



October 18, 2019

**NOTICE OF INTENT TO AWARD  
RFP 018-0-2019LC  
Supplemental Retirement Plan Recordkeeping Services**

To All Offerors:

Please be advised that NNPS completed the evaluation of proposals for Supplemental Retirement Plan Recordkeeping Services under Request for Proposal (RFP) #018-0-2019LC. Empower Retirement was determined to be the most fully qualified and suitable provider for NNPS.

On behalf of Newport News Public Schools (NNPS), I would like to thank you for your interest in providing Supplemental Retirement Plan Recordkeeping Services to NNPS and your participation in the RFP process.

Sincerely,

*Lisa A. Cumming*

Lisa A. Cumming, CPPO, C.P.M., VCO  
Director of Procurement  
Newport News Public Schools



# REQUEST FOR PROPOSALS

## Newport News Public Schools

ISSUING OFFICE:

PURCHASING DEPARTMENT  
12465 WARWICK BOULEVARD  
NEWPORT NEWS, VA 23606-3041  
TELEPHONE: (757) 591-4525  
FAX: (757) 591-4634

DATE: July 31, 2019

Attention of Offeror is Directed To Section  
2.2-4367 to 2.2-4377 Code of Virginia  
(Ethics In Public Contracting)

SEALED PROPOSALS will be received in the Issuing Office above until Closing Date and Closing Time as specified in this solicitation including any addenda issued by this office. Newport News Public Schools is not responsible for late delivery by U.S. Postal mail or other couriers. All inquiries for information regarding this Request for Proposal are to be directed to the Issuing Office as defined herein.

COMMODITY: Supplemental Retirement Benefit Plan Recordkeeping Services  
NIGP CODE: 953-80

PLEASE FILL IN OFFEROR'S NAME & ADDRESS  
IN THE SPACES PROVIDED BELOW:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**THIS IS NOT AN ORDER**

RFP ITEM NO. 018-0-2019LC
PROCUREMENT OFFICER <b>Lisa A. Cumming</b> CPPO, C.P.M., VCO
CLOSING DATE August 22, 2019
CLOSING TIME 11:00 AM
PREPROPOSAL CONFERENCE Non-Mandatory DATE: August 8, 2019 TIME: 10:00 AM

THE SCHOOL BOARD OF THE CITY OF NEWPORT NEWS, HEREAFTER REFERRED TO AS NEWPORT NEWS PUBLIC SCHOOLS (NNPS), RESERVES THE RIGHT TO ACCEPT OR REJECT ANY AND ALL PROPOSALS IN WHOLE OR IN PART AND WAIVE ANY INFORMALITIES IN THE COMPETITIVE NEGOTIATIONS PROCESS. FURTHER, NNPS RESERVES THE RIGHT TO ENTER INTO ANY CONTRACT DEEMED TO BE IN ITS BEST INTEREST. THE ENTIRE CONTENTS OF THE REQUEST FOR PROPOSALS, ANY ADDENDA, OFFEROR'S PROPOSAL AND NEGOTIATED CHANGES SHALL BE INCORPORATED BY REFERENCE INTO ANY RESULTING CONTRACT.

**NNPS DOES NOT DISCRIMINATE AGAINST FAITH-BASED ORGANIZATIONS.**

### DESCRIPTION OF GOODS/SERVICES

Supplemental Retirement Plan Recordkeeping Services

ACKNOWLEDGE RECEIPT OF ADDENDUM: #1\_\_\_ #2\_\_\_ #3\_\_\_ #4\_\_\_ (Please Initial)

IN COMPLIANCE WITH THIS SOLICITATION AND TO ALL THE CONDITIONS IMPOSED HEREIN, THE UNDERSIGNED AGREES TO PERFORM ANY CONTRACT AWARDED AS A RESULT OF THIS SOLICITATION. THE FOLLOWING SECTION SHALL BE SIGNED BY AN AGENT AUTHORIZED TO BIND THE COMPANY. FAILURE TO EXECUTE THIS PORTION MAY RESULT IN PROPOSAL REJECTION.

Authorized Agent:

_____	_____	_____	_____
	Signature		Type or Print Name
_____	_____	_____	_____
Email Address	Telephone Number	Fax Number	Company FEI/FIN#

ENCLOSURES

**ANTI-COLLUSION/NONDISCRIMINATION/DRUG-FREE WORKPLACE REQUIREMENTS**

**ANTI-COLLUSION CLAUSE:**

IN THE PREPARATION AND SUBMISSION OF THIS PROPOSAL, SAID OFFEROR DID NOT EITHER DIRECTLY OR INDIRECTLY ENTER INTO ANY COMBINATION OR ARRANGEMENT WITH ANY PERSON, FIRM OR CORPORATION, OR ENTER INTO ANY AGREEMENT, PARTICIPATE IN ANY COLLUSION, OR OTHERWISE TAKE ANY ACTION IN VIOLATION OF THE SHERMAN ACT (15 U.S.C. SECTION 1), SECTIONS 59.1-9.1 THROUGH 59.1-9.17 OR SECTIONS 59.1-68.6 THROUGH 59.1-68.8 OF THE CODE OF VIRGINIA.

THE UNDERSIGNED OFFEROR HEREBY CERTIFIES THAT THIS AGREEMENT, OR ANY CLAIMS RESULTING THEREFROM, IS NOT THE RESULT OF, OR AFFECTED BY, ANY ACT OF COLLUSION WITH, OR ANY ACT OF, ANOTHER PERSON OR PERSONS, FIRM OR CORPORATION ENGAGED IN THE SAME LINE OF BUSINESS OR COMMERCE; AND, THAT NO PERSON ACTING FOR, OR EMPLOYED BY, NNPS HAS AN INTEREST IN, OR IS CONCERNED WITH, THIS PROPOSAL; AND, THAT NO PERSON OR PERSONS, FIRM OR CORPORATION OTHER THAN THE UNDERSIGNED, HAVE, OR ARE, INTERESTED IN THIS PROPOSAL.

**DRUG-FREE WORKPLACE:**

DURING THE PERFORMANCE OF THIS CONTRACT, THE SUCCESSFUL OFFEROR AGREES TO (I) PROVIDE A DRUG-FREE WORKPLACE FOR THE SUCCESSFUL OFFEROR'S EMPLOYEES; (II) POST IN CONSPICUOUS PLACES, AVAILABLE TO EMPLOYEES AND APPLICANTS FOR EMPLOYMENT, A STATEMENT NOTIFYING EMPLOYEES THAT THE UNLAWFUL MANUFACTURE, SALE, DISTRIBUTION, DISPENSATION, POSSESSION, OR USE OF A CONTROLLED SUBSTANCE OR MARIJUANA IS PROHIBITED IN THE SUCCESSFUL OFFEROR'S WORKPLACE AND SPECIFYING THE ACTIONS THAT WILL BE TAKEN AGAINST EMPLOYEES FOR VIOLATIONS OF SUCH PROHIBITION; (III) STATE IN ALL SOLICITATIONS OR ADVERTISEMENTS FOR EMPLOYEES PLACED BY OR ON BEHALF OF THE SUCCESSFUL OFFEROR THAT THE SUCCESSFUL OFFEROR MAINTAINS A DRUG-FREE WORKPLACE; AND (IV) INCLUDE THE PROVISIONS OF THE FOREGOING CLAUSES IN EVERY SUBCONTRACT OR PURCHASE ORDER OF OVER \$10,000, SO THAT THE PROVISIONS WILL BE BINDING UPON EACH SUSUCCESSFUL OFFEROR OR VENDOR.

FOR THE PURPOSE OF THIS SECTION, "DRUG-FREE WORKPLACE" MEANS A SITE FOR THE PERFORMANCE OR WORK DONE IN CONNECTION WITH A SPECIFIC CONTRACT AWARDED TO A SUCCESSFUL OFFEROR IN ACCORDANCE WITH FEDERAL LAW, THE EMPLOYEES OF WHOM ARE PROHIBITED FROM ENGAGING IN THE UNLAWFUL MANUFACTURE, SALE, DISTRIBUTION, DISPENSATION, POSSESSION OR USE OF ANY CONTROLLED SUBSTANCE OR MARIJUANA DURING THE PERFORMANCE OF THE CONTRACT.

**EMPLOYMENT DISCRIMINATION BY THE SUCESSFUL OFFEROR SHALL BE PROHIBITED:**

1. DURING THE PERFORMANCE OF THIS CONTRACT, THE SUCCESSFUL OFFEROR AGREES AS FOLLOWS:
  - a. THE OFFEROR, SHALL NOT DISCRIMINATE AGAINST ANY EMPLOYEE OR APPLICANT FOR EMPLOYMENT BECAUSE OF RACE, RELIGION, COLOR, SEX, NATIONAL ORIGIN, AGE, DISABILITY, OR ANY OTHER BASIS PROHIBITED BY STATE LAW RELATING TO DISCRIMINATION IN EMPLOYMENT, EXCEPT WHERE THERE IS A BONA FIDE OCCUPATIONAL QUALIFICATION REASONABLY NECESSARY TO THE NORMAL OPERATION OF THE SUCCESSFUL OFFEROR. THE SUCCESSFUL OFFEROR AGREES TO POST IN CONSPICUOUS PLACES, AVAILABLE TO EMPLOYEES AND APPLICANTS FOR EMPLOYMENT, NOTICES SETTING FORTH THE PROVISIONS OF THIS NONDISCRIMINATION CLAUSE.
  - b. THE SUCCESSFUL OFFEROR, IN ALL SOLICITATIONS OR ADVERTISEMENTS FOR EMPLOYEES PLACED BY OR ON BEHALF OF THE SUCCESSFUL OFFEROR, SHALL STATE THAT SUCH SUCCESSFUL OFFEROR IS AN EQUAL OPPORTUNITY EMPLOYER.
  - c. NOTICES, ADVERTISEMENTS, AND SOLICITATIONS PLACED IN ACCORDANCE WITH FEDERAL LAW, RULE OR REGULATION SHALL BE DEEMED SUFFICIENT FOR THE PURPOSE OF MEETING THE REQUIREMENTS OF THIS SECTION.
2. THE SUCCESSFUL OFFEROR WILL INCLUDE THE PROVISIONS OF THE FOREGOING PARAGRAPHS A, B, AND C IN EVERY SUBCONTRACT OR PURCHASE ORDER OF OVER \$10,000, SO THAT THE PROVISIONS WILL BE BINDING UPON EACH SUBCONTRACTOR OR VENDOR.

**Name and Address of OFFEROR:** \_\_\_\_\_ Date: \_\_\_\_\_ Authorized Signature \_\_\_\_\_  
 Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_  
 Email Address: \_\_\_\_\_

**Federal Tax Identification Number/Social Security Number:** \_\_\_\_\_

Is Offeror a "minority" business?  Yes  No      If yes, please indicate the "minority" classification below:  
 African American     Hispanic American     American Indian     Eskimo     Asian American     Aleut     Other; Please Explain:  
 Is Offeror Woman Owned?  Yes  No  
 Is Offeror a Small Business?  Yes  No  
 Is Offeror a Faith-Based Organization?  Yes  No

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## I. PURPOSE

The purpose of this RFP is to solicit sealed proposals from qualified offerors to provide 403(B) and 457 (b) retirement plan recordkeeping services for all NNPS employees, including NNPS Teacher Substitutes.

## II. BACKGROUND

Based on the Commonwealth of Virginia Department of Education's (DOE) 2018-2019 Fall Membership Report, NNPS is the ninth largest school division in the Commonwealth with approximately 28,654 students. NNPS is an urban school system educating children in 4 early childhood centers, 26 elementary schools, 10 middle schools, and 6 high schools. NNPS also provides programs for at-risk students in addition to special education programs. A listing of NNPS and its locations may be accessed via NNPS' official web site at <http://sbo.nn.k12.va.us/schools> .

NNPS currently employs 5,825 individuals, which includes 4,348 full time employees. The total contributions in the NNPS tax deferred annuity (TDA) programs for a twelve (12) month period, ending June 30, 2019 were \$2,073,730.56 in the 403(b) Plan and \$60,448.73 in the 457(b) Plan.

NNPS employees also participate in the Virginia Retirement Services (VRS) and the City of Newport News' Retirement Plan. Not all NNPS employees are eligible to participate in both. The Instructional, Administrative and monthly Support Staff within NNPS is eligible to participate in both plans, while the NNPS bi-weekly support employees hired prior to 7-1-2009 are only eligible for the City of Newport News' Retirement Plan. All full-time employee groups hired after 7-1-2009 participate in VRS. Fund line up is included in Attachment B.

The Request for Proposal (RFP) will explore single vendor solutions only.

CAPTRUST Financial Advisors will be assisting NNPS to identify potential vendors to provide 403(b) and 457(b) record keeping, investments, communications, and administrative services for NNPS under this contract and serve in an advisory capacity in the evaluation of proposals and investments submitted. CAPTRUST reviews and recommends mutual funds for inclusion in the program.

## III. SCOPE OF WORK

### A. "403(b) and 457(b) Services"

Provide a supplemental retirement Plan to the NNPS which shall include, but not be limited to, the following:

#### Record Keeping Services/Program Administration

1. Work with the NNPS to establish administrative rules for the overall operation and administration of the Plan.
2. On a continuous basis, open a participant account for each employee who elects to participate in the Plan. The Contractor shall maintain records providing daily information associated with a participant's account, including but not limited to, account balances by investment, salary deferral contributions, distributions, earnings, administrative costs, investment elections, and any other information necessary for the proper administration of a participant's account.
3. Provide an extensive array of web-based services for both participant and Plan sponsor activities with optional paper documents and transaction procedures. Provide a web-based test account to allow NNPS staff to review website functionality.
4. Provide a Plan sponsor procedures manual with procedures for handling all participant activities, including participant enrollment, salary deferrals, rollovers, transfers, hardship withdrawals,

terminations, and loans (if added) in accordance with the NNPS's plan design and IRC provisions governing the Plan. Provide timely written updates to manual as needed.

5. Draft and update the summary Plan document (SPD) and provide both paper and electronic copies to the NNPS.
6. Establish fund transfer arrangements (and written procedures including file format) with the NNPS regarding the transfer of bi-weekly and monthly payroll deductions, and the corresponding text file. (The NNPS preferred fund transfer method is an ACH transaction.) The Contractor shall provide written confirmation to NNPS immediately after receiving the text file and the ACH transaction. The Contractor shall establish a bank account to receive the ACH transactions.
7. Deposit funds into participant accounts immediately upon receipt, but no later than the next business day. Funds are to be invested in accordance with the participant's corresponding elections.
8. Provide access to a fully diversified line-up of investment options for the Plan(s), with competitive overall costs.
9. Provide expense ratios for each fund proposed for inclusion in the line-up.
10. Distribute quarterly statements to participants (including their personal overall investment return) for consolidated accounts within fifteen (15) days after the end of the quarter. Provide a sample statement.
11. Make current prospectuses (as updated) available within sixty (60) days of the end of the applicable reporting period.
12. Process all participant deferral change requests efficiently and make timely notification to the NNPS in order for the change to take place on the next applicable pay date or upon the date requested by the participant, if later.
13. Prepare and distribute Plan level reports, which provide details, including but not limited to, the percentage of Plan assets and dollar amount in each option and investment class, the average account balance and participation rates by age range, gender, participant status (active, non-active, etc.) and years of service, and the level of loan activity (if applicable), etc. Must have the ability to provide custom reports as requested by NNPS.
14. Provide NNPS with an annual summary and analysis of the Contractor's profitability on the Plan(s). (408(b)(2)). This analysis should disclose all implicit and explicit fees including, but not limited to, investment management fees (expense ratios), administrative fees, 12b-1 fees, Mortality & Expense fees, per participant charges, asset-based wrap fees, transaction fees, investment advice fees, sub-TA credits and spreads on fixed accounts, etc.
15. Issue participant tax forms as required (1099s, etc.). Provide participant federal and state tax withholding and reporting for each benefit payment. The Contractor shall be solely responsible for any tax penalties and/or interest that may arise due to errors it makes in tax reporting or forwarding of funds to the appropriate government authorities.
16. Not close a participant's account until all amounts in the account have been distributed to the participant or their beneficiaries.
17. Monitor applicable Section 403(b) and 457(b) contribution limits. Maintain records and perform necessary tests and research to ensure that participant contributions do not exceed IRC limits.
18. Provide a reconciled Plan sponsor report within sixty (60) days of the end of each Plan year and/or upon the NNPS's request.

19. Provide written updates and changes to the rules and regulations governing IRC Section 403(b) and 457(b) plans and consult on the implications of the changes and institute agreed upon changes to the NNPS's Plan.
20. Ensure safekeeping of all NNPS and participant data. The Contractor shall keep duplicate or back-up computer data files, which are maintained in a place of safekeeping. All computer data files of NNPS participants shall at all times remain the property of NNPS, notwithstanding the fact that such records may be stored upon or within one or more computer or data retention systems owned, operated or leased by the provider. The NNPS or its representatives shall, at all reasonable times, have access to the Contractor's record keeping system online. To the extent that any such records are to be maintained upon a computer system or any other data retention system which is not owned by the Contractor, the Contractor shall provide the NNPS with assurances from the owner of such computer facilities, satisfactory to the NNPS, of the continued availability and security of such records at all times.
21. Provide a copy of Contractor's written internal data security and laptop policy.
22. Provide overall administrative services for Domestic Relations Orders including established written procedures for review, qualification and administration.
23. There may be no termination, withdrawal or transfer charges or restrictions (including market value adjustments) throughout the terms of the contract.
24. Accept full responsibility for processing errors it makes and report them to the Plan Sponsor within a reasonable period of time, not to exceed five (5) business days after the error has been identified. In the event a participant incurs a loss or a lost opportunity due to such an error, the vendor shall adjust the participant's account to the same level as if the processing error had not occurred.
25. Annually disclose all fund reimbursements including, but not limited to 12b-1 revenues.

