permitted into the exam.*
- *Your firm may not present information on any organizational resources, capabilities, or services which are not the specific subject of this exam.*
- *All firms participating in the performance exams will be given identical exam exercises.*
- *The exam panel will include only those individuals who are tasked with scoring the written responses to the City's RFP.*
- *Scoring of the performance exams is independent of scoring of the written responses to RFP questions; information discussed in the performance exams will not enhance the scoring of any related topics included in the written responses to the RFP.*

*The City approaches this exercise as an opportunity to explore your firm's resources, capabilities, and creativity in partnering with the City on specific objectives. We look forward to participating with you in what we hope will be an informative, interactive, and engaging discussion.*

### **Discussion**

The City's Deferred Compensation Plan is in the early stages of moving to a goals and results oriented focus on expanding participant success. The City has defined its core mission as assisting City employees in achieving retirement income security. Retirement income security has been defined as achieving 100% replacement of "lifestyle income" (defined as gross salary less primary reductions for retirement salary reductions). To achieve that objective, an employee must:

- Enroll in the City's Deferred Compensation Plan;
- Contribute to his/her account at a rate sufficient to accumulate the required balance to close the income gap between the 100% lifestyle income target and the salary replacement produced by the defined benefit plan;
- Invest in a manner consistent with both the individual's unique risk tolerance and the retirement security objective; and
- Withdraw the funds in a manner consistent with the retirement security objective.



Success within each of these fundamental goals can be measured in part by:

- Participation rates
- Contribution rates
- Investing patterns
- Withdrawal elections/patterns
- Asset retention patterns
- Knowledge/awareness of retirement plan opportunities, services and features
- Engagement with Plan educational resources

Improvement upon success can be created by focusing on key success metrics, establishing goals, developing strategies to meet those goals, and evaluating the success of the strategy in improving upon success.

The Plan's Third-Party-Administrator is not solely responsible but is a vital partner in the pursuit of success. In this exam you will be asked to engage in a dialogue with the review panel regarding:

- Relating your communications resources (local counselors, website, mobile technology, educational materials, etc.) to, and creating accountability for producing, measurable participant outcomes;
- Defining your philosophy around assisting plan sponsors in meeting their mission, developing and implementing outcomes-based strategies, and measuring and creating success;
- Relating your philosophy to specific policies, practices and metrics you have developed or will implement as part of assisting the City in its success objectives; and
- Identifying a relationship between your philosophy, support mechanism, and participant outcomes.

## PROPOSAL RESPONSE SUMMARY



= written response assigned a relative scoring advantage.

Organizational Background, Financial Strength, Experience				
RFP Inquiry	Empower		Voya	
Organizational Structure	Great-West Life & Annuity is owned by Power Corp of Canada.		Voya Institutional Plan Services is subsidiary of Voya Holdings, which is a subsidiary of Voya Financial Inc.	
Organizational Changes	2014 – acquired J.P. Morgan Retirement Plan Services and would combine with Putnam Investments		Prior to 2013, Voya was subsidiary of ING Group; from 2013-2015 ING divested itself.	
Total DC/Public Sector/457 Assets Under Administration as of 12/31/15	\$410/96/72 billion		\$289/61/34 billion	
Client Retention as % of total Plans for 1/3/5 years	1 yr – 96.4% 3 yr – 96.3% 5 yr – 95.2%		1 yr – 95.4% 3 yr – 94.3% 5 yr – 92.9%	
Number of 457 Plans Gained as of 1/3/5/ years	1 yr – 311 3 yr – 24 5 yr – 28		1 yr – 31 3 yr – 30 5 yr – 31	
<b>Participant Base</b>				
Under 5,000	1,323		46,751	
5,001 – 10,000	13		10	
10,001 – 25,000	10		4	
25,001 – 50,000	8		1	
50,001+	8		0	
Total	1,362		46,766	
<b>Asset Base</b>				
Less than \$100 million	1,312		46,526	
\$100-\$500 million	30		176	
\$500 million-\$1 billion	9		29	
\$1 billion and above	11		35	
Total	1,362		46,766	
Regulatory and Contractual Actions				
RFP Inquiry	Empower		Voya	
Engaged in protests or litigation against prospective client?	Did not respond directly to this question		Indicated they have not engaged in such actions against a prospective client.	✓

Describe policies to protect against potential or perceived conflict of interest with City current or prospective service providers, governing authorities, advisors, or other interested parties.	No policy in place.		Have Code of Conduct and provided details.	✓
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<b>References</b>
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RFP Inquiry	Empower		Voya	
	<b>Five Largest Clients</b>		<b>Five Largest Clients</b>	
Checked box = contacted	City of New York	<input checked="" type="checkbox"/>	CalPERS	<input checked="" type="checkbox"/>
	Commonwealth of Massachusetts		Colorado Public Employees Retirement System	<input checked="" type="checkbox"/>
	County of Los Angeles	<input checked="" type="checkbox"/>	County of San Bernardino	<input checked="" type="checkbox"/>
	State of Wisconsin	<input checked="" type="checkbox"/>	State of Michigan	<input checked="" type="checkbox"/>
	State of Texas	<input checked="" type="checkbox"/>	Cedars-Sinai Medical Center	<input checked="" type="checkbox"/>
	<b>Five Most Recent Public Sector Terminated</b>		<b>Five Most Recent Public Sector Terminated</b>	
	Port of Seattle		District of Columbia	
	Nashville Electric		Tri-City Medical Center	
	Lane County	<input checked="" type="checkbox"/>	City of Austin	<input checked="" type="checkbox"/>
	City of Austin	<input checked="" type="checkbox"/>	State of Hawaii	<input checked="" type="checkbox"/>
	Fresno County	<input checked="" type="checkbox"/>	Minnesota State Retirement System	
	<b>Three Most Recent Public Sector Retained</b>		<b>Three Most Recent Public Sector Retained</b>	
	State of Kansas	<input checked="" type="checkbox"/>	Colorado Public Employees Retirement Assn	<input checked="" type="checkbox"/>
	City of Tallahassee		County of San Bernardino	<input checked="" type="checkbox"/>
	City of Austin	<input checked="" type="checkbox"/>	State of Michigan	<input checked="" type="checkbox"/>

<b>Plan-level Website &amp; Access to Plan and Participant Records</b>
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RFP Inquiry	Empower		Voya	
<b>Ability to do the following:</b>				
Plan sponsor website allowing plan sponsor to view participant and aggregate Plan data.	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Ability to review participant demographic data (name, address, etc.)	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Ability to review participant account balance and investment election information.	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Ability to review loan status.	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Ability to review beneficiary designations.	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Ability to review imaged documents recorded in the participant's online file.	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	