**B. Enrollment Services**

1. The Contractor shall provide on-line enrollment capabilities. On-line enrollment information shall be processed and coordinated with NNPS so that employee salary deferrals can commence in a timely manner and in accordance with Plan guidelines.
2. Provide a website test account so that NNPS staff may evaluate enrollment website functionality.
3. A designated Contractor representative shall attend NNPS's new employee orientation. The representative shall give an introductory presentation on the Plan (mutually agreed upon with NNPS) and hold a question and answer period. The representative shall also assist employees in the enrollment process. The representative conducting the meeting must be able to provide information on the investment offerings under the Plan and to discuss investment concepts and retirement planning considerations. Such information shall be provided in a manner consistent with the requisite insurance and securities laws and all personnel who conduct this meeting or similar educational meetings to NNPS shall be properly licensed with all applicable regulatory agencies.
4. Employees conducting enrollment and education services should be salaried employees of the recordkeeping firm.

**C. Customer Service/Education/Communication**

The Contractor shall:

1. Make staff available for consultation with NNPS staff on an as-needed basis and provide training as requested by the NNPS.



2. Provide a detailed description of the educational seminars available for presentation to employees on an on-going basis.
3. Provide samples of all enrollment and communication materials including information on general and targeted marketing campaigns.
4. Prepare and mail communications to all eligible participants including, but not limited to, announcement letters and other Plan awareness material and highlights brochures along with periodic, impartial written educational and other communications about Section 403(b) and 457(b) in general (as applicable), and information specific to the NNPS Plan. (NNPS must review all communications prior to distribution. Payroll staffers cannot be accommodated.) The educational materials shall communicate to participants the Contractor's investment offerings, Plan limitations, as well as address such issues as investment selection based on risk and returns, and payout selection.
5. Provide on-line access to enrollment, beneficiary, and other administrative forms.
6. Maintain a secure website where employees may ask questions, access individual account information, and make changes to their deferral and investment option elections. The website must also offer retirement planning tools, such as retirement calculators and asset allocation models (or provide links where appropriate).
7. Maintain a toll-free telephone/TTY number for customer support. A voice response unit as well as a live operator should be available for both English and Spanish speaking participants. These toll-free numbers shall be available from at least 8 a.m. to 7 p.m., Monday through Friday.
8. In coordination and mutual agreement with the NNPS, maintain the designated number of staff in this region in order to provide the services outlined herein to the NNPS.
9. Provide additional information on any value added services you provide both included in the core proposal and optional services with costs, as applicable.
10. Respond to participant inquiries and concerns in a timely manner. Any issues not resolved within ten (10) business days shall be communicated in writing to the Benefits Administrator.
11. Meet with NNPS staff annually to review the overall program, participation statistics, establish goals and develop a targeted campaign strategy for the following year.
12. Prepare and provide Plan level reports to measure agreed upon performance guarantees.
13. Meet on quarterly basis with NNPS employees at each location during the first year of implementation.
14. Agree to specific goals for the following: Increasing participation, meeting with principals and staff, providing written communication materials.

**D. Transition Support**

The Contractor shall:

1. Provide an administrative and recordkeeping transition plan with timeline including Contractor's and Plan sponsor's responsibilities.
2. Provide the NNPS with overall support during the conversion of assets.
3. Provide assistance with legally required participant communications under Sarbanes Oxley.
4. Provide participant educational support as outlined in B-1.

**E. NNPS Rights and Responsibilities**

1. Each pay period, NNPS will withhold from participants pay, the elected amounts from the participants and compile the individual data in a text file and submit to the Contractor. The funds for each pay period will be sent to the Contractor each pay day via an ACH transaction.
2. NNPS will furnish sufficient information to enable the Contractor to maintain and update participant records including, but not limited to name, address, social security number, contribution amount, current allocation of the contribution, and other pertinent data necessary for the efficient administration of the participant accounts.
3. Over the course of the agreement, NNPS will notify the Contractor of changes in employment status of participants.
4. NNPS will maintain records of participant beneficiary information and shall provide this information to the Contractor as needed.
5. NNPS will approve all communication materials (including, but not limited to enrollment forms, program flyers, and other notices) prior to distribution to employees.
6. NNPS has final approval on any seminar contents (including but not limited to presentation and workshop materials) prior to presenting.
7. NNPS will make available meeting space for the Contractor to hold group seminars, one-on-one sessions, and open enrollment meetings.

#### **IV. SPECIAL INSTRUCTIONS TO THE OFFEROR**

##### **A. Definitions:**

Issuing Office:

Wherever used in this Request for Proposal, Issuing Office will be:

Lisa Cumming, CPPO, C.P.M., VCO  
Director of Procurement  
Newport News Public Schools  
12465 Warwick Boulevard  
Newport News, VA 23606-3041  
Phone: (757) 591-4525  
Fax: (757) 591-4593  
Email: [lisa.cumming@nn.k12.va.us](mailto:lisa.cumming@nn.k12.va.us)

NNPS Contract Administrator:

Wherever used in this Request for Proposal and for purposes of any notices under this contract, the NNPS Contract Administrator will be:

JoAnn Armstrong, Benefits Supervisor  
Newport News Public Schools  
Newport News, VA 23606-3041  
Phone: (757) 881-5061 ext. 11112  
Email: [joann.armstrong@nn.k12.va.us](mailto:joann.armstrong@nn.k12.va.us)

##### **B. Contact with NNPS Staff, Representatives, and/or Agents:**

Direct contact with NNPS staff, representatives, and/or agents other than Purchasing Department staff on the subject of this RFP or any subject related to this RFP is expressly prohibited except with the prior knowledge and permission of the Purchasing Agent.

##### **C. Offerors of Record:**

Offerors receiving a copy of this RFP from a source other than the Issuing Office via [www.eva.virginia.gov](http://www.eva.virginia.gov) must contact the Issuing Office and provide Offeror's name, address, contact person, telephone and fax number, and the RFP Item Number. Offeror will be added to the Planholders' list and will receive notification of any addenda to the RFP.

**D. Preproposal Conference (Non-mandatory)**

A Pre-Proposal conference will be held in the NNPS Human Resources Department located at 12507 Warwick Boulevard, Newport News, Virginia, on **August 8, 2019 at 10:00 AM** p.m. to answer any questions regarding this RFP. Any changes determined necessary as a result of this conference or any other source that may affect the responses to the Proposal will be formally addressed by the Issuing Office via addenda. **Attending this conference is not mandatory**, but is advisable.

**E. Questions:**

Offerors must submit questions regarding the Request For Proposal in writing to the Issuing Office at [lisa.cumming@nn.k12.va.us](mailto:lisa.cumming@nn.k12.va.us) no later than **4:30 PM EST, August 12, 2019**. Necessary replies will be issued to all Offerors of record as addenda that shall become part of the contract documents. Oral instructions do not form a part of the Proposal documents.

Offeror is responsible for checking the [www.eva.virginia.gov](http://www.eva.virginia.gov) web site, NNPS Purchasing webpage, or contacting the Issuing Office within 48 hours prior to Proposal closing to secure any addenda issued for this RFP.

**F. Changes or Modifications:**

Changes or modifications to this Request for Proposals made prior to the date and time of closing will be addressed by addenda from the Issuing Office. Offerors are to acknowledge receipt of addenda in the space provided on the cover page of this Request for Proposal. Oral communications are not a part of the Proposal documents. This RFP and any addenda shall be incorporated, by reference, into any resulting contract.

**G. RFP Closing:**

Offeror shall ensure its Proposal is time stamped by the Issuing Office no later than the Closing Date and Time shown on the cover page of this Information for Proposal. Proposals received after the specified date and time (time stamped 11:01 A.M. or later) will not be considered and will be returned to the Offeror unopened.

**H. Proposal Submittal Requirements:**

- a) Each Proposal submission shall be submitted to the Issuing Office and shall include the following documents:
  1. The cover page of this Request for Proposal, which will contain:
    - a. Original signature of an agent authorized to bind the company;
    - b. Requested contact information;
    - c. Company FEI/TIN number; and,
    - d. Acknowledgment of any addenda on page one (1);
  2. Evaluation Questionnaire (**Attachment A**)
  3. Pricing Schedule
  4. Completed and signed anticollusion/nondiscrimination clauses on page 2;
- b) Offerors are encouraged to submit their Proposals on recycled paper and to use double-sided copying.
- c) Proposals must be submitted utilizing the following requirements:
  1. Offerors shall submit proposals in a sealed envelope or package, and clearly label the shipping/ mailing packaging as well as the outside of your envelope or package with the Request for Proposal's item number, RFP number, date and time of the RFP closing, and the Offeror's name and address. **Proposals received by telephone, telegraph, facsimile, or any other means of electronic transfer shall not be accepted.**
  2. Submit the original and one (1) electronic copy (CD or USB drive) of the proposal. The CD must be a "standard" compact disk (CD) [using 780 nm wavelength laser diode light]; or a digital video disk or "digital versatile disc" (DVD) [using 650 nm wavelength laser diode light - Note: 'Blue-ray™ disks are not acceptable]. The media shall be capable of being read in a standard personal computer (PC) CD or DVD-drive.

The media shall use a "standard" CD-file system format [ISO 9660], be virus-free, and may contain PC-files in any of the following formats:

3. Adobe(c) Personal-Document-Files (pdf), version 9.0, or greater
4. Microsoft(c) Word 'document' files (doc), version 12, or greater (Word 2007)
5. Microsoft(c) Excel 'spreadsheet' files (xls), version 12, or greater (Excel 2007)
6. Microsoft (c) PowerPoint 'presentation' files (ppt) , version 12, or greater (PowerPoint 2007)
7. American Standard Code for Information Interchange (ASCII) text (txt) (e.g. Microsoft(c) Notepad, any version).
8. Tagged Information Format (tif or TIFF) files
9. All proposals shall be received and time stamped in the Issuing Office no later than the Closing Date and Time shown on the cover page of this Request for Proposal. Any proposal received after the specified date and time (3:01 PM EST or later) will not be considered and will be returned to the Offeror unopened.
10. **NOTE: Please submit one electronic copy to [april.winters@captrust.com](mailto:april.winters@captrust.com) or [john.leissner@captrust.com](mailto:john.leissner@captrust.com) also.**
11. Proposals must include all elements noted in the "Preparation of Proposals" section below.
12. Include a statement setting forth the basis for protection of proprietary information, if any, as detailed in the "Proprietary Information/Disclosure" section.
13. Proposals are to be organized in the following tabs:
  - Tab 1 – Executive Summary
  - Tab 2 – Experience
  - Tab 3 – Services to be provided
  - Tab 3 – Capabilities and Skills
  - Tab 4 – Fees
  - Tab 5 – Exceptions
  - Tab 6 – Proposed alternatives to NNPS requirements

#### **I. Evaluation of Proposals:**

1. After the proposal opening, NNPS will select for further consideration two or more Offerors deemed to be fully qualified and best suited among those submitting proposals based on Offerors' responses to the information requested in this RFP.
2. The following criteria will be used in the evaluation process:
  - a. Offeror's **experience** (25%) and past performance in providing the services requested, to include the integrity and reliability of the offeror's work;
  - b. Offeror's **capability and skills** (25%) to perform the services required;
  - c. **Services to be provided** (25%) by the Offeror, including investment options offered and the methodology proposed for providing services and understanding of the project; and
  - d. **Fees.** (25%)  
Exceptions/Alternatives will also be considered.
3. Based on the initial evaluation, NNPS may request the selected Offerors to make oral presentations. Thereafter, NNPS will conduct negotiations with each of the selected short-listed Offerors. Individuals representing the Offeror during negotiations shall have the authority to negotiate and contractually bind the company to a contract.
4. After negotiations are completed, NNPS will select the Offeror who, in NNPS's opinion, has made the best proposal and shall award the contract to that Offeror (referred to in this RFP as the Successful Offeror). Should NNPS determine in writing and in its sole discretion that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Offeror.
5. NNPS is not required to furnish a statement of the reason(s) why a proposal was not deemed to be the most advantageous.

**J. Presentation/Demonstration:**

If in NNPS's opinion, vendor presentations or demonstrations of the Offeror's proposed system's features and capabilities are warranted, NNPS will notify the appropriate vendors. Such presentation or demonstration will be at an NNPS site at a date and time mutually agreed to between NNPS and Offeror and will be at the Offeror's expense.

**K. Preparation of Proposals:**

In presenting their proposals, Offerors are encouraged to be thorough in addressing the Specific Requirements, the Preparation Guidelines, and the Proposal Submittal Requirements as outlined in Attachment A.

To facilitate the NNPS's evaluation of Offeror's proposal, Offeror is to number all pages of its proposal and provide tabs as indicated above. Exceptions/Alternatives - Detail any exceptions taken to the Scope of Work and Terms and Conditions sections of this RFP. For each exception, specify the RFP page number, section number, and the exception taken. Offeror is not to incorporate its standard contract document into its proposal, by reference or in full text, without listing each exception it represents to the terms and conditions of this RFP, as described in the Exceptions/Alternatives section of this RFP.

**L. Cost of Responding:**

This solicitation does not commit NNPS to pay any costs incurred by the Offeror or any other party in the preparation and/or submission of proposals or in making necessary studies or designs for the preparation thereof, nor is NNPS obligated to procure or contract for such services.

**V. GENERAL TERMS AND CONDITIONS**

**M. Contract Document:**

This RFP, its addenda, Successful Offeror's proposal, any additional information requested, and negotiated changes and will constitute the final contract hereafter referred to as this "contract". These documents will be incorporated by reference into the NNPS purchase order awarding this contract. This contract shall be governed by the contract documents in the following order of precedence:

This RFP document;

Any negotiated changes to the foregoing documents; and

Offeror's proposal

**N. Proposal Binding For One-hundred Twenty (120) Days:**

Offeror agrees that its Proposal shall be binding and may not be withdrawn for a period of one-hundred (120) calendar days after the scheduled closing date of this Request For Proposals.

**O. Proprietary Information/Non-Disclosure:**

Offeror is advised that the Virginia Public Procurement Act (Section 2.2-4342, Code of Virginia, 1950 as amended) shall govern public inspection of all records submitted by Offeror. Specifically, if Offeror seeks to protect any proprietary data or materials, pursuant to Section 2.2-4342, Offeror shall:

1. Invoke the protections of this section prior to or upon submission of the data or other materials,
2. Provide a statement that identifies the data or other materials to be protected and that states the reasons why protection is necessary.
3. Submit trade secrets or other proprietary information under separate cover in a sealed envelope clearly marked "**PROPRIETARY**".
4. Information submitted that does not meet the above requirements will be considered public information in accordance with State statutes.
5. NNPS reserves the right to submit such information to the NNPS attorney for concurrence of the Offeror's claim that it is in fact proprietary.
6. References to the proprietary information may be made within the body of the Proposal; however, all information contained within the body of the Proposal shall be public information in accordance with State statutes.
7. Trade secrets or proprietary information submitted by an Offeror in conjunction with this RFP is not subject to public disclosure under the Virginia Freedom of Information Act (VFOIA).
8. Information submitted that does not meet the above requirements will be considered public information in accordance with the VFOIA.

9. An all-inclusive statement that the entire Proposal is proprietary is unacceptable. A statement that Offeror's costs and/or Proposal pricing are to be protected is unacceptable. Offeror will be requested to remove any such statement(s) in order to be eligible for further consideration.

**P. Contract Modification(s):**

After award, any and all modifications to this contract shall be mutually agreed to by both parties, in writing, and authorized by the NNPS Purchasing Agent or his designee via issuance of a change order (purchase order).

**Q. Offeror Obligation:**

Offeror shall carefully examine the contents of this Request for Proposals and any subsequent addenda. Failure to do so shall not relieve the Successful Offeror of its obligation to fulfill the requirements of any contract awarded as a result of this RFP.

**R. Conditions of Work:**

Offeror shall inform itself fully of the conditions relating to services required herein. Failure to do so will not relieve a Successful Offeror of the obligation to furnish all goods and/or services necessary to carry out the provisions of this contract

**S. Prime Contractor:**

If in its performance of this contract, Successful Offeror supplies goods or services by or through another party or subcontractor, Successful Offeror agrees that:

1. Successful Offeror shall act as the prime contractor for the goods and services to be provided under contract and shall be the sole point of contact with regard to all obligations under this contract.
2. Successful Offeror represents and warrants that Successful Offeror has made third parties or subcontractors aware of the proposed use and disposition of the other party's products or services, and that such other party has agreed in writing that it has no objection and that NNPS is not liable to such third parties or subcontractors for any work performed under this contract.
3. The use of subcontractors and the work they perform must receive the prior written approval of NNPS. NNPS will designate a Contract Administrator to approve such work.
4. Successful Offeror shall be solely responsible for all work performed and materials provided by subcontractors.
5. Successful Offeror shall be responsible for the liability of subcontractors for the types and limits required of the Successful Offeror under this contract.