Ability to search for employees by SSN, name, or employee ID (if latter were maintained in your system).	☒		☒	
Ability to generate reports of contributions for custom time periods.	☒		☒	
Ability to generate reports on Plan assets for custom time periods.	☒		☒	
Ability to generate reports on investment totals for custom time periods.	☒		☒	
Ability for the City to communicate online approval of distribution requests (lump-sum, periodic, rollover, hardship, etc.)	☒		☒	
Describe plan sponsor website online resources	Next generation version of website to launch in 2017.		Current functionality in place.	✓
Soliciting feedback from plan sponsors	Recently formed plan sponsor advisory group		Formed plan sponsor focus group in 2015 for purpose of providing feedback on plan sponsor website	✓
Describe what account information is available online.	Provided a full list.	✓	Response brief and non-descript.	
<b>Plan Sponsor Support Services: Fiduciary, Legal &amp; Special Administrative Functions</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
Provide account team and % of time devoted to City account	Provided list but did not indicate % of time allocated to City account		Provided detailed description of team, duties, and % of each person's time devoted to City account.	✓
Describe resources available to assist plan sponsors with regulatory or interpretive issues.	Have 12 attorneys devoted specifically to defined contribution plans; described their educational resources as well as their industry-wide and legislative/regulatory efforts.	✓	Very brief response without description of resources.	
Describe highest level of beneficiary claim processing resources available to plan sponsor.	Can provide full beneficiary claim processing and administration.	✓	Described a personal advocacy resource but indicated that price would need to be separately quoted; unclear what their standard services are.	
Indicate if you can provide full service QDRO processing and if a separate fee applies.	Ministerial administration included in base pricing; full-service processing available at \$250 per claim.	✓	Did not clearly delineate what services are included in base pricing and which are additional; apparent cost of full-service pricing is \$400.	
<b>Participant Complaint Management</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
Complaint resolution statistics	<b>Verbal/Written</b>			✓
% of complaints resolved same day:	97%/3%		95%	
% of complaints resolved the next day:	3%/70%		1.2%	
% of complaints resolved within 3-5 days:	0%/12%		1.6%	
% of complaints resolved within 5-21 days:	0%/10%		1.6%	

% of complaints resolved after 21 days and the types/nature of these complaints by category:	0%/5%		0.6%	
<b>Reserve Fund Administration</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
Confirm your firm can administer	Yes		Yes	
Confirm your firm can issue checks directly to payee at direction of the City	Yes		Yes	
Confirm you can use the Plan's Stable Value Fund as Reserve Fund investment vehicle	Yes		Yes	
<b>RECORDKEEPING SERVICES</b>				
<b>Recordkeeping Overview &amp; Data Management Capabilities</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
Describe recordkeeping system.	Empower's system proprietary. Empower indicates their strength is their table-driven rules system and integration of all componenets such as the participant website and phone system in a real-time environment, vs. many of their competitors which use an overnight batch process for updates.		Voya uses SunGard's OmniPlus system. Voya indicates that their system is superior to those who build their own system because custom systems must incorporate legislative updates before they can focus on client programming (all legislative and regulatory changes are handled by SunGard. Voya's system appears more responsive to the City's need for customization.	✓
Describe how you monitor system capacity and plans for future expansion	Empower described how they handle increases in capacity by describing how each "database instance" can handle a certain number of participant accounts and how they can add more when needed.	✓	Voya didn't really respond to the question.	
Describe integration among your voice response, online and recordkeeping systems.	Empower described how their system is fully integrated.	✓	Voya did not address the question and further indicated that they "allow only one self-service initiated fiancnail trancations per type and account each day," which may present challenges to participants.	
Describe scheduled maintenance for 2016, and how much scheduled maintenance was used for 2015.	Did not answer question as asked		312 hours scheduled for 2016; in 2015 312 hours were utilized.	✓
Provide current SOC 2-IT audit report, or any other IT audit you have performed.	External auditor, Deloitte & Touche, LLP, performs a SOC 1 Type II SSAE 16 audit of DC operations. Audit is completed on annual basis.	✓	Voya does not currently undergo a SOC 2 audit.	
<b>Contributions &amp; Tax Vehicles</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
<b>Ability to do the following:</b>				
Tracking of "bucket" type dollars by 457, pre-tax, Roth, IRA, DROP rollover	☒		☒	



Bi-weekly file feeds to the City providing participant deferral amounts, including separate identification of pre-tax and after-tax (Roth) contributions	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Bi-weekly file feeds to the City providing participant loan repayment amounts	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Coding of participants in Catch-Up status and communication of ending Catch-Up dates upon conclusion of the 3-year maximum eligibility period	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Processing of manual edits, adjustments, and indicative participant data changes to the contribution input file (i.e., the payroll/deferral file from the City)	<input type="checkbox"/>	As we currently do not receive indicative information on the payroll file, we are not currently reviewing anomalies in the indicative date. We can perform this function however, if the payroll file includes indicative date.	<input checked="" type="checkbox"/>	
Negative contribution amounts on the contribution input file as corrections of prior over-contributions	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Separate accounting of 457 plan deferrals (and rollovers from other 457 plans) and rollovers from non-457 plans	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Conversion of pre-tax to Roth conversions for both terminated and active employees	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
<b>Distributions &amp; Tax Reporting</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
<b>Ability to do the following:</b>				
Execute all post-severance distributions for the City	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Provide administration of following distribution types: full lump sum, partial lump-sum, periodic payment by term, periodic payment by dollar amount, periodic payment by dollar amount w/COLA	<input type="checkbox"/>	Do not currently have automated method of providing periodic payment with COLA, however anticipate being able to build out this option under the Next Generation Participant Experience.	<input checked="" type="checkbox"/>	✓
Execute purchase of service credit transfers with the City's defined benefit plans	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Execute Qualified Domestic Relations Orders upon approval from the City.	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Fully qualify and process unforeseeable emergency withdrawal requests and refer appeals to the City	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Execute rollovers from participant accounts to other plans, IRAs, etc	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	

For systematic payment distributions, is payment made pro rata across tax vehicle and investment types, or can participant elect systematic payment from specific tax vehicle(s) and investment option(s)?	Can accommodate by investment or tax vehicle, but not both together	✓	Distributions made pro rata across all investment options.	
Imaging & Document Storage				
RFP Inquiry	Empower		Voya	
Ability to do the following:				
Image all forms related to a participant's account including, enrollment, distribution, beneficiary, rollover, etc.	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Store all documents on system for the duration of your firm's contractual relationship with the City's Plan.	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Transmit to a subsequent provider or otherwise turn over to the City all imaged documents related to the participant's account.	<input type="checkbox"/> We would reach mutual agreement with the City at time of the deconversion event to define requirements and timing of file export project. Hourly rate based project at \$150 per hour.		<input checked="" type="checkbox"/>	✓
What imaged documentation are you capable of receiving and storing from a prior administrator?	Goes back to prior recordkeeper for documents		Can accept imaged documents with indexing	✓
Describe how you acquire, maintain and research beneficiary designation data both within your system and when accessing records from a prior administrator.	Did not describe well process of acquiring, maintaining and researching.		Response clear as to how they accept changes, store dates when changes are made, etc.	✓
Describe how you acquire, maintain and research quarterly report statement data both within your system and when accessing records from a prior administrator.	Described in full	✓	Did not address question of accessing records from a prior administrator.	
Processing and Errors				
RFP Inquiry	Empower		Voya	
Provide quality standards for listed processes (contribution reconciliation, contribution investment, withdrawals paid, etc. and if you are willing to put compensation at risk for failing to meet standard.	Not willing to put compensation at risk for investment fund transfer settlement and processing of settlements into plan; mailing confirmations standard is 5 days.		All transactions have compensation at risk guarantees; confirmation mailing has 2-business day standard	✓

How are errors handled in your recordkeeping system for contributions, withdrawals, transfers, allocation of earnings, tax reporting.	Described in full	✓	Did not address question fully.	
Describe any error corrections that cannot be handled on the system.	States their system can handle any necessary error corrections	✓	Did not address question fully.	
Describe process, including timeframes, for corrections that go back over several years and involve several funds. Describe all aspects of the process including netting losses against gains.	Provided requested information	✓	Did not address question fully.	
<b>Problem Resolution Essay Question:</b> Indicate how you would address a situation whereby a participant is owed a contribution refund because of an administrative error. Can you issue the refund directly to the employee, or do you require that the correction be processed through the employer? How are earnings/losses treated? Do you require the Plan to execute any special assertions, such as a hold harmless agreement?	Did not address question of hold harmless agreement		No hold harmless agreement required	✓
<b>Problem Resolution Essay Question:</b> Indicate how you would address a situation where a participant's contribution is not taken as the result of an administrative error (not the fault of the participant), the participant has separated from service, and the City is therefore not able to correct the error through its payroll system. Will you accept payment directly from the participant with a manual adjustment of the employee's W-2 records? Do you require the Plan to execute any special assertions, such as a hold harmless agreement?	Did not address question of hold harmless agreement		No hold harmless agreement required	✓
<b>Security Protocols, Disaster Recovery &amp; Guarantees</b>				
RFP Inquiry	Empower		Voya	

Describe in detail your procedures and safeguards used to protect the confidentiality of participant accounts, including security for your hardware and facility, authorized access to data, confidentiality of data, and security for hard copy documents.	Described in detail	✓	Response was brief and lacked detail	
Describe what credit protection and other services you provide to participants who may be impacted by a data security breach.	Provides credit monitoring, identity theft insurance.	✓	Did not indicate they would provide credit monitoring or identity theft insurance	
Describe your disaster <b>planning/prevention</b> resources and plans, including the frequency with which your data is backed up and redundant processing centers.	Did not provide details, claiming information is sensitive and proprietary		Provided detailed description.	✓
Describe your disaster recovery resources and plans; indicate how often you test your recovery system.	Described their resources		Voya response addressed broader topics such as pandemic planning, test exercises, etc.	✓
<b>United Core and Profile Fund Administration</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
<b>Ability to do the following:</b>				
Unitization, recordkeeping and daily valuation of the City's <b>core blended/Plan branded</b> investment options as described in the Plan Profile & Scope of Services.	☒		☒	
Unitization, recordkeeping and daily valuation of the City's <b>risk-based blended</b> investment options as described in the Plan Profile & Scope of Services.	☒		☒	
Execution of agreements with the City's banking savings account providers for the purpose of recordkeeping the FDIC-Insured Savings option.	☒		☒	
Your ability to credit fund rebate fees (revenue sharing) as credits to participant accounts in the form of additional shares.	☒		☒	
Fund profiles for each of the Plan's investment options.	☒		☒	

Describe in detail your requirements, process and protocols for daily valuation and unitization of the City's investment menu options including interfacing with the City's custodial bank.	Response was brief.	Voya response considerably more detailed.	✓
Given the City may select any type of mutual fund, separate account or commingled fund, identify: (1) Whether there are requirements or conditions which may restrict your ability to work with certain investment companies; (2) limitations you would impose including a limit to the number of fund and/or manager changes within the unitized portfolios; (3) limitations you would impose on changes to the % allocation within one of the unitized portfolios; (4) daily cutoff times (Eastern Standard Time) required for receipt of information from investment companies.	Indicated potential fees for certain transactions.	Did not indicate any potential fees or limitations.	✓
If delays or difficulties occur in receiving daily prices, describe how you would work with investment companies. Provide a detailed description including when contact is made to the investment manager, how you maintain current contact information, what pre-set action plans are in place and when client relationship managers are notified of the situation.	Did not address the question as asked, which was how they would address delays or difficulties in obtaining daily pricing.	Indicated that they would make participant accounts whole and collect the expense from the investment provider.	✓
Describe the process and timeline you would use to implement changes to the investment options such as: --A change to the asset allocation percentages among the underlying managers --A replacement of an underlying manager with another manager --Adding an additional manager or managers to the option	Did not address question by providing process and timelines.	Fully addressed question.	✓



List clients w/more than \$100,000,000 in retirement plan assets for which you provide recordkeeping for similar unitized funds with multiple sub-managers and balanced or asset allocation funds. For each, indicate how long you have provided these services and give a brief description of the services provided.	Provide in-house unitized solutions for 16 plans of approximately 120 clients with assets of more than \$500 million.	✓	Listed five clients in excess of \$100 million; not as broad experience in providing unitized funds.	
<b>Customization Capabilities &amp; Resources</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
Confirm that if an error is due to your company's error, you will make the participant whole for any investment loss at your company's (and not the Plan's) expense. Describe the typical time it takes to make the calculation including corrections that go back several years.	Placed a limitation on error corrections stating that plan sponsor or participant must report w/in 90 days;		Did not place any restriction on the length of time for making corrections.	✓
Indicate whether and how you solicit feedback from your plan sponsors with respect to recordkeeping system enhancements.	Will conduct regular meetings with the City to discuss system enhancements and improvements, and send a survey annually to measure client satisfaction; also, have created an advisory board made up of clients to obtain insight and feedback.		Solicits feedback from our plan sponsors at regular service reviews with plan sponsors as well as sponsor surveys and focus groups. 3 ways City can provide input: participating in Plan Sponsor Forum, which is a more formal process like a focus group; providing input for Annual Strategic Plan for the City of Los Angeles, which would outline commitments to system upgrades or enhancements for the coming year. Also partner with an independent research firm to survey a representative sample of plan sponsors to collect specific feedback.	✓
<b>Auto Enrollment Capabilities</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
<b>Ability to do the following:</b>				
Ability to administer auto enrollment program, based on MOU whereby only those employee organizations opting to be included in the Auto Enrollment Program (AEP) would be placed into an AEP track.	☒		☒	
Ability to accept file feeds on a bi-weekly basis from the City from its two payroll centers that would identify only those individuals newly enrolled into the AEP program.	☒		☒	

The ability to issue 30-day advance notice to newly eligible AEP employees of their enrollment and ability to opt out of the AEP before the first deduction is taken.	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
The ability to include on your salary deferral file to the City those individuals who are AEP members and transmit the AEP percent of salary to be taken as a salary deferral.	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
The ability to administer a 0.25% automatic annual increase in the salary deferral amount.	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
The ability to permit both pre-tax as well as after-tax (Roth) AEP contributions as part of the auto-enrollment contribution scheme.	<input type="checkbox"/>	The ability for auto-enrollment into Roth will be included with the implementation of Next Gen Experience in 2017.	<input checked="" type="checkbox"/>	✓
The ability to administer AEP permissible withdrawals within 90 days following initial contribution.	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Describe your organization's long-term plans for investing recordkeeping and administrative resources into auto enrollment for defined contribution plan sponsors.		Indicated their flexibility in partnering with the City to implement auto enrollment, and also demonstrated work in organizing California entities around auto enrollment legislation.	✓ Response was brief and non-descript	
PARTICIPANT SERVICES				
COMMUNICATIONS				
Communications Philosophy and Resources				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
A key objective of this RFP is to identify the firm that has the resources, institutional commitment, creativity, facility, responsiveness, and innovative mind-set to support the City's ambitious communications objectives. Describe your proposed approach to creating a strategy for coordinating and integrating your firm's plan education and communication activities and materials into a communications program that represents and coordinates with the City's core mission and values.	Describes approach as integrating a variety of media including brochures, posters, mailings and Web messaging. It also includes multiple delivery methods such as on-site seminars, group education meetings, Web-based tutorials and targeted mailings.		Stronger response by detailing their emphasis on identifying goals and using data analytics and multiple forms/types of media such as print, digital, etc.	