**T. Subcontractors:**

Contractor's use of subcontractors and the work they are to perform must receive written approval from the Contract Administrator at least ten (10) calendar days prior to the work being performed. Contractor shall be solely responsible for all work performed and materials provided by subcontractors. Contractor shall be responsible for the liability of subcontractors for the types and limits required of the Contractor.

**U. Non-Assignment:**

Successful Offeror shall not assign its rights and duties under this Agreement without the prior written consent of the NNPS Contract Administrator.

**V. Antitrust:**

Any perceived anti-trust violation will be reported to the State Attorney General for possible enforcement of anti-trust laws.

**W. Anticollusion/Nondiscrimination Requirements Form:**

The attached "Anticollusion/Nondiscrimination Requirements" form, on page 2 of this RFP, shall be executed by Offeror and is to be submitted with Offeror's Proposal. The requirements set forth on said form shall be considered to be binding terms and conditions in any contract resulting from this RFP. A contract will not be awarded to an Offeror who has not signed the anticollusion/nondiscrimination statement.

**X. Hold Harmless/Indemnification:**

It is understood and agreed that Successful Offeror hereby assumes the entire responsibility and liability for any and all material damages to persons or property caused by or resulting from or arising out of any act or omission on the part of Successful Offeror, its subcontractors, agents or employees under or in connection with this Contract or the performance or failure to perform any work required by this Contract. Successful Offeror agrees to indemnify and hold harmless NNPS and its agents, volunteers, servants, employees and officials from and against any and all claims, losses, or expenses, including reasonable attorney's fees and litigation expenses

suffered by any indemnified party or entity as the result of claims or suits due to, arising out of or in connection with (a) any and all such damages, real or alleged, (b) the violation of any law applicable to this Contract, and (c) the performance of the work by Successful Offeror or those for whom Successful Offeror is legally liable. Upon written demand by NNPS, Successful Offeror shall assume and defend at Successful Offeror's sole expense any and all such suits or defense of claims made against NNPS, its agents, volunteers, servants, employees or officials.

**Y. Notices:**

All notices, requests, demands, and elections under this contract, other than routine operational communications, shall be in writing and shall be deemed to have been duly given on the date when hand-delivered, or on the date of the confirmed facsimile transmission, or on the date received when delivered by courier that has a reliable system for tracking delivery, or six (6) NNPS business days after the date of mailing when mailed by United States mail, registered or certified mail, return receipt requested, postage prepaid. All notices shall be addressed to the following individuals:

To NNPS: NNPS Contract Administrator as designated in this RFP.

To Successful Offeror: Successful Offeror's Contract Administrator as defined in Successful Offeror's Proposal.

Either party may from time to time change the individual(s) to receive notices and/or its address for notification purposes by giving the other party written notice as provided above.

**Z. Non-Performance:**

1. Delivery Delays: NNPS reserves the right to procure goods and/or services to be provided under this contract from other sources in the event Successful Offeror fails to deliver such goods and/or service deliverables in accordance with delivery dates and time frames set forth in this contract.
2. Unacceptable Deliveries (Rejections): Upon notification by NNPS that goods and/or service deliverables provided by the Successful Offeror under this contract are damaged and/or not of the quality specified by NNPS, such goods and/or service deliverables will be rejected. Successful Offeror shall replace such rejected goods and/or service deliverables immediately or within a reasonable time as determined by NNPS.
3. Successful Offeror shall remove all rejected materials, equipment or supplies from the premises of NNPS within ten (10) days of notification. Rejected goods and/or service deliverables not removed from NNPS' premises within ten (10) days will be regarded as abandoned, shall become the property of NNPS, and NNPS shall have the right to dispose of such items.
4. NNPS reserves the right to authorize immediate purchase from other sources against rejections.
5. Liability: Successful Offeror shall be liable to NNPS for all costs incurred by NNPS as a result of Successful Offeror's failure to perform in accordance with the contract. Successful Offeror's liability shall include, but not be limited to:
  - a. Damages and other delay costs, to include costs to procure goods/services from alternate suppliers.
  - b. Increased costs of performance, such as extended overhead and increased performance costs resulting from performance delays caused by Successful Offeror and/or rejections of Successful Offeror's goods and/or service deliverables.
  - c. Warranty and rework costs, liability to third party, excess costs, attorney's fees and related costs incurred by NNPS due to non-responsive performance of Successful Offeror.

**AA. Termination Without Cause:**

NNPS may at any time, and for any reason, terminate this Contract by written notice to Successful Offeror specifying the termination date, which shall be not less than thirty (30) days from the date such notice is mailed. Notice shall be given to Successful Offeror by certified mail/return receipt requested, addressed to the Successful Offeror's Contract Administrator. In the event of such termination, Successful Offeror shall be paid such amount as shall compensate Successful Offeror for the work satisfactorily completed, and accepted by NNPS, at the time of termination. If the event NNPS terminates this Contract, Successful Offeror shall withdraw its personnel and equipment, cease performance of any further work under this Contract, and turn over to NNPS any work completed or in process for which payment has been made.

**BB. Termination With Cause/Breach:**

In the event that Successful Offeror shall for any reason or through any cause be in default of the terms of this Contract, NNPS may give Successful Offeror written notice of such default by certified mail/return receipt requested, addressed to the Successful Offeror's Contract Administrator. Unless otherwise provided, Successful Offeror shall have ten (10) days from the date such notice is mailed in which to cure the default. Upon failure of the Successful Offeror to cure the default, NNPS may immediately cancel and terminate this Contract as of the mailing date of the default notice. Upon termination, Successful Offeror shall withdraw its personnel and equipment, cease performance of any further work under the Contract, and turn over to NNPS any work in process for which payment has been made. In the event of violations of law, safety or health standards and regulations, this Contract may be immediately cancelled and terminated by NNPS and provisions herein with respect to opportunity to cure default shall not be applicable.

**CC. Breach of Contract:**

Successful Offeror shall be deemed in breach of this contract if the Successful Offeror:

Fails to comply with any terms of this contract;

Fails to cure such noncompliance within ten (10) calendar days from the date of the NNPS written notice or such other time frame, greater than ten (10) calendar days, specified by the NNPS Contract Administrator in the notice.

Fails to submit a written response to NNPS's notification of noncompliance within ten (10) calendar days after the date of the NNPS notice.

All notices under this contract shall be submitted, either by fax or certified mail, return-receipt requested, to the respective contract administrator. Successful Offeror shall not be in breach of this contract as long as its default was due to causes beyond the reasonable control of and occurred without any fault or negligence on the part of both the Successful Offeror and its subcontractors. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of NNPS in its sovereign capacity, fires, floods, epidemics, strikes, freight embargoes, and unusually severe catastrophic weather such as hurricanes.

**DD. Applicable Law:**

This Contract shall be deemed to be a Virginia contract and shall be governed as to all matters whether of validity, interpretations, obligations, performance or otherwise exclusively by the laws of the Commonwealth of Virginia, and all questions arising with respect thereto shall be determined in accordance with such laws.

Regardless of where actually delivered and accepted, this Contract shall be deemed to have been delivered and accepted by the parties in the Commonwealth of Virginia.

**EE. Compliance With All Laws:**

Successful Offeror shall comply with all federal, state and local statutes, ordinances, and regulations now in effect or hereafter adopted, in the performance of this contract. Successful Offeror represents that it possesses all necessary licenses and permits required to conduct its business and/or will acquire any additional licenses and permits necessary for performance of this contract prior to the initiation of work. If the Successful Offeror is a corporation, Successful Offeror further expressly represents that it is a corporation of good standing in the Commonwealth of Virginia and will remain in good standing throughout the term of the contract and any extensions. All City of Newport News business license, personal property, real estate and other applicable tax requirements shall be met by Successful Offeror.

**FF. Venue:**

Venue shall be in the Circuit Court of the City of Newport News, Virginia, and the United States District Court for the Eastern District of Virginia, Norfolk Division, compliant with applicable laws and regulations, as deemed appropriate by NNPS.

**GG. Severability:**

If any provision of this contract is found by any court of competent jurisdiction to be invalid or unenforceable, the invalidity of such provision shall not affect the other provisions of this contract, and all other provisions of this contract shall remain in full force and effect.

**HH. Non-Appropriation of Funds:**

It is understood and agreed between the parties herein that NNPS shall be bound hereunder only to the extent that the funds shall have been appropriated. In the event no funds or insufficient funds are appropriated, NNPS shall immediately notify the Successful Offeror of such occurrence and this Contract shall terminate on the last day funds are available without penalty or expense to NNPS of any kind whatsoever.



## **II. Tax Exemption:**

NNPS is exempt from federal excise tax and from all State and local taxes. Successful Offeror shall not include such taxes in any invoices under this agreement. Upon request, NNPS will furnish the Successful Offeror with tax exemption certificates or the NNPS tax exempt number.

## **JJ. Vendor's Invoices:**

Successful Offeror shall submit to NNPS all invoices promptly upon completion of the requirements for installation, delivery, and acceptance of the Products and Services required under this contract. Invoices shall not include any costs other than those identified in the executed NNPS purchase order awarding this contract or any subsequent change orders issued by the NNPS Purchasing Division. All shipping costs are the Successful Offeror's responsibility, except to the extent such charges are identified in the executed NNPS purchase order or change orders. Successful Offeror's invoices shall provide at a minimum:

- Type and description of the Product or Service installed, delivered and accepted;
- Serial numbers, if any;
- Quantity delivered;
- Charge for each item;
- Extended total (unit costs x quantity);
- This RFP number and the NNPS Purchase Order Number.

## **KK. Contractual Disputes:**

Any dispute concerning a question of fact as a result of a contract with NNPS which is not disposed of by agreement shall be decided by the NNPS Purchasing Agent, who shall reduce his decision to writing and mail or otherwise forward a copy thereof to the contractor within thirty (30) days. The decision of the NNPS Purchasing Agent shall be final and conclusive unless the contractor appeals within six (6) months of the date of the final written decision by instituting legal action as provided in the Code of Virginia. A contractor may not institute legal action, prior to receipt of the public body's decision on the claim, unless the public body fails to render such decision within the time specified. Contractual claims, whether for money or other relief, shall be submitted in writing no later than sixty days after final payment; however, written notice of the contractor's intention to file such claim shall have been given at the time of the occurrence or beginning of the work upon which the claim is based. Nothing herein shall preclude a contract from requiring submission of an invoice for final payment within a certain time after completion and acceptance of the work or acceptance of the goods. Pendency of claims shall not delay payment of amounts agreed due in the final payment.

## **LL. Warranty/Guarantee:**

Successful Offeror guarantees against defective or faulty material or workmanship for at least one (1) year or for the manufacturer's standard warranty period, whichever is greater, from date of acceptance by NNPS. To furnish adequate protection from damage for all work and to repair damages of any kind for which Successful Offeror or Successful Offeror's workmen are responsible, to the building or equipment, to Successful Offeror's own work, or to the work of others. Any merchandise or service provided under the contract which is or becomes defective during the warranty period shall be replaced by the Successful Offeror free of charge with the specific understanding that all replacements shall carry the same guarantee as the original equipment or service (one year or manufacturer's standard warranty period, whichever is greater, from the date of acceptance of the replacement). Successful Offeror shall make any such replacement immediately upon receiving notice from NNPS.

## **MM. Payment Terms:**

To be eligible for payment, all labor, equipment and materials covered under Successful Offeror's invoice must be completed and accepted by NNPS. NNPS agrees to make payments under this contract within thirty (30) days after receipt of a correct invoice for such payment. Where payment is made by mail, the date of postmark shall be deemed to be the date of payment. Any amounts due NNPS under the terms of this or any other agreement may be applied against Successful Offeror's invoices with documentation for the basis of the adjustment attached. In no event shall any interest penalty or late fee accrue when payment is delayed because of disagreement between NNPS and Successful Offeror regarding the quantity, quality, time of delivery, or other noncompliance with the contract requirements for any Product or Service or the accuracy or correctness of any invoice. Payment terms offering a "prompt payment discount" of 20 days or greater will be considered in the

evaluation of Proposals. All other payment terms shall be net thirty (30) calendar days or greater. Payment terms not specified by Offeror shall be Net 45 days.

Special Educational or Promotional Discounts

Successful Offeror shall extend any special educational or promotional sale prices or discounts immediately to NNPS during the term of the contract. Such notice shall also advise the duration of the specific sale or discount price.

**NN. Prompt Payment:**

NNPS will promptly pay for completed, delivered goods or services accepted under this Contract by the payment date established. The required payment date will be either: (i) the date on which payment is due under the terms of this Contract for the provision of the goods or services; or (ii) if a date is not established by this Contract, not more than forty-five (45) days after goods or services are received or not more than forty-five (45) days after the invoice is rendered, whichever is later.

Within twenty (20) days after the receipt of the invoice or goods or services, NNPS shall notify the supplier of any defect or impropriety that would prevent payment by the payment date. Should NNPS fail to pay the Contractor by the pay date, finance charges may be assessed by the Contractor. Unless otherwise provided under the terms of this Contract, interest will accrue at the rate of one percent (1%) per month. This will not apply to late payment provisions in any public utility tariffs or public utility negotiated Contracts. Contractor shall include in each of its subcontracts a provision requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier subcontractor.

In cases where payment to Contractor is made by mail, the date of postmark shall be deemed to be the date payment is made for purposes of this Contract.

Individual Contractors shall provide to NNPS their social security numbers and proprietorships, partnerships, and corporations to provide their federal employer identification numbers.

Within seven (7) days after Contractor receives payment from NNPS, Contractor shall take one or more of the following actions:

1. Pay all subcontractors for the proportionate share of the total payment received from NNPS attributable to the work performed by the subcontractors under this Contract;
2. Notify NNPS and all affected subcontractors, in writing, of Contractor's intention to withhold all or a part of each affected subcontractor's payment including the reason for nonpayment.
3. Pay interest to the subcontractor on all amounts owed by the Contractor that remain unpaid after (7) seven days following receipt by the Contractor of payment from NNPS for work performed by the subcontractor under that Contract, except for amounts withheld, as allowed in #2 above.

A Contractor's obligation to pay an interest charge to a subcontractor pursuant to the payment clause in this section shall not be construed to be an obligation of NNPS. A Contract modification will not be made for the purpose of providing reimbursement by NNPS for interest charges owed by Contractor. A cost reimbursement claim to NNPS shall not include any amounts for reimbursement of interest charges owed by Contractor.

**OO. Payment by Electronic Funds Transfer (EFT)**

- (a) Method of payment.

(1) All payments by Newport News Public Schools (NNPS) under this contract shall be made by electronic funds transfer (EFT) except as provided in paragraph (a)(2) of this clause. As used in this clause, the term “EFT” refers to the funds transfer and may also include the payment information transfer.

(2) In the event NNPS is unable to release one or more payments by EFT, the Contractor agrees to either—

- (i) Accept payment by check or some other mutually agreeable method of payment; or
- (ii) Request NNPS to extend payment due dates until such time NNPS makes payment by EFT (but see paragraph (d) of this clause).

(b) Mandatory submission of Contractor's EFT information.

(1) The Contractor is required to provide NNPS with the information required to make payment by EFT (see paragraph (j) of this clause). The Contractor shall provide this information directly to the NNPS Accounting Department (hereafter referred to as “Accounting”) no later than 15 days prior to submission of the first request for payment. In the event that the EFT information changes, the Contractor shall be responsible for providing the updated information to the Accounting.

(2) If the Contractor provides EFT information applicable to multiple contracts, the Contractor shall specifically state the applicability of this EFT information in terms acceptable to Accounting.

(c) *Mechanisms for EFT payment.* NNPS may make payment by EFT through the Automated Clearing House (ACH) network, subject to the rules of the National Automated Clearing House Association

(d) Suspension of payment.

(1) The NNPS is not required to make any payment under this contract until after receipt, by Accounting, of the correct EFT payment information from the Contractor. Until receipt of the correct EFT information, any invoice or contract financing request shall be deemed not to be a proper invoice for the purpose of prompt payment under this contract.

(2) If the EFT information changes after submission of correct EFT information, NNPS shall begin using the changed EFT information no later than 30 days after its receipt by Accounting to the extent payment is made by EFT. However, the Contractor may request that no further payments be made until the updated EFT information is implemented by Accounting. If such suspension would result in a late payment under the prompt payment terms of this contract, the Contractor’s request for suspension shall extend the due date for payment by the number of days of the suspension.

(e) Liability for uncompleted or erroneous transfers.

(1) If an uncompleted or erroneous transfer occurs because NNPS used the Contractor’s EFT information incorrectly, NNPS remains responsible for—

- (i) Making a correct payment;
- (ii) Paying any prompt payment penalty due; and
- (iii) Recovering any erroneously directed funds.

(2) If an uncompleted or erroneous transfer occurs because the Contractor’s EFT information was incorrect, or was revised within 30 days of NNPS’ release of the EFT payment transaction, and—

- (i) If the funds are no longer under the control of Accounting, NNPS is deemed to have made payment and the Contractor is responsible for recovery of any erroneously directed funds; or
- (ii) If the funds remain under the control of Accounting, NNPS shall not make payment and the provisions of paragraph (d) shall apply.

(f) *EFT and prompt payment.* A payment shall be deemed to have been made in a timely manner in accordance with the prompt payment terms of this contract if, in the EFT payment transaction instruction released to the Federal Reserve System, the date specified for settlement of the payment is on or before the prompt payment due date, provided the specified payment date is a valid date under the rules of the Federal Reserve System.