Describe what aspects of your communication program development process differentiates your organization from your competitors.	States approach leverages behavioral research for clear, consistent, personal, compelling, simple and actionable messaging drives employees understanding of, appreciation for, and use of, their deferred compensation program focused on an attainable and relatable goal – replacing in retirement the income individuals made while working – and encourage simple steps to help improve chances of achieving a secure financial future.	States that they see data as being at the core, understanding employees through demographic and psychographic insights (including tracking sentiment toward retirement preparedness), as well as analyze retirement readiness today through their Plan Health reporting to identify segmented strategies, messaging and media.	✓
As indicated in Plan Profile & Scope of Services, the City is looking for ways to expand the intellectual resources devoted to its communications efforts, and looks to its Third-Party-Administrator as providing an opportunity for partnership in this endeavor. Indicate whether you would be willing to establish a Senior Communications Development staff resource that would be available to work closely with the City and exercise a leadership role in producing innovative, outcomes-based communications educational content, materials, and initiatives, and coordinate the execution of local and headquartered communication functions. If you have such a resource, indicate who this individual would be, their qualifications for responsibilities at this level, the percentage of that person's time that would be devoted to the City's account, and whether (s)he would be locally or headquarters based.	States, "We currently do not have an additional resource available; however, we would be willing to discuss this opportunity with the plan, including understanding the full scope of the role and the associated cost. If we were to commit to this resource, the City could also participate in the selection of the individual, if desired."	States, "We are committed to supporting your needs and have allocated a Senior Communication Consultant to be 100% dedicated to the City. We find the role to be most effective if they are locally based. Our current Senior Communications Consultants are not located in Los Angeles. As such, we would post for this position and seek candidates both within and outside of Voya. Qualifications would include 10+ years in marketing/communications, experience with data analytics, digital media, consumer marketing,, and knowledge of tax-exempt defined retirement plan benefits. The City would have the option to interview finalists and help determine final selection."	✓
How does your organization measure the success of your educational programs? Be specific about any metrics that may be utilized and whether you incorporate an outcomes-based success measurement discipline into your communication efforts, or whether your success measurement is more ad hoc or as requested by the client.	Will continue to work to develop annual communication and education plan that sets forth specific measurable educational goals and we will report back regularly on progress.	Focus is on emphasizing different tools for targeted communications focused on measurable outcomes.	✓
<b>Ability to do the following:</b>			

Quarterly statements (print or electronic) for all plan participants for the duration of the contract	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Enrollment Guides (voluntary and auto enrolled) for all plan participants for the duration of the contract	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Distribution Guides (voluntary and auto enrolled) for all plan participants for the duration of the contract	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
All paper forms for all plan participants for the duration of the contract	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
All informational flyers for all plan participants for the duration of the contract	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Four customized educational/marketing videos per contract year for the duration of the contract	<input type="checkbox"/> Based on our experience, creation of a custom video, including idea exploration, drafting of content, input from the City and filming and editing can take between 12 and 16 weeks. We would typically include one video per contract year. As an alternative we can offer interactive and customized presentations (called BrainShark or breeze presentations) which require less turnaround time. We can deliver four of these interactive presentations for each contract year.		<input checked="" type="checkbox"/>	✓
All website updates and general content development, exclusive of highly specialized programming projects that involve substantial resources, for the duration of the contract	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
All mobile application development and updates for the duration of the contract	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
All social media development and updates for the duration of the contract	<input type="checkbox"/> As mutually agreed upon, we agree to work with the City in integrating social media into our ongoing communications strategy. This will include developing content that the City can publish/tweet on Linked in or on Twitter.		We will include social as a strategic component and will provide content but, due to compliance, cannot manage or post to your social media pages.	
All educational programs, including content customization, for the duration of the contract	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	

An average of 80,000 direct mailings (outside of quarterly statements) to participants over the duration of the contract, with unused amounts rolling forward to be available in subsequent contract years	<input type="checkbox"/> Pricing includes two direct mailings per year.	<input checked="" type="checkbox"/>	✓
<b>Enrollment Guide</b>			
<b>RFP Inquiry</b>	<b>Empower</b>	<b>Voya</b>	
<b>Ability to do the following:</b>			
A custom enrollment guide for voluntary enrollments for the City's Plan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
A custom enrollment guide for auto enrollments for the City's Plan	<input type="checkbox"/> Once an auto enrolled participant is added to the system, an Automatic Enrollment Notification and PIN letter are mailed to the participant at least 30 days in advance of them being automatically enrolled into the plan.	<input checked="" type="checkbox"/>	✓
Maintain and control the inventory and production of all related enrollment materials that are to be included in the enrollment guides, including but not limited to marketing materials, a Q&A, investment option descriptions, and enrollment/rollover forms	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Provide a sample of what you would regard as one of the best enrollment guides you have developed (excluding any material previously developed for the City of L.A.) for a governmental supplemental defined contribution plan.	Empower's sample was wordy and seemed to be asking the participant to engage with too much subject matter and too many concepts.	Voya's enrollment guide was clearer and more directive to the prospective participant by giving clear steps to complete the process -	✓
<b>Marketing &amp; Educational Materials</b>			
<b>RFP Inquiry</b>	<b>Empower</b>	<b>Voya</b>	
Provide a sample of what you would regard as one of the best marketing or educational pieces you have developed (excluding any material previously developed for the City of L.A.) for a governmental supplemental defined contribution plan.	Empower's materials were professional and polished and effective.	Voya's samples were innovative. Although the Wizard of Oz and Yellow Brick Road concept didn't necessarily seem to fully click as a metaphor, creativity and attempt at engagement was notable.	✓
<b>Distribution Guide</b>			
<b>RFP Inquiry</b>	<b>Empower</b>	<b>Voya</b>	



Provide a sample of what you would regard as one of the best distribution guide that you have developed (excluding any material previously developed for the City of L.A.) for a governmental supplemental defined contribution plan.	Empower's layout was effectively framed around distribution options, although they placed the rollover option as #2.	✓	Voya's sample was just a simple Q&A and did not provide a great deal of information.	
<b>Quarterly Statements &amp; Newsletters</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
<b>Ability to do the following:</b>				
Quarterly participant newsletters	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Quarterly participant statements	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Statement including performance summary and investment management fee information, validated by your organization, and consistent with Department of Labor guidelines for qualified plans regarding fee disclosure.	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Statement including the participant's beneficiary designation	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Statement including a personalized rate of return	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Statement including dedicated space for custom Plan messages	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
If your quarterly statements can include dedicated space for custom Plan messages, how much space (e.g. in terms of available characters) is provided and where is it included on the statement?	The character requirements for the content are: <ul style="list-style-type: none"> <li>• Narrative Box A, Displays on first page, 75 characters per line</li> <li>• Narrative Box B, 1 small paragraph approximately 5 lines</li> <li>• Narrative Box C, Displays at the end of the statement before performance returns, Limited to 1 full page</li> </ul>	✓	Voya can accommodate customized messages from the City on participant statements up to 820 characters.	
Provide a sample of what you would regard as one of the best quarterly statements that you have developed (excluding any material previously developed for the City of L.A.) for a governmental supplemental defined contribution plan.	Neither statement, as a "best of" sample was very impressive. Empower's sample was clunky but had much more information (e.g beneficiary info) than did Voya's.	✓	Neither statement, as a "best of" sample was very impressive. Empower's sample was clunky but had much more information (e.g beneficiary info) than did Voya's.	
Provide a sample of what you would regard as one of the best quarterly newsletters that you have developed (excluding any material previously developed for the City of L.A.) for a governmental supplemental defined contribution plan.	Empower's newsletter was much more "newsy" and customized.	✓	As a customized sample, Voya's sample did not look customized.	

Do or can your statements include other fee disclosure information as may be requested by the City?	States their statements include fee disclosures that are consistent with DOL guidelines for qualified plans regarding fee disclosure, and could work with City to discuss inclusion of other items.		Unqualified yes	✓
Are participants able to electronically store their statements online and print them on-demand? If so, for how long can they maintain them?	Yes, for past 3 years	✓	Yes, for past 2 years	
Within how many business days after all investment performance information is received from the City's investment managers will you mail participant statements?	Within 15 business days following the end of each calendar quarter or within ten business days after receipt of required information from all third-party sources, whichever is later.		No later than 15 calendar days after the quarter end	✓
<b>Forms for Participant Transactions</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
<b>What forms are available on participant website?</b>				
Enrollment Form (custom)	☒		☒	
Distribution Form (custom)	☒		☒	
<i>In-Service Withdrawal Request (for de minimis or outside roll-in money)</i>	☒		☒	
<i>Purchase of Service Credits Transfer Request</i>	☒		☒	
<i>Public Safety Officers Special Election Form and Distribution Request</i>	☒		☒	
<i>Hardship Withdrawal Request</i>	☒		☒	
<i>Automated Minimum Distribution Form</i>	☒		☒	
Accrued Leave Contribution Form (custom)	☒		☒	
Special Catch-Up Enrollment Form (custom)	☒		☒	
Paycheck Contribution Election Form	☒		☒	
Beneficiary Designation Form	☒		☒	
Personal Information Change Request	☒		☒	
Notice of Job Transfer	☒		☒	
In-Plan Roth Rollover/Transfer Request Form (conversions for active and terminated)	☒		☒	
Loan Application, Active Employee Participant	☒		☒	

Loan Application, Terminated Employee Participant (custom)	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Loan Payment Change Request	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Loan Offset	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Alternate Payee Distribution	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Death Benefit Claim Form	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
<b>Problem Resolution Essay Question:</b> In the course of updating a wide variety of forms for various reasons, disconnects may result between a form that a participant previously acquired and the updated version. Should that happen and the participant submits the form, there is a risk that the form may be rejected as not being current, creating a negative customer service for the participant, who had the expectation that (s)he had completed and submitted the document properly and timely. To what extent is your updating process likely to produce this kind of situation? How, if at all, do you exercise control and discipline in the form updating process to minimize the risk of this error				
	Old forms rejected once 90 days past expiration date.		Voya indicates willing to "make every effort" to honor older form.	
Customization Capabilities & Resources				
RFP Inquiry	Empower		Voya	
Describe your organization's ability and development process/resources for generating communications content in other languages.	Standard communication materials are available in English. In addition, at no added cost, we offer a comprehensive array of communication material written in Spanish.		Have developed a variety of core communication and education materials that are available in both English and Spanish; if other language needs for communication and education materials, will work with translation firm (who indemnifies all translations) to accommodate the need.	
Compliance & Review: Timing, Process and Requirements				
RFP Inquiry	Empower		Voya	

For each of the materials listed below, describe the compliance review time requirements from the time the City has authorized the final content. In particular, include the general parameters of discussing proposed compliance changes and making interim and final changes.				
Statements	12 business days		No compliance review of statements	✓
Newsletters	12 business days		10 business days	✓
Forms	12 business days		Forms have been reviewed and approved by compliance	✓
Web articles	12 business days		10 business days	✓
<b>LOCAL STAFFING</b>				
<b>Local Service Center Resources</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
Provide an overview of your local staffing operation, including functions to be performed and the minimum licensing, degrees, or training required of your representatives. Indicate the expected average tenure (in years) for local representatives to be assigned to the City's account, and describe any continuing education program in place for your personnel to stay current with legislative/regulatory changes.	Empower response conveyed a much greater degree of training requirements and had longer tenures.	✓	Voya response lower degree of training and lower tenures.	
Indicate up to what additional percentage, if any, of the City's current annual local contacts, as described in the "Plan Profile and Scope of Services", you will commit without any change to your cost proposal; and at what demand level and cost to the Plan, if any, you would need to acquire additional staff.	Would be willing to commit to 375 total group meetings without any change to cost proposal.		Will commit to up to 15% more annual local contacts; would expect increases over and above 15% would require the provision of an additional on-site, local representative (1 FTE). Voya's response indicates that that they will provide for a 15% increase in local contacts vs. 5.6% for Empower.	✓

How many additional staff (above educational representatives), including management and administrative or operational support, will be assigned in the local (Los Angeles) area to support the plan. List each position, the individual's role and what % of time he/she is expected to work on the City's plan.	Listed their non-educational representatives as requested.	✓	Did not list their non-local support representatives as requested.	
How do you measure the overall success of your educational services? Provide survey or other statistical information that measures the effectiveness of your efforts.	Empower's sample is just data, not goal-oriented outcomes.		Voya provided some examples of goal-oriented outcomes, but no data as requested.	✓
The City's Plan is aggressively focused on improving its participation rate. Beyond auto enrollment efforts, voluntary enrollment will continue to be the primary focus for the Plan for adding new participants and improving its overall participation rate. Describe any efforts you make with other clients to establish goals and measure success of voluntary enrollment efforts, and provide an example of a non-City of L.A. client where you set a goal, conducted a campaign, and measured results; also indicate if this initiative came from your organization or the plan sponsor.	Did not provide example of a goals-drive, outcomes-evaluated campaign.		Did not provide example of a goals-drive, outcomes-evaluated campaign.	
Describe in detail what incentives, if any, (financial or other) you have in place for your educational specialists/local service representatives with respect to achieving certain metrics.	Compensation structure for field reps based on market competitive data for similar positions within the industry and will vary based on the geographical location in which the representatives are recruited. Representatives not commissioned in any way, but Empower Retirement compensates with an annual salary and performance bonus structure. The criteria for bonus components are based on measurable objectives such as asset diversification and plan growth and are established to coincide with overall growth of the plan. Target 15 percent of overall compensation from the annual bonus and 85 percent from annual salary.		While plan representatives are compensated on a salary basis, do sometimes structure bonus compensation based on achieving certain activity or feedback metrics. Metrics can include, but are not limited to: <ul style="list-style-type: none"> <li>• # of individual participant consultations</li> <li>• # of group educational meetings conducted</li> <li>• # of new enrollments</li> <li>• # and dollar volume of rollovers INTO a plan</li> <li>• Participant satisfaction as recorded on participant surveys</li> </ul> We would welcome feedback from City staff regarding acceptable performance metrics that we may wish to consider.	✓



<b>Problem Resolution Essay Question:</b> The City experiences a high demand for in-person support at its local service center located in the Employee Benefits Division. Some participant transactions may involve requests from participants for immediate approvals in order to provide customer service (e.g. if a rollover requires a City signature). A portion of this workload may thus involve City approvals and authorizations, the workflow of which can create inefficiencies in the use of Personnel Department staff time. Describe how you would propose addressing this workflow challenge, including how you would manage workflow, participant expectations, and approval authorities in order to execute transactions consistent with	Empower discussed a need for payroll access, but did not note other options.	Voya states they are looknig for efficiencies in providing information to City staff during the course of the workday and trying to assume as much data as possible.	✓
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PARTICIPANT WEBSITE & OTHER TECHNOLOGY/MEDIA				
Core Template Structure & Functions				
RFP Inquiry	Empower		Voya	
<b>Verify you will provide the following:</b>				
A custom participant website for the City's Plan	☒		☒	
The ability to host on your website the City's Retirement Income Projection Calculator	☒		☒	
The ability to host on your website the City's "How Am I Doing" web tool	☒		☒	
Website Functionality: Change Deferrals	☒		☒	
Website Functionality: Redirect Future Investment Allocations	☒		☒	
Website Functionality: Transfer Between Investment Options	☒		☒	
Website Functionality: Online Document Storage	☒		☒	
Website Functionality: Investment Returns by Quarter	☒		☒	
Website Functionality: Investment Returns by Custom Date set by participant	☒		☒	