(g) *EFT and assignment of claims.* If the Contractor assigns the proceeds of this contract as provided for in the assignment of claims terms of this contract, the Contractor shall require as a condition of any such assignment, that the assignee shall provide the EFT information required by paragraph (j) of this clause to Accounting, and shall be paid by EFT in accordance with the terms of this clause. In all respects, the requirements of this clause shall apply to the assignee as if it were the Contractor. EFT information that shows the ultimate recipient of the transfer to be other than the Contractor, in the absence of a proper assignment of claims acceptable to NNPS, is incorrect EFT information within the meaning of paragraph (d) of this clause.

(h) *Liability for change of EFT information by financial agent.* NNPS is not liable for errors resulting from changes to EFT information provided by the Contractor's financial agent.

(i) *Payment information.* Accounting shall forward to the Contractor available payment information that is suitable for transmission as of the date of release of the EFT instruction to the Federal Reserve System. NNPS may request the Contractor to designate a desired format and method(s) for delivery of payment information from a list of formats and methods Accounting is capable of executing. However, NNPS does not guarantee that any particular format or method of delivery is available and retains the latitude to use the format and delivery method most convenient to NNPS. If NNPS makes payment by check in accordance with paragraph (a) of this clause, NNPS shall mail the payment information to the remittance address in the contract.

(j) *EFT information.* The Contractor shall provide the following information to Accounting. The Contractor may supply this data for this or multiple contracts (see paragraph (b) of this clause). The Contractor shall designate a single financial agent per contract capable of receiving and processing the EFT information using the EFT methods described in paragraph (c) of this clause.

(1) The contract number (or other procurement identification number).

(2) The Contractor's name and remittance address, as stated in the contract(s).

(3) The signature (manual or electronic, as appropriate), title, and telephone number of the Contractor official authorized to provide this information.

(4) The name, address, and 9-digit Routing Transit Number of the Contractor's financial agent.

(5) The Contractor's account number and the type of account (checking, saving, or lockbox).

(6) If applicable, the Fedwire Transfer System telegraphic abbreviation of the Contractor's financial agent.

(7) If applicable, the Contractor shall also provide the name, address, telegraphic abbreviation, and 9-digit Routing Transit Number of the correspondent financial institution receiving the wire transfer payment if the Contractor's financial agent is not directly on-line to the Fedwire Transfer System; and, therefore, not the receiver of the wire transfer payment.

NNPS Accounting Department Designated Contact:

Accounting Department

NNPS Administration Building

12465 Warwick Blvd.

Newport News, Virginia 23606

Tel: (757)591- 4513

Steven Kanehl, Accounting Supervisor

Steve.Kanehl@nn.k12.va.us

**PP. Audits:**

NNPS shall have the right to audit all books and records (in whatever form they may be kept, whether written, electronic or other) relating or pertaining to this Contract (including any and all documents and other materials,

in whatever form they may be kept, which support or underlie those books and records), kept by or under the control of Successful Offeror, including, but not limited to those kept by Successful Offeror, its employees, agents, assigns, successors and subcontractors. Successful Offeror shall maintain such books and records, together with such supporting or underlying documents and materials, for the duration of this Contract and for at least three years following the completion of this Contract, including any and all renewals thereof. The books and records, together with the supporting or underlying documents and materials shall be made available, upon request, to NNPS, through its employees, agents, representatives, contractors or other designees, during normal business hours at Successful Offeror's office or place of business in Newport News, Virginia. In the event that no such location is available, then the books and records, together with the supporting or underlying documents and records, shall be made available for audit at a time and location in Newport News, Virginia, which is convenient for NNPS. This paragraph shall not be construed to limit, revoke, or abridge any other rights, powers, or obligations relating to audit which NNPS may have by state, city, or federal statute, ordinance, regulation, or agreement, whether those rights, powers, or obligations are express or implied.

**QQ. Notice of Award:**

Any contract resulting from this RFP will be publicly posted for inspection in the NNPS Purchasing Department, 12465 Warwick Boulevard, Newport News, Virginia.

**RR. Award:**

NNPS intends to award a contract to a fully qualified Offeror submitting the best proposal based on the criteria set forth herein and as determined by NNPS in its sole discretion. At NNPS' sole discretion, NNPS may reject any or all proposals in whole or in part if such action is determined to be in NNPS' best interest. NNPS reserves the right to enter into any contract deemed to be in its best interest, including the award of this contract to more than one contractor.

**SS. Disposition of Proposals:**

All materials submitted in response to this RFP will become the property of the NNPS. One (1) copy of each proposal will be retained for official files, will become a matter of public record after award of the contract, and will be open to public inspection subject to the *Proprietary Information/Disclosure* section of this RFP.

**TT. Exclusivity:**

Any contract resulting from this RFP shall be exclusive with the following exceptions:

- NNPS reserves the right to procure goods/services under this contract from a third party in the event of the following:
- Contractor is unable to provide required services within the required delivery time.
- Contract is unable to provide the required services requested.
- NNPS volume demands exceed original intent of the contract.

**VI. SPECIAL TERMS AND CONDITIONS**

**UU. Contract Term:**

This contract term shall be for three (3) year, commencing on the date of award.

**VV. Contract Extension:**

This contract may be extended upon mutual agreement of both parties for two (2) additional, one-year periods, upon the same prices, terms, and conditions set forth in the negotiated contract resulting from this RFP.

**WW. Time is of the Essence:**

Time is of the essence in this Contract. Successful Offeror expressly acknowledges that in the performance of its obligations, NNPS is relying on timely performance and will schedule operations and incur obligations to third parties in reliance upon timely performance by Successful Offeror and may sustain substantial losses by reason of untimely performance.

**XX. Insurance (only if any of the services included insurance):**

1. Contractor shall submit to the NNPS Contract Administrator certificates of insurance, prior to beginning work under the Contract and no later than ten (10) days after award of the Contract.
2. All policies of insurance required herein shall be written by insurance companies licensed to conduct the business of insurance in Virginia, and acceptable to Owner, and shall carry the provision that the insurance will not be cancelled or materially modified without thirty days (30) prior written notice to the Owner or to the extent permitted by Virginia law.

3. The certificates of insurance shall list NNPS, 12465 Warwick Boulevard, Newport News, Virginia, 23606-0130, as the additional insured for the specified project as outlined in this IFB. Copies of actual endorsements to the policy shall be required to confirm any special request, such as, additional insured status. A COI shall not be issued or delivered that gives the impression there are coverage terms the referenced policy does not specifically provide.

IT IS THE RESPONSIBILITY OF THE CONTRACTOR TO IMMEDIATELY NOTIFY THE OWNER SHOULD ANY POLICY BE CANCELLED. FAILURE TO NOTIFY THE OWNER SHALL CONSTITUTE A MATERIAL BREACH OF THE CONTRACT.

Forms	Limits
Workers' Compensation	Statutory
Automobile Liability	\$1,000,000 Combined Single Limit
Commercial General Liability, including Contractual Liability and Products and Completed Operations Coverage	\$1,000,000 Combined Single Limit
Professional Liability	
Per Occurance (includes fiduciary liability):	\$1,000,000
General Aggregate	\$1,000,000

The establishment of minimum limits of insurance by NNPS does not reduce or limit the liability or responsibilities of the Successful Offeror.

**YY. Unauthorized Disclosure of Information:**

Successful Offeror shall assume the entire responsibility and liability for any and all damages caused by or resulting from or arising out of the negligent or willful unauthorized disclosure of confidential information on the part of the Successful Offeror, its subcontractors, agents or employees under or in connection with this contract. The Successful Offeror shall save harmless and indemnify NNPS and its agents, volunteers, servants, employees and officers from and against any and all claims, losses or expenses, including but not limited to attorney's fees, which either or both of them may suffer, pay or incur as the result of claims or suits due to, arising out of or in connection with, any and all such unauthorized disclosures, real or alleged. The Successful Offeror shall, upon written demand by NNPS, assume and defend, at the Successful Offeror's sole expense, any and all such suits or defense of claims alleging unauthorized disclosures of confidential information.

Any negligent or willful unauthorized disclosure of confidential information on the part of the Successful Offeror, its subcontractors, agents or employees under or in connection with this contract shall constitute a breach of the terms of this contract. NNPS may proceed by appropriate court action, including seeking injunctive relief, to prevent continuing unauthorized disclosures, and Successful Offeror shall save harmless and indemnify NNPS for court costs, litigation expenses and attorney's fees that it may pay or incur as the result of seeking to prevent or stop any and all unauthorized disclosures of confidential information.

**ZZ. Using Entities/Regional /Cooperative Contracts**

This solicitation was issued in accordance with Code of Virginia §2.2-4304 on behalf of the members of the Southeastern Virginia Governmental Purchasing Cooperative (SVGPC), as well as other public bodies, governmental jurisdictions and school divisions. In the event these entities opt to participate under any contract awarded as a result of this solicitation, each will enter into a separate contract directly with the Successful Offeror or Offerors, incorporating all terms and conditions set forth in this contract, including incorporated best and final offers. Each entity will be responsible for the contract administration of its contract directly with the Contractor. NNPS assumes no authority, liability or obligation, on behalf of any other public or non-public entity that may use any contract resulting from this solicitation. All purchases and payment transactions will be made directly between the Contractor and the requesting entity. Any exceptions to this requirement must be specifically noted in the solicitation response.

**AAA. CERTIFICATION REGARDING DEBARMENT**

This is to certify that this person/firm/corporation is not now debarred by the Federal Government or by the Commonwealth of Virginia or by any other state, or by any town, city, or county, from submitting Bids on contracts for construction covered by this solicitation, nor are they an agent of any person or entity that is now so debarred.

\_\_\_\_\_  
Name of Official

\_\_\_\_\_  
Title

\_\_\_\_\_  
Firm or Corporation

\_\_\_\_\_  
Date

**BBB. Data Security Clauses**

1. Network Security. Vendor agrees at all times to maintain network security that at a minimum includes: network firewall provisioning, intrusion detection, and regular (three or more annually) third party vulnerability assessments. Likewise, Vendor agrees to maintain network security that conforms to generally recognized industry standards.
2. Data Security. Vendor agrees to preserve the confidentiality, integrity and accessibility of NNPS data with administrative, technical and physical measures that conform to generally recognized industry standards (see “11. Industry Standards”) and best practices that Vendor then applies to its own processing environment. Maintenance of a secure processing environment includes but is not limited to the timely application of patches, fixes and updates to operating systems and applications as provided by vendor or open source support.
3. Data Storage. Vendor agrees that any and all NNPS data will be stored, processed, and maintained solely on designated target servers and that no NNPS data at any time will be processed on or transferred to any portable or laptop computing device or any portable storage medium, unless that device or storage medium is in use as part of the Vendor's designated backup and recovery processes and encrypted in accordance with “5. Data Encryption”.
4. Data Transmission. Vendor agrees that any and all electronic transmission or exchange of system and application data with NNPS and/or any other parties expressly designated by NNPS shall take place via secure means (using HTTPS or SFTP or equivalent) and solely in accordance with “7. Data Re-Use”.
5. Data Encryption. Vendor agrees to store all NNPS backup data as part of its designated backup and recovery processes in encrypted form, using a commercially supported encryption solution. Vendor further agrees that any and all NNPS data defined as personally identifiable information under current legislation or regulations stored on any portable or laptop computing device or any portable storage medium be likewise encrypted. Encryption solutions will be deployed with no less than a 128-bit key for symmetric encryption and a 1024 (or larger) bit key length for asymmetric encryption.
6. Data Re-Use. Vendor agrees that any and all data exchanged shall be used expressly and solely for the purposes enumerated in the Current Agreement and this Addendum. Data shall not be distributed, repurposed or shared across other applications, environments, or business units of Vendor. Vendor further agrees that no NNPS data of any kind shall be transmitted, exchanged or otherwise passed to other vendors or interested parties except on a case-by-case basis as specifically agreed to in writing by Newport News Public Schools.
7. End of Agreement Data Handling. Vendor agrees that upon termination of this Agreement it shall erase, destroy, and render unrecoverable all NNPS data and certify in writing that these actions have been completed within 30 days of the termination of this Agreement or within 7 days of the request of an agent of NNPS,

whichever shall come first. At a minimum, a “Clear” media sanitization is to be performed according to the standards enumerated by the National Institute of Standards, Guidelines for Media Sanitization, SP800-88, Appendix A -see <http://csrc.nist.gov/>.

8. Security Breach Notification. Vendor agrees to comply with all applicable laws that require the notification of individuals in the event of unauthorized release of personally identifiable information or other event requiring notification. In the event of a breach of any of Vendor’s security obligations, or other event requiring notification under applicable law, Vendor agrees to:

- a. Notify NNPS by telephone and e-mail of such an event within 24 hours of discovery, and;
- b. Assume responsibility for informing all such individuals in accordance with applicable law, and;
- c. Indemnify, hold harmless and defend NNPS and its trustees, officers, and employees from and against any claims, damages, or other harm related to such Notification Event.

9. Right to Audit. Newport News Public Schools or an appointed audit firm (Auditors) has the right to audit the Vendor and the Vendor’s sub-vendors or affiliates that provide a service for the processing, transport or storage of Newport News Public Schools’s data. Newport News Public Schools will announce their intent to audit the Vendor by providing at a minimum two weeks (10 business days) notice to the Vendor. This notice will go to the Vendor that this contract is executed with. A scope document along with a request for deliverables will be provided at the time of notification of an audit. If the documentation requested cannot be removed from the Vendor’s premises, the Vendor will allow the Auditors access to their site. Where necessary, the Vendor will provide a personal site guide for the Auditors while on site. The Vendor will provide a private accommodation on site for data analysis and meetings; the accommodation will allow for a reasonable workspace, with appropriate lighting, electrical, a printer and Internet connectivity. The Vendor will make necessary employees or contractors available for interviews in person or on the phone during the time frame of the audit. In lieu of NNPS or its appointed audit firm performing their own audit, if the Vendor has an external audit firm that performs a certified SSAE16 SOC Type II review, NNPS has the right to review the controls tested as

well as the results, and has the right to request additional controls to be added to the certified SSAE16 SOC Type II review for testing the controls that have an impact on NNPS data. Audits will be at Newport News Public Schools's sole expense, except where the audit reveals material noncompliance with contract specifications, in which case the cost will be borne by the vendor.

10. Industry Standards. Generally recognized industry standards include but are not limited to the current standards and benchmarks set forth and maintained by the:

Center for Internet Security -see <http://www.cisecurity.org>

Payment Card Industry/Data Security Standards (PCI/DSS) -see <http://www.pcisecuritystandards.org/>

National Institute for Standards and Technology -see <http://csrc.nist.gov>

Federal Information Security Management Act (FISMA) -see <http://csrc.nist.gov>

ISO/IEC 27000-series -see <http://www.iso27001security.com/>

Organization for the Advancement of Structured Information Standards (OASIS) -see

<http://www.oasis-open.org/>

11. Vendor agrees to provide SSAE 16 (SOC 1) Standard Type II reports to NNPS Contract Administrator annually which document verification of controls tested. Annual date determined to be thirty (30) days prior to the established contract renewal date.

**CCC. Inclusions:**

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**DDD. Copyright/Patent Indemnity:**

Successful Offeror shall pay all royalty and license fees relating to the items covered by this contract. In the event any third party shall claim that the manufacture, use and sales of the goods supplied under this contract constitute an infringement of any copyright, trademark, or patent, the Successful Offeror shall indemnify NNPS and hold NNPS harmless from any cost, expense, damage or loss incurred in any manner by NNPS on account of any such alleged or actual infringement.





### **Background:**

1. Provider Name:
2. Provide background information and a brief description of your firm. Include any pertinent information relative to the size and organizational structure of your firm.
3. Provide pertinent financial data which demonstrates your firm's ability to successfully perform required services. Include a copy of most recent annual report.
4. Describe the service team that will be responsible for the overall relationship. Please include only those with direct interaction with the client and do not include supervisors or other management positions.
5. Please describe the conversion team that will transition the plan and the conversion process.
6. Describe how your relationship management services work and where that servicing is done.
7. What is the case load of the relationship manager that would be assigned to a plan of this size?
8. How long has the relationship manager been in this position?
9. What is the average tenure of support personnel?
10. Have there been any management changes in the retirement plan group within the past six months? If yes, please explain.
11. Please estimate the number of new hires for the year in the Retirement Plan group.
12. What is your voluntary employee turnover rate?
13. Does your service model provide for the same administrative team working on a plan year after year?
14. How many in person meetings per year does your relationship manager attend at the client's office?
15. Do you have internal counsel? If so, how many?
16. Is counsel made available directly to a client to answer questions related to their plan?
17. Are clients billed extra for consulting with your attorneys?
18. Is your firm under any litigation? If yes, please describe.
19. What capabilities do you have for comparing the plan's retirement benefit programs with the programs sponsored by other similarly-sized organizations? Describe databases, methodologies, and other features of your approach.
20. Please provide the number of defined contribution plans that currently use your record keeping and compliance services.
21. Please provide the number of 403(b) and 457(b) clients where you are the single provider?

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22. Please provide the number of clients that are ERISA 403(b) plan sponsors?
23. Please provide the number of clients that are non-ERISA 403(b) plan sponsors?
24. What are the total assets and total number of participants in the defined contribution plans on your platform?
25. What is average size of plans currently under management in terms of both assets and number of participants?
26. How many plans do you currently service that are similar in size to this 403(b)/457(b) client?
27. Please provide the number of defined contribution plans gained and lost in 2012, 2011, and 2010.
28. How many 403(b) and 457(b) plans do you currently actively administer in the following (Please note if you are responding for 403(b) , 457(b) or both categories:

<u>Participant Base:</u>	<u>Multi-Vendor</u>	<u>Single Vendor</u>
Under 100 Participants		
100 to 499 Participants		
500 to 999 Participants		
1,000 to 4,999 Participants		
5,000 to 9,999 Participants		
10,000 or more Participants		

29. How many public school systems do you currently actively administer? Please separate multiple vendor clients versus single vendor clients.
30. Have you previously provided services to the Newport News Public Schools 403(b)/457(b) Plans? If so,
  - a. How many participants are currently in your program? How many are active? How many are inactive?
  - b. What are the assets currently in the Program? How much of the assets are in individual contracts? Group Contracts? Fixed assets? Variable?
  - c. What surrender charges exist if participants choose to move assets?

**Administration:**

31. What type of plan design and consulting services are included in your standard services?
32. Do you outsource any operational responsibilities?
33. If so, who are you partnering with and which services are being outsourced?

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34. Does a third party have the ability to access or receive participant demographic data and asset information values?
35. List all tasks the plan sponsor can initiate via the plan sponsor website.
36. List all tasks the plan participant can initiate via the participant website.
37. What is the timing for mailing or posting of quarterly reports to the plan sponsor?
38. Are there any options for receiving reports other than paper?
39. What is your targeted date for mailing participant statements? What is your actual experience?
40. Do participants have the option to have electronic statements? If so, please describe the process for notification and delivery.
41. Does your firm have a governmental affairs or legal department that provides legislative oversight on issues concerning retirement plans? How is this communicated to the client?
42. Do you have the ability to place employees into various groups (divisions) if you are provided with a unique identifier for each group/division?
43. How many payroll sources can your platform support (employee deferrals, employer match, employer profit sharing, catch-ups, etc.)?
44. How many days does your typical payroll processing encompass? (i.e. Receive pay file on Day 1; When are funds drafted and allocated to accounts)?
45. What method of electronic fund transfer do you support? (ACH, Wire)
46. Do you provide a suite of standard reports that are readily accessible via Internet?
47. Do you provide real time, on-demand ad-hoc reporting via Internet?
48. Do you provide paperless loan capabilities?
49. Do you provide participants with access to a prospectus for investment options, and if so, how do you provide the information to participants?
50. Describe your current process for assisting plan sponsors with complying with 403(b)/457(b) regulations. Please describe your compliance process.
51. Please provide information to perform a demo of your website.
52. Provide a sample participant statement.
53. Detail your QDRO processing and the responsibility you take. Is there a separate charge?
54. How often will you meet with the Human Resources Management to review the plan, review regulatory developments, and discuss any workflow or satisfaction issues? Who from your firm will attend these meetings?
55. In the table below, note the capabilities of your plan sponsor internet site:

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ITEM	YES	NO
Payroll Submission		
Reverse Payroll Feed		
Standard Reports		
Approve Participant Transactions, if required		
Regulatory;/Legislative Information		
Transaction History		
Create Ad Hoc Reports		
Print Forms		
View Discrimination Testing Results		

56. Please provide information to perform a demonstration of this site.

57. Payroll Processing

- a. How are contribution dollars transmitted to your firm? (ACH or Wire)
- b. How is the contribution data file provided to your firm?

58. Loan Processing

1. Does your product provide for participant loans? If yes, does the plan sponsor have the ability to outsource approval to the provider if requested?
2. Are loan repayments made directly by participants or through payroll deduction?
3. Is a 1099 form automatically issued when a loan default occurs?
4. Respond to the following questions as they apply to 403(b)/457(b) plans:
  - Minimum loan amount
  - Maximum loan amount
  - Maximum repayment term
  - Maximum number of loans outstanding at a time
  - Restrictions on how often loans can be requested
  - Interest rate charged on loan as of 12/31/2012
  - Interest rate credited on repayment as of 12/31/2012

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- Are there any restrictions on a participant's remaining balance when they have a loan outstanding? (I.e., a collateral amount must be invested in the Fixed Account)

59. Fully describe your capabilities and processes in the area of compliance, based on 403(b) regulations. How would you ensure we comply with each of the following items. We would like your responses to include, but not be limited to:

- Effective Date
- Written Plan
- Transfers and Exchanges
- Consequences of defects
- Universal Availability and other nondiscrimination requirements
- Distributions and Loans
- Contribution limits
- Vesting
- Plan Termination
- Timing of contribution remittance
- Title I of ERISA

To the extent a vendor (or vendors) fails to provide the information, either by lack of response or by lack of capability, how would you consult with in order to comply with the new regulations?

### **Education and Communication:**

60. Does your firm provide printed education materials and programs other than enrollment? If so, describe the frequency and scope these materials cover. Please provide samples.
61. Will you customize Plan Sponsor and/or Participant communication deliverables (including web presentations and participant statements)? Please state the degree of customization included in your proposed expenses.
62. Do you target communications to specific employee groups using regular mail (e. g., non-participants, low deferral percentages, lack of investment diversification, those nearing retirement)? Please provide samples.
63. Can you personalize targeted participant mailings (e.g., name, salary, age)?
64. Do you provide each participant with an annual GAP analysis for their individual account without the participant having to request the analysis?
65. Do you offer GAP analysis tools for participants available on the website?)
66. Do you offer an online investment advice tool?
67. Do you have automatic enrollment capabilities?
68. Do you report on the number of participants automatically enrolled or participants who opted out each month to Plan sponsors?

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69. Do you report on behavior changes that results from meetings (either group or 1 on 1). Behavior changes could include enrolling in the Plan, increasing rate of deferral, changing asset allocation, etc.
70. Do you have automatic escalation/increase capabilities?
71. What options do you offer for defaulting automatically enrolled participants into the plan?
72. Do you offer any additional participant services?
73. Please list any additional costs associated with any of the above features and communication materials.
74. How do you provide temporary passwords and/or a replacement PIN to a participant who is unable to access his/her previously assigned password/PIN? Is this available immediately or does the participant need to wait for a replacement through the mail?
75. How many days of employee meetings at each public school location are included in your proposal both in the first year and ongoing? How will you provide the entities with data showing compliance with the agreed upon number of days per location?
76. Will you provide 1 on 1 meetings with employees? How many? How will you show compliance with the schedule?
77. Provide a sample communications calendar.
78. How many local representatives will be assigned to service the entities?
79. Do you have corporate standards for returning phone calls to clients? If yes, please detail and describe how this is monitored.
80. What hours are the representatives available to clients via telephone or email? What are the representatives' office hours?

### **Investments:**

81. How many funds and fund families do you have access to on your investment platform?
82. Are there further restrictions as to the funds or families available on your platform?
83. Is there any number of funds or percentage of assets required in your proprietary fund offerings that a client must meet? If so, describe.
84. Are there any restrictions as to the number of funds that a plan can offer on your platform? If so, describe.
85. Does the Plan Sponsor have the ability to build risk based asset allocation models from the core investment menu?
86. Does the Plan Sponsor have the ability to easily replace investment options?
87. What is the required notice period to replace investment options?
88. Who is responsible for drafting and mailing notification to participants when investments are replaced?

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89. Are there any costs associated with closing one fund and mapping assets to another (other than those associated with a particular fund (i.e. redemption fees)?
90. Is there a blackout that requires a Sarbanes-Oxley notice to be provided to participants when fund options are replaced?
91. Do you provide an automatic rebalancing capability?

### **Plan Fees:**

92. May fees be netted from participant accounts? If yes, does the plan sponsor have the choice of reflecting this on participant statements as a line item?
93. May fees be netted from the investment returns in the plan? If yes, does the plan sponsor have the choice of reflecting this on participant statements as a line item?
94. Does your firm provide for full fee transparency, including disclosure of all expenses, sub transfer arrangements and any other fees that a platform may be receiving in exchange for services provided to the plan? Please note how you provide fee transparency on fixed accounts.
95. Assuming there is no revenue sharing, what would be your gross fee to service this/these plans? What services are included in this fee?
96. Are there any funds that will be required to be offered if you are selected as the provider? If so, please provide revenue sharing from those assets.
97. Provide a list of all miscellaneous fees that may be incurred by the plan sponsor or plan participant outside of the fees for your standard services. Please include loans, hardships, in-service withdrawals, terminations, and QDRO processing (not qualification).
98. Please provide your fees for employee communications and education services.
99. Are the revenues generated from the investments maintained in a separate Plan Sponsor account to be used for expenses?

### **Systems and Technology:**

100. What percentage of your firm's budget is applied to technology improvements for retirement services?
101. What dollar amount of your firm's budget is applied to technology improvements for retirement services?
102. Do you have complete disaster recovery capabilities and plan?
103. Do you have a redundant system?
104. Describe your security for protecting an individual's personal information.
105. Has your firm experienced any security breach of plan participant personal information in the past? If so, explain.
106. Please provide a Plan Sponsor Demo Website and Plan Participant Demo Website (information to access).



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107. How often is your web site unavailable?
108. Can the plan sponsor's logo be featured on the participant website?
109. Is there any other customization of the website available (client's colors, layout etc.)?
110. Do you provide a static website with information for participants during the conversion project?

### **Reporting:**

111. Do you offer corporate trustee services?
112. Provide the name of your trustee/custodian.
113. Does your firm have internal safeguards to prevent corruption?
114. Does your firm have the ability to provide signature ready 5500 tax forms?
115. Will you provide a three year service guarantee in which the contracted rates will not increase?
116. Do you measure your performance against established service standards at least annually?
117. Do you guarantee your performance standards against service standards?
118. If your service and performance standards are not met, will you subject yourself to financial penalties?
119. What are your service and/or performance standards with regard to the following:
  - Statement delivery
  - Queue time VRU
  - Year-end report package
  - Signature ready 5500 delivery
  - Loan processing
  - Payroll processing
  - Distribution processing
120. Are quarterly statements for plan sponsor and plan participant kept and made available for at least four quarters?

### **Vendor References:**

121. How many organizations sponsoring [403(b)] and [457(b)] Plans does your company actively service in the Commonwealth of Virginia?
122. List three (3) references for public school districts, including contact person, phone number and e-mail address for which your company is currently providing [403(b)] and [457(b)] services.

**Newport News Public Schools  
403(b) PLAN  
ADOPTION AGREEMENT**

**SECTION 1  
EMPLOYER INFORMATION**

**1-1 EMPLOYER INFORMATION:**

Name: Newport News Public Schools

Address:

12507 Warwick Boulevard  
Newport News, VA 23606-2673

Telephone: 757-881-5061

Fax: \_\_\_\_\_

**1-2 EMPLOYER IDENTIFICATION NUMBER (EIN):** 54-1398784

**1-3 TYPE OF EMPLOYER (optional):**

- (a) Public School (including elementary school, middle school, high school, college or university)  
 (b) Charitable organization under IRC §501(c)(3)  
 (c) Church or Church-Related Organization  
 (d) Minister  
 (e) Other: \_\_\_\_\_

**1-4 EMPLOYER'S TAX YEAR END:** The Employer's tax year ends June 30

**1-5 RELATED EMPLOYERS:** List any Related Employers (as defined in Section 1.94 of the Plan). A Related Employer must complete a Participating Employer Adoption Page for Employees of that Related Employer to participate in this Plan. The failure to cover the Employees of a Related Employer may result in a violation of the minimum coverage rules under Code §410(b).

[Note: The failure to list all Related Employers will not jeopardize the qualified status of the Plan.]

**SECTION 2  
PLAN INFORMATION**

**2-1 PLAN NAME:** Newport News Public Schools 403(b) Plan

**2-2 TYPE OF PLAN:**

- (a) Custodial Account under Code §403(b)(7)  
 (b) Annuity Contract under Code §403(b)(1)  
 (c) Combination Custodial Account and Annuity Contract  
 (d) Retirement Income Account  
 (e) Other: \_\_\_\_\_

**2-3 PLAN YEAR:**

- (a) Calendar year.  
 (b) The 12-consecutive month period ending on \_\_\_\_ each year.  
 (d) Other: \_\_\_\_\_

**2-4 FROZEN PLAN:** Check this AA §2-4 if the Plan is a frozen Plan to which no contributions will be made.

This Plan is a frozen Plan effective \_\_\_\_.

**SECTION 3  
ELIGIBLE EMPLOYEES**

3-1 **ELIGIBLE EMPLOYEES:** In addition to the Employees identified in Section 2.02 of the Plan, the following Employees are excluded from participation under the Plan with respect to the contribution source(s) identified in this AA §3-1. (See Sections 2.02(d) and (e) of the Plan for rules regarding the effect on Plan participation if an Employee changes between an eligible and ineligible class of employment.)

Deferral	Match	ER	
..	..	..	(a) No exclusions.
N/A	..	..	(b) Collectively Bargained Employees.
..	..	..	(c) Nonresident aliens who receive no compensation from the Employer which constitutes U.S. source income.
N/A	..	..	(d) Leased Employees.
..	..	..	(e) Student Employees (as defined in Section 1.110 of the Plan).
..	..	..	(f) Employees who normally work less than ____ (not more than 20) hours a week. (See Section 2.02(b)(5) of the Plan, especially for the application of this exclusion to plans covered by Title I of ERISA.)
N/A	..	..	(g) Highly Compensated Employees.
..	N/A	N/A	(h) Employees eligible for a Code §457(b) plan (see Section 2.02(b)(6) of the Plan).
..	N/A	N/A	(i) Employees eligible for a 401(k) or another 403(b) plan sponsored by the Employer (see Section 2.02(b)(6) of the Plan).
p	N/A	N/A	(j) Employees whose contribution would be \$200 or less (see Section 2.02(b)(6) of the Plan).
..	..	..	(k) Other: _____

*[Note: Unless designated otherwise under subsection (k), any selection(s) in the Deferral column also apply to Roth Deferrals, After-Tax Contributions, and Safe Harbor Contributions; any selection(s) in the Match column also apply to QMACs; and any selection(s) in the ER column also apply to QNECs.]*

**SECTION 4  
MINIMUM AGE AND SERVICE REQUIREMENTS**

4-1 **ELIGIBILITY REQUIREMENTS – MINIMUM AGE AND SERVICE:** An Eligible Employee (as defined in AA §3-1) who satisfies the minimum age and service conditions under this AA §4-1 will be eligible to participate under the Plan as of his/her Entry Date (as defined in AA §4-2 below). [Note that **an Eligible Employee becomes eligible to make Salary Deferrals on such Employee’s first day of employment with the Employer.** See the Plan for the application of the minimum age and service conditions to After-Tax Employee Contributions and the application of the minimum age and service conditions to Safe Harbor Contributions.]

(a) **Service Requirement.** An Eligible Employee must complete the following minimum service requirements to participate in the Plan.

Match	ER	
..	..	(1) There is no minimum service requirement for participation in the Plan.
..	..	(2) One Year of Service (as defined in Section 2.03(a)(1) of the Plan and AA §4-3).
..	..	(3) The completion of ____ [cannot exceed 12] consecutive full calendar months of employment during which the Employee is credited with at least ____ [cannot exceed 1,000] Hours of Service or the completion of a Year of Service. [If no minimum Hours of Service are required, insert one (1) in the second blank line.]

Match	ER	
..	..	(4) The completion of ___ [ <i>cannot exceed 1,000</i> ] Hours of Service during an Eligibility Computation Period. [ <i>If this (4) is chosen, an Employee satisfies the service requirement immediately upon completion of the designated Hours of Service.</i> ]
..	..	(5) Two (2) Years of Service. [ <i>Full and immediate vesting must be chosen under AA §8.</i> ]
..	..	(6) Under the Elapsed Time method. See AA §4-3(c) below.
..	..	(7) Describe eligibility conditions: _____  <i>[Note: Any conditions provided under (7) must be described in a manner that precludes Employer discretion, must satisfy the nondiscrimination requirements of §1.401(a)(4) of the regulations, and may not cause the Plan to violate the provisions of Code §410(a).]</i>

(b) **Minimum Age Requirement.** An Eligible Employee (as defined in AA §3-1) must have attained the following age with respect to the contribution source(s) identified in this AA §4-1(b).

Match	ER	
..	..	(1) There is no minimum age for Plan eligibility.
..	..	(2) Age 21.
..	..	(3) Age 20½.
..	..	(4) Age ___ (not later than age 21, but if an educational organization described in Code §170(b)(1)(A)(ii), not later than age 26).

4-2 **ENTRY DATE:** An Eligible Employee who satisfies the minimum age and service requirements in AA §4-1 shall be eligible to participate in the Plan as of his/her Entry Date. For this purpose, the Entry Date is the following date with respect to the contribution source(s) identified under this AA §4-2. [*Note: If any of (b) – (g) is completed for a contribution source, also complete one of (h) – (k) for the same contribution source.*]

Match	ER	
..	..	(a) <b>Immediate.</b> The date the minimum age and service requirements are satisfied (or date of hire, if no minimum age and service requirements apply).
..	..	(b) <b>Semi-annual.</b> The first day of the 1st and 7th month of the Plan Year.
..	..	(c) <b>Quarterly.</b> The first day of the 1st, 4th, 7th and 10th month of the Plan Year.
..	..	(d) <b>Monthly.</b> The first day of each calendar month.
..	..	(e) <b>Payroll period.</b> The first day of the payroll period.
..	..	(f) <b>The first day of the Plan Year.</b> [ <i>If this (f) is checked, see Section 2.03(b)(2) of the Plan for special rules that apply.</i> ]

An Eligible Employee’s Entry Date (as defined above) is determined based on when the Employee satisfies the minimum age and service requirements in AA §4-1. For this purpose, an Employee’s Entry Date is the Entry Date:

Match	ER	
..	..	(g) <b>next following</b> satisfaction of the minimum age and service requirements.
..	..	(h) <b>coinciding with or next following</b> satisfaction of the minimum age and service requirements.
..	..	(i) <b>nearest</b> the satisfaction of the minimum age and service requirements.
..	..	(j) <b>preceding</b> the satisfaction of the minimum age and service requirements.