Website Functionality: Loan Election (including modeling of bi-weekly repayments for both General Purpose as well as Home Purchase loans)	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Website Functionality: Loan Status Monitoring	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Website Functionality: Beneficiary Updates	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Website Functionality: Contact/Address Self-Updates	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Website Functionality: Elect Paperless Statement Delivery	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Website Functionality: Submit Distribution Request Electronically	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Website Functionality: Access Plan Forms	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Provide an Internet address and instructions on how to access a demo site for your Internet capabilities for the participant site (both pre-login and post-login).	Both websites raised red flags. Both are moving away towards the clear focus on the DC plan; both are using standardized approaches and making a number of assumptions that may not be non-applicable to the City's population. It was not clear how the City's DB rules and retirement income projection calculator would integrate into these sites. Voya has, and Empower appears to be driving towards, similar platforms with similar assumptions tha could provide the City's population deeply misleading representations of retirement readiness.			
Describe how your participant web-interface differs from the City's current design and where you see gaps (both positive and negative).	Empower describes new tools which will be available from their future (2017) website, but it's not clear that those tools are relevant or can be customized for the unique circumstances applying to the City's workforce. For example, the income projection tool may not be customizable as our calculator is focused on our unique DB rules; and their health cost estimator tool may be misleading if it does not address the City's retiree health subsidies.		Voya's response was brief and non-descript.	
Describe how and what is required of participants to establish online access to their accounts, and what is required of participants to obtain access when they have lost a username/password.	Described current process but indicate they're developing a new process for participants who have lost their password where the participant will select a "Register" option to verify his or her identity and receive a Verification Code via email or text message. After entering the code, the participant will be prompted to change password.		<p>More robust authentication is designed to prevent unauthorized access to a participant's account through the use of challenge questions. Participants are prompted to select security questions, provide answers and register their computers/devices. Registering a computer/device on the Setup Security question screen allows the participant to omit answering the security challenge question at the next login on that computer/device. The system will use the challenge questions to authenticate the participant's identity either for online password reset or in the event it detects a non-regular pattern of access to the participant's account, for example, if it determines a participant has logged in from a non-registered computer/device. The system will also prevent access if the user's login process is locked or deemed unusual.</p>	✓
News/Messaging/Interactive Capabilities				

RFP Inquiry	Empower		Voya	
Describe what resources, if any, your organization devotes to generating fresh website content, and provide examples of fresh content (no more than two pages in length your organization has generated in the 3-month period ending 12/31/15) as an attachment	Did not submit compelling example. Materials submitted by Empower were for the City's Plan, and ones we had been actively involved in creating.		Did not submit compelling example, only screen shots.	
Electronic Records & Storage				
RFP Inquiry	Empower		Voya	
Describe your document storage capabilities from a participant perspective: e.g. with respect to quarterly statements, confirmation statements, etc.	Maintain records for online participant access for 3 years	✓	Maintain records for online participant access for 2 years	
Customization Capabilities & Resources				
RFP Inquiry	Empower		Voya	
Describe your organization's ability to customize or not customize the structure and content of your website. Fully describe what can be customized for the City. Describe how you will work with City to customize the site and the resources you will make available to launch and maintain the customized components of the site.	Empower's response was only a few brief sentences, and although they did point out some customizable elements, there was not a strong sense of this coming through.		Voya had a lengthy response which had a substantial list of features that were customizable.	✓
Planned Enhancements				
RFP Inquiry	Empower		Voya	
Provide your firm's "web vision." This should include the foundation, principals and philosophy that guide your current site and form the foundation for future evolution, and enhancements you are preparing for over the next 3-5 years. Describe how this vision differentiates you from your competitors	Indicate that they are working on building a new website which will be more centered around retirement income. Response suggests they are playing catch-up in this area. The retirement income projection capabilities they discuss may not be fully aligned with City's vision.		Voya's response demonstrated a higher degree of more meaningful and appropriate enhancements, such as quick enrollment, personalized videos, etc.	✓
Media Technology: Video, Mobile Apps, etc.				
RFP Inquiry	Empower		Voya	

Provide five samples of videos that could be used by a governmental plan sponsor for marketing or educational purposes applicable to governmental plan sponsors of supplemental retirement plans, if you have produced them (i.e. do not include information that is non-applicable, such as references to 401(k) plans).	Outside of L.A. County's 1% campaign video, samples from both providers were generally disappointing.			
Indicate if you have a mobile application or mobile optimized website. What features does it include or may it be limited compared to the regular participant website? What information (if any) can be customized by the plan sponsor? If you offer one, provide information regarding how to access your mobile application. Indicate whether and how you maintain consistency between your mobile application and website.	Empower's mobile app was unappealing and awkward.		Voya's mobile app demo was engaging, interactive, and clearly built to be its own experience.	✓
<b>RETIREMENT READINESS &amp; INCOME REPLACEMENT PROJECTION</b>				
<b>Retirement Readiness Strategy/Philosophy</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
Please describe your organizational philosophy and approach to the question of the goals of retirement saving and how participants and plan sponsors should be measuring retirement readiness.	Two-sentence response provided no details or discussion.		Voya was very precise about having an organizational methodology for retirement readiness. Philosophy is to use an average monthly income replacement rate of 70% of pre-retirement income in retirement from all sources (defined contribution, pension and social security as applicable, as well as outside income such as personal savings, prior employer plans, rental income, etc.).	✓
Please indicate how your organization would support the City's focus on communicating the retirement security objective.	Empower didn't reference the City's approach/methodology and their list of bullet points don't clearly relate to the City's objective.		Voya acknowledged the City's philosophy and methodology regarding the City's retirement security objective and stated a wish to dialogue about it and support the City in its objective.	✓
<b>Compatibility with City Retirement Income Projection Tool</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	

Please indicate how your organization's retirement security/readiness tools are consistent with and where they specifically deviate from the methodology embedded within its Retirement Income Projection Calculator. Please indicate what resources your organization would devote to the City's ability to measure retirement security vis-à-vis the formula embedded within its Retirement Income Projection Calculator, both from a participant level and plan level.	It's clear from both provider's product that the approaches and methodologies they've developed deviate significantly from the approach and methodology developed by the City. The real question is whether the City's concepts can be incorporated into their platform.			
PARTICIPANT CALL CENTER (REPRESENTATIVES)				
Training, Staffing, Hours, Languages				
RFP Inquiry	Empower		Voya	
Verify you will provide the following:				
Customer service representative call center	☒		☒	
Required hours outlined in the Scope of Services	☒		☒	
Necessary CSR licensing to discuss/counsel employees/participants regarding Plan.	☒		☒	
Describe the call center you will provide, including the hours, total CSR agents employed on a year-round basis, hours of availability, location of primary and backup centers, proposed staffing with description of the types of personnel to be involved, and the roles and responsibilities of staff.	Have 586 service center representatives. Representatives are available Monday through Friday, from 6 a.m. to 5 p.m. Pacific time.		Have 586 service center representatives. Representatives are available 5 am to 6 pm Pacific time. Voya proposed something novel in offering for their reps to meet with the City for a "culture training" to learn about the City and its program.	✓
Describe the training provided for CSRs. Describe the continuing education program in place for your CSRs to stay current with program changes and changes in the law and investments. Describe the minimum licensing, degrees, or training required to hold the position	Empower has greater training and licensing requirements: 240 hours of training in customer service and departmental procedures; 200 hours of financial services training on mutual funds and general investments;all reps required to have FINRA Series 6 and 63 securities registrations.	✓	Training requirements not explained in detail; FINRA Series 6 required for registration.	
In staffing CSRs, how many participants do you assume a single CSR can cover? How many calls per day can a CSR cover?	Staffing ratio for service center for the City is one representative for approximately 8,000 participants. In 2015, the average call load per call center Retirement Representative was approximately 40 calls per day.	✓	Nominal ratio of CSRs to participants is approximately 1 to 13,000. A CSR can answer 50 calls per day on average.	