4-3 **DEFAULT ELIGIBILITY RULES.** In applying the minimum age and service requirements under AA §4-1 above, the following default rules apply with respect to all contribution sources under the Plan:

- **Year of Service.** An Employee earns a Year of Service for eligibility purposes upon completing 1,000 Hours of Service during an Eligibility Computation Period. Hours of Service are calculated based on actual hours worked during the Eligibility Computation Period. (See Section 1.59 of the Plan for the definition of Hours of Service.)
- **Eligibility Computation Period.** If one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Plan Years (see Section 2.03(a)(2)(i) of the Plan). If more than one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Anniversary Years (see Section 2.03(a)(2)(ii) of the Plan).
- **Break in Service Rules.** The Nonvested Participant Break in Service rule and the One-Year Break in Service rule do NOT apply. (See Section 2.07 of the Plan.)

To override the default eligibility rules, complete the applicable sections of this AA §4-3. If this AA §4-3 is not completed for a particular contribution source, the default eligibility rules apply.

Match	ER	
..	..	(a) <b>Year of Service.</b> Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ____ [ <i>must be less than 1,000</i> ] Hours of Service during an Eligibility Computation Period.
..	..	(b) <b>Eligibility Computation Period (ECP).</b> The Plan will use Anniversary Years, unless more than one Year of Service is required under AA §4-1(a), in which case the Plan will shift to Plan Years.
..	..	(c) <b>Elapsed Time method.</b> [ <i>Check the same contribution source as checked in AA §4-1(a)(6) above.</i> ] Eligibility service will be determined under the Elapsed Time method. An Eligible Employee (as defined in AA §3-1) must complete a ____ [ <i>not to exceed 24 month</i> ] period of service to participate in the Plan. (See Section 2.03(a)(5) of the Plan.)  [ <i>Note: If a period greater than 12 months applies to either Matching Contributions or Employer Contributions, 100% vesting must be selected under AA §8 for those contributions.</i> ]
..	..	(d) <b>Equivalency Method.</b> For purposes of determining an Employee’s Hours of Service for eligibility, the Plan will use the Equivalency Method (as defined in Section 2.03(a)(4) of the Plan). The Equivalency Method will apply to: .. (1) All Employees. .. (2) Employees who are not paid on an hourly basis. For Employees for whom the Employer maintains hourly records, eligibility will be determined based on actual hours worked.  If this (d) is checked, Hours of Service for eligibility will be determined under the following Equivalency Method. .. (3) <b>Monthly.</b> 190 Hours of Service for each month worked. .. (4) <b>Daily.</b> 10 Hours of Service for each day worked. .. (5) <b>Weekly.</b> 45 Hours of Service for each week worked. .. (6) <b>Semi-monthly.</b> 95 Hours of Service for each semi-monthly period worked.
..	..	(e) <b>Nonvested Participant Break in Service rule applies.</b> Service earned prior to a Nonvested Participant Break in Service will be disregarded in applying the eligibility rules. (See Section 2.07(b) of the Plan)
..	..	(f) <b>One-Year Break in Service rule applies.</b> The One-Year Break in Service rule (as defined in Section 2.07(d) of the Plan) applies to temporarily disregard an Employee’s service earned prior to a one-year Break in Service.
..	..	(g) <b>Special eligibility provisions.</b> The following special eligibility provisions apply:  _____

4-4 **EFFECTIVE DATE OF MINIMUM AGE AND SERVICE REQUIREMENTS.** The minimum age and/or service requirements under AA §4-1 apply to all Employees under the Plan. An Employee will participate with respect to all contribution sources under the Plan as of his/her Entry Date, taking into account all service with the Employer, including service earned prior to the Effective Date.

To allow Employees hired on a specified date to enter the Plan without regard to the minimum age and/or service conditions, complete this AA §4-4.

**Match**      **ER**

..

..

(a) **Automatic Eligibility.** An Eligible Employee who is employed by the Employer on the following date will become eligible to enter the Plan without regard to any minimum age and/or service conditions:

.. (1) the Effective Date of this Plan (as designated in subsection (a) or (b) of the Employer Signature Page, as applicable)

.. (2) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page)

.. (3) \_\_\_\_\_ [insert date]

..

..

(b) **Describe** other effective date provisions: \_\_\_\_\_

4-5 **SERVICE WITH PREDECESSOR EMPLOYER.** If the Employer is maintaining the Plan of a Predecessor Employer, service with such Predecessor Employer is automatically counted for eligibility, vesting and for purposes of applying any allocation conditions under AA §6-6 and AA §6B-7.

In addition, service with the following Predecessor Employers also will be counted for purposes of determining eligibility, vesting and allocation conditions under this Plan, unless designated otherwise under (b) below. (See Sections 2.06, 3.09 and 7.06 of the Plan.)

.. (a) Identify Predecessor Employer(s):

•

\_\_\_\_\_

[*Note: If the Employer is maintaining the Plan of a Predecessor Employer, service with such Predecessor Employer is automatically counted for eligibility.*]

.. (b) The following special rules apply: \_\_\_\_\_

[*Use this (b) to impose limits on the service that will be taken into account with a Predecessor Employer for determining eligibility, vesting and allocation conditions. For example, if service with a Predecessor Employer will not be taken into account in the same manner in applying eligibility, vesting and allocation conditions, the limits applicable to such service may be identified in (b). Any limits imposed under this (b) may not cause the Plan to violate the nondiscrimination requirements under Treas. Reg. §1.401(a)(4).*]

## SECTION 5 COMPENSATION DEFINITIONS

5-1 **TOTAL COMPENSATION.** Total Compensation is based on the definition set forth under this AA §5-1. See Section 1.114 of the Plan for a specific definition of the various types of Total Compensation.

.. (a) W-2 Wages

.. (b) Code §415 Compensation.

⌋ (c) Wages under Code §3401(a).

[*For purposes of determining Total Compensation, each definition includes Elective Deferrals, pre-tax contributions to a Code §125 cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4).*]

5-2 **POST-SEVERANCE COMPENSATION.**

- (a) **Exclusion of post-severance compensation from Total Compensation.** Total Compensation (as defined in Section 1.114 of the Plan) includes post-severance compensation, to the extent provided in Section 1.114(b) of the Plan. For this purpose, severance pay is always excluded from the definition of Total Compensation. Other post-severance compensation paid within 2½ months after severance from employment with the Employer or the end of the Limitation Year that includes such date of severance from employment is included in Total Compensation, unless excluded under this subsection (a). See Section 1.114(b) of the Plan.

The following amounts paid after a Participant’s severance from employment are excluded from Total Compensation.

- ⊖ (1) **Unused leave payments.** Payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued.
- ⊖ (2) **Deferred compensation.** Payments received by an Employee pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment and only to the extent that the payment is includible in the Employee’s gross income.

*[Note: Plan Compensation (as defined in Section 1.80 of the Plan) includes any post-severance compensation amounts that are includible in Total Compensation. The Employer may elect to exclude all compensation paid after severance of employment from the definition of Plan Compensation under AA §5-3(j) or may elect to exclude specific types of post-severance compensation from Plan Compensation under AA §5-3(k). ]*

- (b) **Continuation payments for military service and disabled Participants.** Unless designated otherwise under this subsection (b), Total Compensation does not include continuation payments for military service and disabled Participants. To count Total Compensation paid after severance of employment on account of military service and/or disability, check the appropriate selections under this subsection (b).

- “ (1) **Payments for military service.** Total Compensation includes amounts paid to an individual who does not currently perform services for the Employer by reason of qualified military service to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service. See Section 1.114(c)(1) of the Plan.
- “ (2) **Payments to disabled Participants.** Total Compensation shall include post-severance compensation paid to a Participant who is permanently and totally disabled, as provided in Section 1.114(c)(2) of the Plan. For this purpose, disability continuation payments will be included for:
  - “ (i) Nonhighly Compensated Employees only
  - “ (ii) All Participants who are permanently and totally disabled for a fixed or determinable period

- (c) **Few weeks rule.** The few weeks rule (as described in Section 5.03(c)(7)(iii) of the Plan) will not apply unless designated otherwise under this subsection (c).

“ Amounts earned but not paid during a Limitation Year solely because of the timing of pay periods and pay dates shall be included in Total Compensation for the Limitation Year, provided the amounts are paid during the first few weeks of the next Limitation Year, the amounts are included on a uniform and consistent basis with respect to all similarly situated Employees, and no amounts are included in more than one Limitation Year. See Section 5.03(c)(7)(iii) of the Plan.

5-3 **PLAN COMPENSATION:** Plan Compensation is **Total Compensation** (as defined in AA §5-1 above) with the following exclusions described below.

Match	ER	
..	..	(a) No exclusions.
..	..	(b) Elective Deferrals (as defined in Section 1.40 of the Plan), pre-tax contributions to a cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4) are excluded.
..	..	(c) All fringe benefits, expense reimbursements, deferred compensation, and welfare benefits are excluded.
..	..	(d) Compensation above \$ ___ is excluded.
..	..	(e) Amounts received as a bonus are excluded.
..	..	(f) Amounts received as commissions are excluded.
..	..	(g) Overtime payments are excluded.

- | Match | ER |                                                                                                        |
|-------|----|--------------------------------------------------------------------------------------------------------|
| ..    | .. | (h) Amounts received for services performed for a non-signatory Related Employer are excluded.         |
| ..    | .. | (i) “Deemed §125 compensation” as defined in Section 1.114 of the Plan.                                |
| ..    | .. | (j) Amounts received after severance from employment are excluded. (See Section 1.114(b) of the Plan.) |
| ..    | .. | (k) Describe adjustments to Plan Compensation: _____                                                   |

[**Note:** Unless otherwise provided under (k) above, the adjustments under (e) through (k) (other than subsection (i)) do not apply to Nonhighly Compensated Employees in determining allocations under the Safe Harbor Plan provisions under AA §6C. The exclusions elected under (b) through (d) also may be limited solely to Highly Compensated Employees by designating such limitation in (k).]

5-4 **PERIOD FOR DETERMINING COMPENSATION.**

- (a) **Compensation Period.** Plan Compensation will be determined on the basis of the following period(s) for the contribution sources identified in this AA §5-4. [If (2), (3) or (4) is checked for any contribution source, any reference to the Plan Year as it refers to Plan Compensation for that contribution source will be deemed to be a reference to the period designated below.]

- | Match | ER |                                                                         |
|-------|----|-------------------------------------------------------------------------|
| ..    | .. | (1) The Plan Year.                                                      |
| ..    | .. | (2) The calendar year ending in the Plan Year.                          |
| ..    | .. | (3) The Employer's fiscal tax year ending in the Plan Year.             |
| ..    | .. | (4) The 12-month period ending on ____ which ends during the Plan Year. |

- (b) **Compensation while a Participant.** In determining Plan Compensation, only compensation earned while an individual is a Participant under the Plan with respect to a particular contribution source will be taken into account. To count compensation for the entire Plan Year for a particular contribution source, including compensation earned while an individual is not a Participant with respect to such contribution source, check below.

- | Match | ER |                                                                                                                                                  |
|-------|----|--------------------------------------------------------------------------------------------------------------------------------------------------|
| ..    | .. | All compensation earned during the Plan Year will be taken into account, including compensation earned while an individual is not a Participant. |

**SECTION 6  
EMPLOYER CONTRIBUTIONS**

- 6-1 **EMPLOYER CONTRIBUTIONS.** Is the Employer authorized to make Employer Contributions and/or Qualified Nonelective Contributions (QNECs) under the Plan?

- .. Yes  
 No [If No, skip to Section 6A.]

- 6-2 **EMPLOYER CONTRIBUTION FORMULAS.** For the period designated in AA §6-5 below, the Employer will make the following Employer Contributions on behalf of Participants who satisfy the allocation conditions designated in AA §6-6 below. Any Employer Contribution authorized under this AA §6-2 will be allocated in accordance with the allocation formula selected under AA §6-3 or AA §6-4, as applicable.

- .. (a) **Discretionary contribution.** The Employer will determine in its sole discretion how much, if any, it will make as an Employer Contribution.
- .. (b) **Fixed contribution.**
- .. (1) \_\_\_\_% of each Participant's Plan Compensation.
- .. (2) \$\_\_\_\_ for each Participant.



- “ (c) **Service-based contribution.** The Employer will make:
  - “ (1) **Discretionary.** A discretionary contribution determined as a uniform percentage of Plan Compensation or a uniform dollar amount for each period of service designated below.
  - “ (2) **Fixed percentage.** \_\_\_% of Plan Compensation paid for each period of service designated below.
  - “ (3) **Fixed dollar.** \$ \_\_\_ for each period of service designated below.

The service-based contribution selected under this (c) will be based on the following periods of service:

- “ (4) Each Hour of Service
- “ (5) Each week of employment
- “ (6) Describe period: \_\_\_\_\_

[*Note: Any period described in subsection (6) cannot exceed a 12-month period.*]

### 6-3 ALLOCATION FORMULA.

- “ (a) **Pro rata allocation.** The Employer Contribution under AA §6-2 will be allocated as a uniform percentage of Plan Compensation or as a uniform dollar amount. If a fixed Employer Contribution is selected in AA §6-2(b), the Employer Contribution will be allocated in accordance with the selections made in AA §6-2(b). If both a discretionary and fixed Employer Contribution is selected in AA §6-2, this subsection (a) may be selected for both contribution formulas.
- “ (b) **New comparability allocation.** The Employer may make a separate discretionary Employer Contribution (as authorized under AA §6-2(a) above) to the Participants in the following allocation groups. Any amounts allocated to an allocation group will be allocated as a uniform percentage of Plan Compensation or as a uniform dollar amount to all Participants within that allocation group. The Employer must notify the Trustee in writing of the amount of the contribution to be allocated to each allocation group.
  - “ (1) A separate discretionary Employer Contribution will be made to each Participant of the Employer (i.e., each Participant is in his/her own allocation group).
  - “ (2) A separate discretionary Employer Contribution will be made to the following allocation groups:
    - “ (i) **Group 1:** \_\_\_\_\_
    - “ (ii) **Group 2:** \_\_\_\_\_
    - “ (iii) **Group 3:** \_\_\_\_\_
    - “ (iv) **Group 4:** \_\_\_\_\_
    - “ (v) **Group 5:** \_\_\_\_\_

[*Note: The allocation groups designated above must be clearly defined in a manner that will not violate the definite allocation formula requirement of Treas. Reg. §1.401-1(b)(1)(ii). See Section 3.02(a)(1)(ii)(B)(IV) of the Plan for restrictions that apply with respect to “short-service” Employees.*]

- “ (3) **Special rules.** The following special rules apply to the new comparability allocation formula described in this AA §6-3(b).
  - “ (i) **Family Members.** In determining the separate groups under (2) above, Family Members (as defined in Section 3.02(a)(1)(ii)(B)(I) of the Plan) of a Five Percent Owner are always in a separate allocation group.
  - “ (ii) **Benefiting Participants who do not receive Minimum Gateway Contribution.** In determining the separate groups under (2) above, Benefiting Participants who do not receive a Minimum Gateway Contribution are always in a separate allocation group. (See Section 3.02(a)(1)(ii)(B)(III) of the Plan.)
- “ (c) **Age-based allocation.** The discretionary Employer Contribution designated in AA §6-2(a) will be allocated under the age-based allocation formula so that each Participant receives a pro rata allocation based on adjusted Plan Compensation. For this purpose, a Participant’s adjusted Plan Compensation is determined by multiplying the Participant’s Plan Compensation by an Actuarial Factor (as described in Section 3.02(a)(1)(iii)(B) of the Plan).

Unless designated otherwise below, a Participant’s Actuarial Factor is determined based on a designated interest rate of 8.5% and a UP-1984 mortality table.

“ **Alternative interest rate and/or mortality table:** \_\_\_\_\_

[*Note: See Exhibit A of the Plan for sample Actuarial Factors based on an 8.5% applicable interest rate and the UP-1984 mortality table. If an interest rate or mortality table other than 8.5% or UP-1984 is selected, appropriate Actuarial Factors must be calculated. Any alternative interest or mortality factors must meet the requirements for standard interest and mortality assumptions as defined in Treas. Reg. §1.401(a)-12.*]

- “ (d) **Service-based allocation formula.** The service-based Employer Contribution selected in AA §6-2(c) will be allocated in accordance with the selections made in AA §6-2(c).

6-4 **QUALIFIED NONELECTIVE CONTRIBUTIONS (QNECs).** For any Plan Year, the Employer may make a discretionary QNEC to the Plan. Such QNEC will be allocated as a uniform percentage of Plan Compensation to all Nonhighly Compensated Participants, without regard to the allocation conditions selected in AA §6-6 below.

To modify these default allocation provisions, complete the applicable provision under this AA §6-4.

- “ (a) **All Participants.** Any QNEC made pursuant to this AA §6-4 will be allocated to all Participants, including Highly Compensated Participants.
- “ (b) **Targeted QNECs.** The QNEC will be allocated to Nonhighly Compensated Employees in accordance with the Targeted QNEC allocation formula under Section 3.02(b)(2)(ii) of the Plan. For this purpose, a Targeted QNEC may be allocated as a percentage of Plan Compensation or as a uniform dollar amount.

6-5 **SPECIAL RULES.** No special rules apply with respect to Employer Contributions under the Plan, except to the extent designated under this AA §6-5.

- “ (a) **Period for determining Employer Contributions.** In determining the amount of the Employer Contributions to be allocated under this AA §6, the Employer Contribution will be based on Plan Compensation earned during the Plan Year.

Alternatively, the Employer may elect to base the Employer Contributions on Plan Compensation earned during the following period:

- “ (1) Plan Year quarter.
- “ (2) calendar month.
- “ (3) payroll period.
- “ (4) Other: \_\_\_\_\_

*[Note: Although Employer Contributions are determined on the basis of Plan Compensation earned during the period designated under this subsection (a), this does not require the Employer to actually make contributions or allocate contributions on the basis of such period. Employer Contributions may be contributed and allocated to Participants at any time within the contribution period permitted under Treas. Reg. §1.415-6, regardless of the period selected under this subsection (a). Any alternative period designated under subsection (4) may not exceed a 12-month period and will apply uniformly to all Participants.]*

- “ (b) **Contributions for former Employees.** If this (b) is elected, the Employer will continue to make Employer Contributions on behalf of a former Employee as provided in Section 3.01(c) of the Plan.
- “ (c) **Special rules.** The following special provisions apply: \_\_\_\_\_

6-6 **ALLOCATION CONDITIONS.** A Participant who has otherwise satisfied all conditions to receive an Employer Contribution, must satisfy any allocation conditions designated under this AA §6-6 to receive an allocation of Employer Contributions under the Plan. *[Note: The allocation conditions under this AA §6-6 do not apply to Safe Harbor Employer Contributions.]*

- “ (a) **No allocation conditions** apply with respect to Employer Contributions under the Plan.
- “ (b) **Safe harbor allocation condition.** An Employee must be employed by the Employer on the last day of the Plan Year OR must complete more than:
  - “ (1) \_\_\_\_ (not to exceed 500) Hours of Service during the Plan Year.
  - “ (2) \_\_\_\_ (not more than 91) consecutive days of employment with the Employer during the Plan Year.
- “ (c) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.
- “ (d) **Minimum service condition.** An Employee must be credited with at least:
  - “ (1) \_\_\_\_ Hours of Service (not to exceed 1,000) during the Plan Year.
  - “ (2) \_\_\_\_ (not more than 182) consecutive days of employment with the Employer during the Plan Year.
- “ (e) **Exceptions.** The above allocation condition(s) will **not** apply if the Employee:
  - “ (1) dies during the Plan Year.
  - “ (2) terminates employment as a result of a Disability.
  - “ (3) terminates employment after attainment of Normal Retirement Age in the current Plan Year or any prior Plan Year.
  - “ (4) terminates employment after attainment of Early Retirement Age in the current Plan Year or any prior Plan Year.

**SECTION 6A  
SALARY DEFERRALS**

- 6A-1 **SALARY DEFERRALS.** Are Employees permitted to make Salary Deferrals under the Plan?
- ⊖ (a) **Yes.** This is a Salary Deferral only Plan. The Employer will make no other contributions to the Plan. [Note: If certain conditions are satisfied, this Plan is not subject to ERISA.]
  - ⋮ (b) **Yes.** This Plan permits Salary Deferrals and other Employer Contributions. [Note: This Plan, unless otherwise exempt as a Governmental Plan or Church Plan, is subject to ERISA.]
  - ⋮ (c) **No.** [If “No” is checked, skip to Section 6B.]
- 6A-2 **MAXIMUM LIMIT ON SALARY DEFERRALS.** A Participant may defer an amount up to the Elective Deferral Dollar Limit and the Code §415 Limitation. See Sections 5.02 and 5.03 of the Plan.
- 6A-3 **MINIMUM DEFERRAL RATE.** There is no minimum deferral rate applicable to Salary Deferrals under the Plan.
- 6A-4 **AGE 50 CATCH-UP CONTRIBUTIONS.** The following provisions apply with respect to Age 50 Catch-Up Contributions (as defined in Section 3.03(d) of the Plan).
- ⊖ (a) Age 50 Catch-Up Contributions are permitted under the Plan.
    - ⋮ (1) Age 50 Catch-Up Contributions are eligible for any Matching Contributions under the Plan.
    - ⊖ (2) Age 50 Catch-Up Contributions are **not** eligible for any Matching Contributions under the Plan (other than Safe Harbor Matching Contributions).
  - ⋮ (b) Age 50 Catch-Up Contributions are **not** permitted under the Plan.
- 6A-5 **SPECIAL CATCH-UP CONTRIBUTIONS FOR QUALIFIED EMPLOYEES OF QUALIFIED ORGANIZATIONS.** The following provisions apply with respect to Special Catch-Up Contributions (as defined in Section 3.03(e) of the Plan).
- ⊖ (a) Special Catch-Up Contributions are permitted under the Plan.
    - ⋮ (1) Special Catch-Up Contributions are eligible for any Matching Contributions under the Plan.
    - ⊖ (2) Special Catch-Up Contributions are **not** eligible for any Matching Contributions under the Plan (other than Safe Harbor Matching Contributions).
  - ⋮ (b) Special Catch-Up Contributions are **not** permitted under the Plan.
- [*Note: Special Catch-Up Contributions are only available to qualified Employees of Qualified Organizations. See Section 3.03(e) of the Plan.*]
- 6A-6 **ROTH DEFERRALS.** The following provisions apply with respect to Roth Deferrals (as defined in Section 3.03(g) of the Plan).
- Availability of Roth Deferrals.**
- ⊖ (a) Roth Deferrals are permitted under the Plan. [*Note: If Roth Deferrals are effective as of a date other than the Effective Date of the Plan, designate such special Effective Date in AA §6A-9(c) below.*]
    - ⋮ (1) Roth Deferrals are **not** eligible for any Matching Contributions under the Plan (other than Safe Harbor Matching Contributions).
    - ⋮ (2) Only Roth Deferrals are eligible for any Matching Contributions under the Plan (i.e., Pre-Tax Deferrals are not eligible for Matching Contributions (other than Safe Harbor Matching Contributions)).  
[*If neither (1) nor (2) is selected, all Salary Deferrals are eligible for Matching Contributions.*]
  - ⋮ (b) Roth Deferrals are **not** permitted under the Plan.
- Distribution of Roth Deferrals.** To the extent a Participant takes a distribution or withdrawal from his/her deferral Account(s), the Participant may designate the extent to which such distribution is taken from the Pre-Tax Deferral Account or from the Roth Deferral Account. (See Section 8.10(b)(2) of the Plan for default distribution rules if a Participant fails to designate the appropriate Account for corrective distributions from the Plan.)

Alternatively, the Employer may designate the order of distributions for the distribution types listed below:

- “ (c) **Distributions and withdrawals.**
  - “ (1) Any distribution will be taken on a pro rata basis from the Participant’s Pre-Tax Deferral Account and Roth Deferral Account.
  - “ (2) Any distribution will be taken first from the Participant’s Roth Deferral Account and then from the Participant’s Pre-Tax Deferral Account.
  - “ (3) Any distribution will be taken first from the Participant’s Pre-Tax Deferral Account and then from the Participant’s Roth Deferral Account.
- “ (d) **Corrective distributions of Excess Deferrals, Excess Annual Additions under Code §415, or Excess Aggregate Contributions.**
  - “ (1) Corrective distributions will be made from Roth and Pre-Tax Deferral Accounts in the same proportion that deferrals were allocated to such Accounts for the calendar year.
  - “ (2) Corrective distributions will be made first from the Roth Deferral Account and then from the Pre-Tax Deferral Account.
  - “ (3) Corrective distributions will be made first from the Pre-Tax Deferral Account and then from the Roth Deferral Account.

6A-7 **CHANGE OR REVOCATION OF DEFERRAL ELECTION:** In addition to the Participant’s Entry Date under the Plan, a Participant may change, revoke or resume a Deferral Election (on a prospective basis) as of the dates designated under the Salary Deferral Agreement or other written procedures adopted by the Plan Administrator.

6A-8 **AUTOMATIC DEFERRAL ELECTION.** No automatic deferral election applies under Section 3.03(c) of the Plan.

To provide for an automatic deferral election, complete this AA §6A-8.

- “ (a) **Automatic deferral election.** Upon becoming eligible to make Salary Deferrals under the Plan (pursuant to AA §3 and AA §4), an Eligible Participant will be deemed to have entered into a Salary Deferral Election with a \_\_\_% of Total Compensation deferral election for each payroll period, unless the Participant makes a contrary Salary Reduction Agreement. Unless designated otherwise by the Participant, any Salary Deferrals made pursuant to an automatic deferral election will be treated as Pre-Tax Salary Deferrals.
- “ (b) **Automatic increase.** If elected under this subsection (b), the automatic deferral amount set forth in subsection (a) will increase each Plan Year by the following percentage:
  - “ (1) \_\_\_% of Total Compensation  
but not in excess of
  - “ (2) \_\_\_% of Total Compensation
- “ (c) **Application of automatic deferral provisions.** This automatic deferral election will apply to:
  - “ (1) all Participants who have not entered into a Salary Reduction Agreement (including an election not to defer under the Plan).
  - “ (2) all Participants who have not entered into a Salary Reduction Agreement as of \_\_\_\_\_ that is at least equal to the automatic deferral amount under subsection (a).
  - “ (3) only Employees who become Participants on or after \_\_\_\_\_ and who do not enter into a contrary Salary Reduction Agreement (including an election not to defer under the Plan).
- “ (d) **Permissible withdrawals under Eligible Automatic Contribution Arrangements.** If the Plan provides for an automatic deferral election under this AA §6A-8 and the Plan satisfies the requirements for an EACA (as set forth in Section 3.03(c)(1) of the Plan), any Employee who has Salary Deferrals contributed to the Plan pursuant to an automatic deferral election may elect to withdraw such contributions (and earnings attributable thereto) in accordance with the requirements of Section 3.03(c)(2) of the Plan.

*[Note: If this subsection (d) is not checked, the permissible withdrawal provisions under Section 3.03(c)(2) of the Plan are not available.]*

6A-9 **SPECIAL DEFERRAL EFFECTIVE DATES.** Unless designated otherwise under this AA §6A-9, a Participant is eligible to make Salary Deferrals under the Plan as of the Effective Date of the Plan (as designated in subsection (a) or (b) of the Employer Signature Page, as applicable). However, in no case may a Participant begin making Salary Deferrals prior to the later of the date the Employee becomes a Participant, the date the Participant executes a Salary Reduction Agreement or the date the Plan is adopted or effective. (See Section 3.03(a) of the Plan.)

- (a) **Salary Deferrals.** A Participant is eligible to make Salary Deferrals under the Plan as of:
  - (1) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page).
  - (2) \_\_\_\_ (insert date).
- (b) **Roth Deferrals.** The Roth Deferral provisions under AA §6A-6 are effective as of 1-1-2009 \_\_\_\_\_. [If this (b) is not checked and Roth Deferrals are permitted under AA §6A-6 above, Roth Deferrals are effective as of the Effective Date applicable to Salary Deferrals under this AA §6A-9.]
- (c) **Automatic deferral provisions.** The automatic deferral provisions under AA §6A-8 are effective as of \_\_\_\_\_. [If this (c) is not checked and the Plan applies an automatic deferral election under AA §6A-8, such automatic deferral provisions are effective as of the Effective Date applicable to Salary Deferrals under this AA §6A-9.]

6A-10 **SPECIAL RULES APPLICABLE TO SALARY DEFERRAL.** The following special rules apply to Salary Deferrals:

**SECTION 6B**  
**MATCHING CONTRIBUTIONS**

6B-1 **MATCHING CONTRIBUTIONS.** Is the Employer authorized to make Matching Contributions and/or Qualified Matching Contributions (QMACs) under the Plan?

- Yes.** [Check this box if Matching Contributions may be made under the Plan, including Matching Contributions that satisfy the ACP safe harbor (i.e., Matching Contributions that are made in addition to the Safe Harbor Contributions required to satisfy the ADP safe harbor under AA §6C-2(a)).]
- No.** [Check this box if there are no Matching Contributions or the only Matching Contributions are Safe Harbor Matching Contributions that satisfy the ADP safe harbor under AA §6C-2(a). If “No” is checked, skip to Section 6C.]

6B-2 **MATCHING CONTRIBUTION FORMULAS:** For the period designated in AA §6B-5 below, the Employer will make the following Matching Contribution on behalf of Participants who satisfy the allocation conditions under AA §6B-7 below. [If the Plan provides for After-Tax Contributions, see AA §6D to determine the application of the Matching Contribution formulas to After-Tax Contributions.]

- (a) **Discretionary match.** The Employer will determine in its sole discretion how much, if any, it will make as a Matching Contribution. Such amount can be determined either as a uniform percentage of deferrals or as a flat dollar amount for each Participant.
- (b) **Fixed match.** The Employer will make a Matching Contribution for each Participant equal to:
  - (1) \_\_\_\_% of Salary Deferrals made for each period designated in AA §6B-5 below.
  - (2) \$\_\_\_ for each period designated in AA §6B-5 below.

- .. (c) **Tiered match.** The Employer will make a Matching Contribution to all Participants based on the following tiers of Salary Deferrals.

Salary Deferrals (% of Plan Compensation or dollar amount)	Match %
.. (1) Salary Deferrals up to first ___% or \$ ____	_____%
.. (2) Salary Deferrals up to ___% or \$ ____	_____%
.. (3) Salary Deferrals up to ___% or \$ ____	_____%
.. (4) Salary Deferrals up to ___% or \$ ____	_____%

*[Note: All tiers must be based on percentages or dollar amounts (but not both). If the Plan is designed to satisfy the ACP safe harbor with respect to the Matching Contribution, the rate of Matching Contribution may not increase as the rate of Salary Deferrals increase.]*

- .. (d) **Discretionary tiered match.** The Employer will make a discretionary Matching Contribution to all Participants based on the following tiers of Salary Deferrals. The Employer may determine the amount of Matching Contribution to be made with respect to each tier of Salary Deferrals.

Salary Deferrals (% of Plan Compensation or dollar amount)
.. (1) Salary Deferrals up to first ___% or \$ ____
.. (2) Salary Deferrals up to ___% or \$ ____
.. (3) Salary Deferrals up to ___% or \$ ____
.. (4) Salary Deferrals up to ___% or \$ ____

*[Note: All tiers must be based on percentages or dollar amounts (but not both). If the Plan is designed to satisfy the ACP safe harbor with respect to the Matching Contribution, the rate of Matching Contribution may not increase as the rate of Salary Deferrals increase.]*

- .. (e) **Year of Service match.** The Employer will make a Matching Contribution as a uniform percentage of Salary Deferrals to all Participants based on Years of Service with the Employer.

Years of Service	Matching Percentage
.. (1) Up to ___ YOS	_____%
.. (2) Up to ___ YOS	_____%
.. (3) Up to ___ YOS	_____%
.. (4) Up to ___ YOS	_____%

For this purpose, a Year of Service is each Plan Year during which an Employee completes at least 1,000 Hours of Service. Alternatively, a Year of Service is: \_\_\_\_\_

*[Note: Each separate rate of Matching Contribution must satisfy the nondiscrimination requirements under Treas. Reg. §1.401(a)(4)-4 as a separate benefit, right or feature.]*

**6B-3 LIMITS ON MATCHING CONTRIBUTIONS.** In applying the Matching Contribution formula(s) selected under AA §6B-2 above, the following limits apply.

- .. (a) **No limits apply.** All Salary Deferrals are eligible for Matching Contributions.

- .. (b) **Limit on Salary Deferrals.** The Matching Contribution formula(s) selected in AA §6B-2 above apply only to Salary Deferrals that do not exceed:
  - .. (1) \_\_\_% of Plan Compensation.
  - .. (2) \$\_\_\_.
  - .. (3) A discretionary amount determined by the Employer.
- .. (c) **Limit on Matching Contributions.** The total Matching Contribution provided under the formula(s) selected in AA §6B-2 above will not exceed:
  - .. (1) \_\_\_% of Plan Compensation.
  - .. (2) \$\_\_\_.

*[Note: If a Matching Contribution is designed to satisfy the ACP safe harbor (as described in Section 6.04 of the Plan), subsection (b)(1) above must be completed with no more than a 6% of Plan Compensation deferral limit. In addition, if the Matching Contribution is a discretionary formula, to satisfy the ACP safe harbor, subsection (c)(1) above also must be completed with no more than a 4% of Plan Compensation total match limit.]*

6B-4 **QUALIFIED MATCHING CONTRIBUTIONS (QMACs):** For any Plan Year, the Employer may make a discretionary QMAC to the Plan to correct a failed ACP Test. Such QMAC will be allocated as a uniform percentage of each Nonhighly Compensated Participant’s Salary Deferrals made during the Plan Year, without regard to any allocation conditions selected under AA §6B-7. (See Section 3.04(d) of the Plan.)

6B-5 **PERIOD FOR DETERMINING MATCHING CONTRIBUTIONS.** The Matching Contribution formula(s) selected in AA §6B-2 above (including any limitations on such amounts under AA §6B-3) are based on Salary Deferrals for the **Plan Year**. To apply a different period for determining the Matching Contributions and limits under AA §6B-2 and AA §6B-3, check one of (a) – (d) below.