What language services other than English are available? Confirm your ability to provide Spanish language services and hearing-impaired access services during all hours of telephone customer service availability.	Have 26 call center representatives who speak a foreign language. Language line service has the capability to provide translation services in more than 200 different languages.	✓	Language line service has the capability to provide translation services in more than 200 different languages.	
<b>Metrics and Standards</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
<b>Identify the following:</b>				
Average volume for the calls received by benefit service representatives	40/day	✓	50 per day	
Number of CSRs	586		416	
Number of participants served by your call center	7.5 million		We currently do not track the number of participants that are served by our RRSC	
Total number of calls received by CSRs in 2015	32,488 offered/ 31,641 answered		2,448,702	
Average number of calls received annually per CSR	9,000		5886	✓
Average length of calls with CSR	6:07 minutes		6:30	
Quality standard for number of seconds on hold while call transfers to CSR	93% within 90 seconds		<30 seconds	✓
Average actual number of seconds on hold while call transfers to CSR	0:37		39 seconds	
Quality standards for call abandonment rate	Less than 5%		<2%	✓
Actual call abandonment rate	1.58%	✓	1.90%	
Percentage of calls requiring calls back	6.97%		2.70%	✓
Quality standard for amount of time to call back with status on issue	Resolve approximately 97 percent of issues within the first call.		24- 48 hours	
Average actual amount of time to call back with status on issue	9.16 business hours		Less than 24 hours	
Quality standard for amount of time to handle issue resolution	Standard response times for issue resolution vary based on the issue raised by our customer. We have calculated standard		24- 48 hours	
Actual average amount of time to handle issue resolution	9.64 business hours		Less than 24 hours	
Average number of calls monitored by supervisor on a monthly basis	7 to 10	✓	4- 12 calls per representative	
<b>Call Monitoring &amp; Reporting Capabilities</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	



Are all conversations recorded? How long do you maintain the records of conversations? If yes, can the plan sponsor listen to these recordings? Do you have any restrictions or limitations on the plan sponsor's ability to listen to those recordings?	State they will provide the City access to recorded calls under the following conditions: 1. An applicable state law does not prohibit doing so. 2. The plan agrees to obtain permission from any affected participants, in writing, that they have permission to listen to their recorded call(s).		Didn't respond to questions as asked, but indicate that City can listen to calls and did not identify any limitations.	
With respect to complaints, what is the follow-up procedure for complaints about CSRs?	Provided detailed response involving managerial review.	✓	Response brief and non-descript.	
<b>PARTICIPANT CALL CENTER (AUTOMATED)</b>				
<b>Structure, Script, Time, Languages</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
Provide a sample script of the phone "tree" and, if possible, a dummy line to call for the City to call and test.	Empower spelled out the website before taking user to the login, then gave an unrequested balance, but within a fairly short handful of options provides the opportunity to opt out to customer service representative. The fact that it's both voice and numerical powered is also an advantage.	✓	Voya's line takes too long to get to launch and then gives an unrequested balance; once in, it's a list of automated options. No immediate option was provided to opt out to a CSR.	
Describe what efforts, if any, your organization used to establish and test the user-friendliness of your system, in particular the ease of access to opt out to speak to a customer service representative.	Did not respond to question.		Voya referenced the use of surveys to obtain participant feedback.	✓
How quickly is the recordkeeping system updated after transactions are performed?	Empower updated real time.	✓	Voya updated on batch cycle.	
<b>ENROLLMENT</b>				
<b>Strategies, Metrics &amp; Participation Results</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	

Provide an overview of how you would propose to execute a strategy to increase the City's gross number of new enrollments, overall participation rate, and participation rate as broken out by departmental and employee labor organization units, both when the City is hiring as well as not hiring new employees.				
Provide up to two examples of non-City or L.A. plan sponsors for whom you developed and executed aggressive voluntary enrollment campaigns for a mature plan that did not involve auto enrollment. Indicate how you set targets, identified strategies, and the results of your campaign.	Fairly brief response repeats existing strategies.		Voya's detailed response demonstrated the discipline and multi-engagement tools that the City is looking for in order to create accountability and push success forward.	✓
	Empower submitted a description of a campaign - though simplistic, it had a deliverable.	✓	Voya pointed to a deliverable for a targeted campaign measured over a 5-year period was too long a measurement period.	
<b>Deferral Limit Contribution Type Administration &amp; Participant Interfaces</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
Describe and provide samples of your participant interface with respect to the election of pre-tax and after-tax (Roth) contributions, particularly as they relate to changes to contribution amounts and/or types, and how clear the relationship of the two contribution types to a desired overall contribution amount is made to the participant in the participant interface.	Empower didn't really address what we were looking for either, but at least what they submitted was relevant.	✓	Voya sample didn't relate to the City's question.	
<b>Escalation, Special Contribution &amp; Miscellaneous Features</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
Indicate whether your online participant interface allows a participant to elect changes to single-pay period only deferrals (with auto reversion back to deferral amount prior to change).	Empower offers this service.	✓	Voya does not offer this service.	
<b>Account Contribution History</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
What account contribution history is available on the participant website and recordkeeping system?	Listed data history items, including transaction history.	✓	Response didn't detail the information.	

Indicate whether your system is capable of capturing historical contribution data from either a prior TPA or an employer's payroll system.	Stated n/a as they are the incumbent provider.	✓	Voya didn't really answer the question.	
<b>DISTRIBUTION &amp; ASSET RETENTION</b>				
<b>Distribution Administration &amp; Participant Interfaces</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
Indicate the number of working days you require to process a distribution request following approval from the employer.	2 days for Empower		Voya can process same business day.	✓
Problem Resolution Essay Question: TPAs may build their forms around internal administrative/recordkeeping processes, and will also apply certain required disclosures. In addition, certain forms (including and especially the distribution request form) may include a substantial amount of complexity because of different account types, distribution destinations, withdrawal election options, etc. How would you assess your organization's success in ensuring that communication effectiveness is the governing priority in its development of participant forms? Provide a sample and discussion of your standard distribution request form and discuss where you have prioritized communications efficacy and where your internal process or disclosure objectives have undermined communications effectiveness. Discuss where improvements could be made and if you have any initiatives currently underway to make such improvements.	Response brief and didn't directly address the question.		State that they provide required disclosure information while making all other information as succinct as possible, because if a form that is too long, complex, or unclear can create frustration for a participant and increase not in good order requests. Described their forms as "best in class."	✓
<b>Beneficiary Designation, Alternate Payee &amp; Benefit Claim Process</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
<b>Verify you will provide the following:</b>				
Online means to provide beneficiary designation	☒		☒	
Paper form to provide beneficiary designation	☒		☒	

Recordkeeping system allows for participant to maintain and update contact information (address, phone number, etc.) for a designated beneficiary	<input type="checkbox"/> Currently the recordkeeping system allows for beneficiary name, address, type and percent. In our Next Generation experience beneficiary phone number will also be available.		<input checked="" type="checkbox"/>	✓
An alternate payee is treated as a participant for all purposes, including the ability to take out loans, assuming the Plan document allows this.	<input type="checkbox"/> Accounts established for beneficiaries and alternate payees are identified as such and maintained under the beneficiary's or alternate payee's Social Security number (SSN). Both beneficiaries and alternate payees receive account access information, quarterly account statements, and investment option information. We do not allow for loans to alternate payees as these individuals are not employed by the City.		<input checked="" type="checkbox"/>	✓
Describe the efforts you would make, if any, to reach out to City of L.A. beneficiaries upon notification of a participant's death.	Didn't really describe the outreach process.		Voya demonstrated more of a customer-oriented approach.	✓
Provide communication materials, if any, you have developed to help a beneficiary understand their choices and applicable rules/requirements as that relates to taking distribution.	Empower sends out an extremely long form.		Voya issues a warm communication piece to the family.	✓
<b>RMD Notification and Automation</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
Describe how you address §401(a)(9) Required Minimum Distributions (RMDs) including: identification of subject participants, determination of the amount of the minimum required payment, and payment within required deadlines	Empower response describes a much more thorough process.	✓	Brief discussion without detailing of process.	
<b>LOAN PROGRAM ADMINISTRATION</b>				
<b>Processing Requirements, Administration &amp; Participant Interface</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
<b>Verify you will provide the following:</b>				
Online loan application process	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Loan applications through a call center	<input checked="" type="checkbox"/> We are in the process of adding functionality to allow participants to initiate general purpose loans through the call center, which will be available later in 2016.		<input checked="" type="checkbox"/>	✓
Loan applications through a form	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Administration of general purpose loans up to 1-5 years (at election of participant)	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	

Administration of home purchase loans up to 1-15 years (at election of participant)	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Administration of multiple loans	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Administration of active participant loans	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Administration of retired participant loans	<input checked="" type="checkbox"/> Terminated participants must apply for a loan using a paper application, available via the participant website or by calling a Client Service Representative at Empower Retirement.		<input checked="" type="checkbox"/>	
Active participant loan repayment - payroll deduction	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Active participant loan repayment - lump sum payoff	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Active participant loan repayment - ongoing additional principal repayment	<input checked="" type="checkbox"/> If the plan allows partial pre-payments/advanced payments toward the principal, the loan is re-amortized to shorten the term of the loan; however, the payment amount will not change and we will not allow a loan to be paid in advance by more than 180 days.		<input checked="" type="checkbox"/>	✓
Retired loan repayments through cashiers check, money order, Automated Clearing House (ACH), or personal check.	<input checked="" type="checkbox"/> If the participant elects to continue to repay the loan after severance of employment they must contact Empower Retirement in order to re-amortize the loan to monthly repayment by coupon for payment by personal check, or through Automated Clearing House (ACH) deductions.		<input checked="" type="checkbox"/>	
Suspend loan payments for participants on qualified leaves and have option to reamortize or catch payments up via lump sum payment in accordance w/IRS rules	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Loan default and tax reporting for defaulted loans	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Loan Communications (modeling, notifications, late loan, default, etc.)				
RFP Inquiry	Empower		Voya	

Assume a participant has missed several loan repayments. What notices are provided up to and including communications at the point of default to notify the participant of his/her rights and responsibilities? How do you address participant representations that (a) information was not received in the mail or (b) rights/responsibilities were not clearly communicated? Provide samples of your late loan notices and loan default communications.	The materials Empower submitted were marginally better than those from Voya because there were more of them. The custom materials they developed with the City were not considered because these aren't the ones generated by their recordkeeping system and sent to the participants as the official notices.	✓	Voya - they submitted very little, and the communication was not engaging.	
Indicate whether you offer any loan modeling on the website which illustrates the potential impact to long-term account accumulation of a defaulted loan or reduction in contributions due to establishment of a loan repayment.	Empower does not provide loan modeling to show impact of a defaulted loan.		Voya does not provide loan modeling but they do offer a calculator to show impact of taking a loan.	✓
<b>INNOVATIONS &amp; MISCELLANEOUS SERVICES</b>				
<b>Advice and Managed Account Services</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	
What are the costs associated with the advisory services? Is it based on total plan level or only charged to participants who elect these services, or may the plan sponsor elect from either option?	Empower model less expensive.	✓	Voya model more expensive.	
How many of your existing clients have subscribed to this investment advisory service? How many are 457 deferred compensation plans?	8,495 plans offer managed account service. Of these plans, 316 are 457 deferred compensation plans.	✓	Voya has 44 sponsors that subscribe to our investment advisory service, Financial Engines. Two of these sponsors have 457 deferred compensation plans.	
Will the City be required to execute a separate contract with your investment advisory provider or would this be part of your contract with the City?	As of September 30, 2015, 8,495 of our plans offer managed account service. Of these plans, 316 are 457 deferred compensation plans.	✓	Currently, Voya has 44 sponsors that subscribe to our investment advisory service, Financial Engines. Two of these sponsors have 457 deferred compensation plans.	
Will the City be required to execute a separate contract with your investment advisory provider or would this be part of your contract with the City?	Yes. A separate agreement is required for Empower Retirement Advisory Services with Advised Assets Group.		City is not required to execute a contract with Financial Engines as the service provider.	✓
<b>Deemed IRA, Annuity Services and Other Services</b>				
<b>RFP Inquiry</b>	<b>Empower</b>		<b>Voya</b>	



Describe what resources you could make available to the City's Plan for offering a Plan-vetted annuity option or options. Indicate whether this takes the form of an "annuity shopping service" or a single annuity option.	States that Great-West Financial offers an annuity shopping service whereby plan contracts with outside annuity providers. Separate agreements are required for each annuity vendor chosen. There is no additional charge for this service. States that Great-West SecureFoundation® product provides participants a retirement income through a Guaranteed Lifetime Withdrawal Benefit. Participants can allocate all or part of their regular contributions to one of the Great-West SecureFoundation funds if added to the plan. The participants can also transfer account value into and out of these funds—the same as with other investment options. Contributions, transfers, and any gains in the fund value create a “Benefit Base” that determines the participant’s retirement income (Guaranteed Annual Withdrawal) amount.	<ul style="list-style-type: none"> <li>• Access Income Solutions via the Participant Website or over the phone with a Voya retirement counselor</li> <li>• Complete account profiles and receive annuity quotes on the Income Solutions website.</li> <li>• Receive email notifications of pending quotes within 24-48 hours of request</li> <li>• Complete distribution processing over the phone with a Voya CSR</li> <li>• Receive overnight delivery of annuity application</li> <li>• Obtain immediate funding of annuities via plan distribution</li> </ul> <p>There is no fee to the plan sponsor for this program and participants pay 2.5% of the purchase amount, which they indicate is considerably less expensive (average 6% to 8%) if they elected to purchase an immediate annuity from a retained insurance sales representative.</p>	✓
<b>TRUSTEE SERVICES</b>			
<b>RFP Inquiry</b>	<b>Empower</b>	<b>Voya</b>	
Provide an overview of the trust or custody firm that you would propose for the City's Plan indicating the total number of years in operation, total number of years that they have been in operation, assets under trust/custody as of December 31, 2015, and total public deferred compensation assets currently under the trustee/custodian.	Wells Fargo Institutional Retirement and Trust is their trust provider. Response was very brief and did not provide great detail. , Wells Fargo’s Institutional Retirement and Trust division serves more than 3,000 trust and custody clients with assets totaling more than \$570 billion. This includes approximately \$22 billion for public retirement fund clients. These services are provided as a directed trustee or custodian. Across the enterprise, Wells Fargo is entrusted with client custodial assets exceeding \$1.8 trillion.	Response fully detailed; trust services are fully bundled, perhaps providing for a higher level of integration. Voya Institutional Trust Company provides trust and custody services to over 3,000 retirement plans representing over \$48 billion and custody services to over 98,000 IRA accounts representing over \$7 billion in assets as of 12/31/15.	✓

<p>Fully describe the process (and the role the trustee/custodian plays in the process) that you will use for recordkeeping the custom funds in the Plan</p> <p>Including striking the daily NAV for all of the custom funds that use more than one investment manager based on the proportional percentages allocated to each manager. In addition, describe how you will address incoming and outgoing cash flow and the frequency with which you will re-balance to the target allocations. Describe any impact on your proposed fees for changes to the underlying percentage allocations to managers and the addition or deletion of the number of managers in the custom funds.</p>				
<p>Response very brief but provided the requested information.</p>		✓	<p>Voya response more detailed but not clear whether they are including our target risk funds in this or whether additional fees apply.</p>	
<p>Has the trustee/custodial firm, or any affiliates, been a party to any litigation, investigations, or settlements during the last three years? If yes, describe fully.</p>	<p>Empower did not respond to the question as asked.</p>		<p>Voya responded as requested and disclosed several items.</p>	✓