- .. (a) payroll period.
- .. (b) Plan Year quarter.
- .. (c) calendar month.
- .. (d) Other: \_\_\_\_\_

*[Note: Although Matching Contributions (and any limits on those Matching Contributions) will be determined on the basis of the period designated under this AA §6B-5, this does not require the Employer to actually make contributions or allocate contributions on the basis of such period. Matching Contributions may be contributed and allocated to Participants at any time within the contribution period permitted under Treas. Reg. §1.415-6, regardless of the period selected under this AA §6B-5. See Section 3.04(c) of the Plan for a discussion of the “true up” requirements applicable to Matching Contributions.]*

6B-6 **ACP TESTING.** (See Section 6.02 of the Plan.)

- (a) **ACP Testing Method.** The ACP Test will be performed using the following testing method: (See Section 6.02(a)(2) of the Plan.)
  - .. (1) The Plan will use the **Current Year Method** in running the ACP Test.
  - .. (2) The Plan will use the **Prior Year Method** in running the ACP Test.

*[Note: If the Plan is intended to be a Safe Harbor Plan (as designated in AA §6C below), the Plan **must** use the Current Year Method.]*

- (b) **Special rule for first Plan Year.** If this is a new Plan, the testing method selected in subsection (a) above applies for purposes of applying the ACP Test for the first Plan Year of the Plan, unless designated otherwise under this subsection (b). If the Prior Year Testing Method applies, the ACP of the Nonhighly Compensated Group for the first Plan Year is deemed to be 3%. (See Section 6.02(a)(3) of the Plan.)
  - .. (1) **Instead of the Prior Year Method** selected under subsection (a)(2) above, the Plan will use the Current Year Method for the first Plan Year for which the Plan is effective.
  - .. (2) **Instead of the Current Year Method** selected under subsection (a)(1) above, the Plan will use the Prior Year Method for the first Plan Year for which the Plan is effective.

6B-7 **ALLOCATION CONDITIONS.** A Participant who has otherwise satisfied all conditions to receive a Matching Contribution, must satisfy any allocation conditions designated under this AA §6B-7 to receive an allocation of Matching Contributions under the Plan. *[Note: The allocation conditions under this AA §6B-7 do not apply to Safe Harbor Matching Contributions under AA §6C or QMACs under AA §6B-4, unless provided otherwise under those specific sections.]*

- .. (a) **No allocation conditions** apply with respect to Matching Contributions under the Plan.

- .. (b) **Safe harbor allocation condition.** An Employee must be employed by the Employer on the last day of the Plan Year OR must complete more than:
  - .. (1) \_\_\_\_ (not to exceed 500) Hours of Service during the Plan Year.
  - .. (2) \_\_\_\_ (not more than 91) consecutive days of employment with the Employer during the Plan Year.
- .. (c) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.
- .. (d) **Minimum service condition.** An Employee must be credited with at least:
  - .. (1) \_\_\_\_ Hours of Service (not to exceed 1,000) during the Plan Year.
  - .. (2) \_\_\_\_ (not more than 182) consecutive days of employment with the Employer during the Plan Year.
- .. (e) **Exceptions.** The above allocation condition(s) will **not** apply:
  - .. (1) if the Employee dies during the Plan Year.
  - .. (2) if the Employee terminates employment as a result of a Disability.
  - .. (3) if the Employee terminates employment after attainment of Normal Retirement Age in the current Plan Year or any prior Plan Year.
  - .. (4) if the Employee terminates employment after attainment of Early Retirement Age in the current Plan Year or any prior Plan Year.

6B-8 **SPECIAL RULES APPLICABLE TO MATCHING CONTRIBUTIONS.** The following special rules apply to Matching Contributions: \_\_\_\_\_

**SECTION 6C**  
**SAFE HARBOR CONTRIBUTIONS**

6C-1 **SAFE HARBOR PLAN.** Is the Plan intended to be a Safe Harbor Plan?

- .. Yes
- No [If “No” is checked, skip to Section 6D.]

6C-2 **SAFE HARBOR CONTRIBUTION.** To qualify as a Safe Harbor Plan, the Employer must make a Safe Harbor Matching Contribution or Safe Harbor Employer Contribution. The Safe Harbor Contribution elected under this AA §6C-2 will be in addition to any Employer Contribution or Matching Contribution elected in AA §6 or AA §6B above.

- .. (a) **Safe Harbor Matching Contribution.**
  - (1) **Safe Harbor Matching Contribution formula.**
    - .. (i) **Basic match:** 100% of Salary Deferrals up to the first 3% of Plan Compensation, plus 50% of Salary Deferrals up to the next 2% of Plan Compensation.
    - .. (ii) **Enhanced match:** \_\_\_\_% (not less than 100%) of Salary Deferrals up to \_\_\_\_% (not less than 4% and not more than 6%) of Plan Compensation.
    - .. (iii) **Tiered match:** \_\_\_\_% of Salary Deferrals up to the first \_\_\_\_% of Plan Compensation,
      - .. (A) plus \_\_\_\_% of Salary Deferrals up to the next \_\_\_\_% of Plan Compensation,
      - .. (B) plus \_\_\_\_% of Salary Deferrals up to the next \_\_\_\_% of Plan Compensation.

[*Note: The tiered match may not provide for a greater level of match at higher levels of Salary Deferrals and the total amount of Salary Deferrals eligible for a match may not exceed 6% of Plan Compensation.*]
  - (2) **Period for determining Safe Harbor Matching Contributions.** The Safe Harbor Matching Contribution formula selected in (1) above is based on Salary Deferrals for the following period:
    - .. (i) Plan Year. .. (ii) payroll period.
    - .. (iii) Plan Year quarter. .. (iv) calendar month.
    - .. (v) Other: \_\_\_\_\_



- (b) **Safe Harbor Employer Contribution:** \_\_\_% (not less than 3%) of Plan Compensation.
  - (1) **Supplemental Safe Harbor notice.** Check this selection if the Employer will make the Safe Harbor Employer Contribution pursuant to a supplemental notice, as described in Section 6.04(a)(4)(iii) of the Plan.  
*[Note: If this (1) is checked, the Safe Harbor Employer Contribution described above will be required for a Plan Year only if the Employer provides a supplemental notice (as described in Section 6.04(a)(4)(iii) of the Plan). If the Employer properly provides the Safe Harbor notice but does not provide a supplemental notice, the Employer need not provide the Safe Harbor Employer Contribution described above. In such a case, the Plan will not qualify as a Safe Harbor Plan for that Plan Year and will be subject to ACP testing, as applicable.]*
  - (2) **Other plan.** Check this selection if the Safe Harbor Employer Contribution will be made under another plan maintained by the Employer and identify the plan:  

---

6C-3 **ELIGIBILITY FOR SAFE HARBOR CONTRIBUTION.** The Safe Harbor Contribution selected in AA §6C-2 above will be allocated all Participants who are eligible to make Salary Deferrals under the Plan, unless designated otherwise under this AA §6-3.

- (a) Instead of being allocated to all eligible Participants, the Safe Harbor Contribution will be allocated only to:
  - (1) Nonhighly Compensated Participants who are eligible to make Salary Deferrals under the Plan (see AA §4-1).
  - (2) Nonhighly Compensated Participants who are eligible to make Salary Deferrals under the Plan and any Highly Compensated Non-Key Employees who are eligible to make Salary Deferrals under the Plan (see AA §4-1).
- (b) Instead of using the eligibility conditions applicable to Salary Deferrals under AA §4-1, the following eligibility conditions apply for Safe Harbor Contributions:
  - (1) One Year of Service and age 21 with semi-annual Entry Dates.
  - (2) The eligibility conditions applicable to Matching Contributions (as selected in AA §4-1).
  - (3) The eligibility conditions applicable to Employer Contributions (as selected in AA §4-1).

6C-4 **DELAYED EFFECTIVE DATE.** The Safe Harbor provisions under this AA §6C are effective as of the Effective Date of the Plan, as designated in the Employer Signature Page. To provide for a delayed effective date for the Safe Harbor provisions, check this AA §6C-4.

- The Safe Harbor provisions under this AA §6C are effective beginning \_\_\_\_\_. Prior to this delayed effective date, the provisions of this AA §6C do not apply. Thus, prior to the delayed effective date, the Employer is not obligated to make a Safe Harbor Contribution and the Plan is subject to ACP Testing, to the extent applicable.

<b>SECTION 6D AFTER-TAX CONTRIBUTIONS</b>
-----------------------------------------------

6D-1 **AFTER-TAX CONTRIBUTIONS.** Are Employees permitted to make After-Tax Contributions under the Plan?

- Yes
- No [*If “No” is checked, skip to Section 7.*]

6D-2 **LIMITS ON AFTER-TAX CONTRIBUTIONS.** A Participant may contribute any amount as After-Tax Contributions up to the Code §415 Limitation (as defined in Section 5.03 of the Plan).

6D-3 **ELIGIBILITY FOR MATCHING CONTRIBUTIONS.** If the Plan provides for Matching Contributions under AA §6B or Safe Harbor Matching Contributions under AA §6C, such matching contributions will apply to After-Tax Contributions made pursuant to this AA §6D, unless limited under AA 6D-4 below.

6D-4 **SPECIAL RULES.** The following special rules apply with respect to After-Tax Contributions: \_\_\_\_\_

6D-5 **MANDATORY AFTER-TAX CONTRIBUTIONS.**

- “ (a) Employees are required to make Mandatory After-Tax Contributions in order to participate under the Plan in the following amount:
  - “ (1) \_\_\_\_\_% of each Employee’s Total Compensation.
  - “ (2) \$\_\_\_\_\_ for each Participant.
  - “ (3) Describe rate or amount: \_\_\_\_\_
- “ (b) Special rules applicable to Mandatory After-Tax Contributions: \_\_\_\_\_

**SECTION 7  
RETIREMENT AGES**

7-1 **NORMAL RETIREMENT AGE:** Normal Retirement Age under the Plan is:

- ⊖ (a) Age 65 (not to exceed 65).
- “ (b) The later of (1) age \_\_\_\_\_ (not to exceed 65) or (2) the \_\_\_\_\_ (not to exceed 5<sup>th</sup>) anniversary of the date the Employee commenced participation in the Plan.
- “ (c) \_\_\_\_\_ (may not be later than the maximum age permitted under subsection (b)).

7-2 **EARLY RETIREMENT AGE:**

- “ (a) There is no Early Retirement Age under the Plan.
- ⊖ (b) A Participant reaches Early Retirement Age if he/she is still employed after attainment of each of the following:
  - ⊖ (1) Attainment of age 55
  - “ (2) The \_\_\_\_\_ anniversary of the date the Employee commenced participation in the Plan, and/or
  - “ (3) The completion of \_\_\_\_\_ Years of Service, determined as follows:
    - “ (i) Same as for eligibility.
    - “ (ii) Same as for vesting.

**SECTION 8  
VESTING AND FORFEITURES**

8-1 **CONTRIBUTIONS SUBJECT TO VESTING.** Does the Plan provide for Employer Contributions under AA §6 or Matching Contributions under AA §6B that are subject to vesting?

- “ Yes
- ⊖ No [If “No” is checked, skip to Section 9. See Section 7.11(a) of the Plan for default forfeiture rules.]

8-2 **VESTING SCHEDULE.** The vesting schedule under the Plan is as follows for both Employer Contributions and Matching Contributions, to the extent authorized under AA §6 and AA §6B. See Section 7.02(a) of the Plan for a description of the various vesting schedules under this AA §8-2. [Note: Any Safe Harbor Employer Contributions or Safe Harbor Matching Contributions under AA §6C and any QNECs or QMACs under AA §6-4 or AA §6B-4 are always 100% vested.]

- |                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>“ (a) <b>Employer Contributions (see AA §6)</b><ul style="list-style-type: none"><li>“ (1) Full and immediate vesting.</li><li>“ (2) Three-year cliff vesting schedule</li><li>“ (4) Six-year graded vesting schedule</li></ul></li></ul> | <ul style="list-style-type: none"><li>“ (b) <b>Matching Contributions (see AA §6B)</b><ul style="list-style-type: none"><li>“ (1) Full and immediate vesting.</li><li>“ (2) Three-year cliff vesting schedule</li><li>“ (3) Six-year graded vesting</li></ul></li></ul> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- .. (a) **Employer Contributions (see AA §6)**
- .. (6) Modified vesting schedule
- \_\_\_\_\_ % after 1 Year of Service
- \_\_\_\_\_ % after 2 Years of Service
- \_\_\_\_\_ % after 3 Years of Service
- \_\_\_\_\_ % after 4 Years of Service
- \_\_\_\_\_ % after 5 Years of Service
- 100% after 6 Years of Service

- .. (b) **Matching Contributions (see AA §6B)**
- .. (4) Modified vesting schedule
- \_\_\_\_\_ % after 1 Year of Service
- \_\_\_\_\_ % after 2 Years of Service
- \_\_\_\_\_ % after 3 Years of Service
- \_\_\_\_\_ % after 4 Years of Service
- \_\_\_\_\_ % after 5 Years of Service
- 100% after 6 Years of Service

[*Note: If a modified vesting schedule is selected for Employer Contributions or Matching Contributions, the vested percentage for every Year of Service must satisfy the vesting requirements under the 6-year graded vesting schedule, unless 100% vesting occurs after no more than 3 Years of Service.*]

8-3 **VESTING SERVICE.** In applying the vesting schedules under this AA §8, the following service with the Employer is excluded.

- .. (a) None, all service with the Employer counts for vesting purposes.
- .. (b) Service before the original Effective Date of this Plan is excluded. (See Section 7.06 of the Plan for rules regarding Predecessor Service.)
- .. (c) Service completed before the Employee's \_\_\_\_ (not to exceed 18th) birthday is excluded.

[*Note: See Section 7.06 of the Plan and AA §4-5 for rules regarding the crediting of service with Predecessor Employers for purposes of vesting under the Plan.*]

8-4 **VESTING UPON DEATH, DISABILITY OR EARLY RETIREMENT AGE.** An Employee's vesting percentage increases to 100% if, while employed with the Employer, the Employee

- .. (a) dies
- .. (b) terminates employment due to becoming Disabled
- .. (c) reaches Early Retirement Age

8-5 **DEFAULT VESTING RULES.** In applying the vesting requirements under this AA §8, the following default rules apply.

- **Year of Service.** An Employee earns a Year of Service for vesting purposes upon completing 1,000 Hours of Service during a Vesting Computation Period. Hours of Service are calculated based on actual hours worked during the Vesting Computation Period.
- **Vesting Computation Period.** The Vesting Computation Period is the Plan Year.
- **Break in Service Rules.** The Nonvested Participant Break in Service rule and One-Year Break in Service rules do NOT apply. (See Section 7.07 of the Plan.)

To override the default vesting rules, complete the applicable sections of this AA §8-5. If this AA §8-5 is not completed, the default vesting rules apply.

**ER Match**

- .. .. (a) **Year of Service.** Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of \_\_\_\_ [*must be less than 1,000*] Hours of Service during a Vesting Computation Period.
- .. .. (b) **Vesting Computation Period (VCP).** Instead of the Plan Year, the Vesting Computation Period is:
- .. (1) The 12-month period beginning with the anniversary of the Employee's date of hire.
- .. (2) Describe: \_\_\_\_\_
- [*Note: Any Vesting Computation Period described in (2) must be a 12-consecutive month period and must apply uniformly to all Participants.*]
- .. .. (c) **Elapsed Time Method.** Vesting service will be determined under the Elapsed Time Method. (See Section 7.03(b) of the Plan.)

- | ER | Match |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| .. | ..    | (d) <b>Equivalency Method.</b> For purposes of determining an Employee’s Hours of Service for vesting, the Plan will use the Equivalency Method (as defined in Section 7.03(a) (2) of the Plan). The Equivalency Method will apply to: <ul style="list-style-type: none"> <li>.. (1) All Employees.</li> <li>.. (2) Employees who are not paid on an hourly basis. For Employees paid on an hourly basis, vesting will be determined based on actual hours worked.</li> </ul> If this (d) is checked, Hours of Service for vesting will be determined under the following Equivalency Method. <ul style="list-style-type: none"> <li>.. (3) <b>Monthly.</b> 190 Hours of Service for each month worked.</li> <li>.. (4) <b>Daily.</b> 10 Hours of Service for each day worked.</li> <li>.. (5) <b>Weekly.</b> 45 Hours of Service for each week worked.</li> <li>.. (6) <b>Semi-monthly.</b> 95 Hours of Service for each semi-monthly period.</li> </ul> |
| .. | ..    | (e) <b>Nonvested Participant Break in Service rule applies.</b> Service earned prior to a Nonvested Participant Break in Service will be disregarded in applying the vesting rules. (See Section 7.07(c) of the Plan).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| .. | ..    | (f) <b>One-Year Break in Service rule applies.</b> The One-Year Break in Service rule (as defined in Section 7.07(b) of the Plan) applies to temporarily disregard an Employee’s service earned prior to a one-year Break in Service.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| .. | ..    | (g) <b>Special vesting provisions.</b> No special vesting provisions apply unless designated under this subsection (g): _____<br><i>[Note: Any special vesting provision designated in subsection (g) must satisfy the requirements of Code §411(a) and must satisfy the nondiscrimination requirements under §1.401(a)(4) of the regulations.]</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

8-6 **ALLOCATION OF FORFEITURES.** Any forfeitures occurring during a Plan Year will be:

- | ER | Match |                                                                                               |
|----|-------|-----------------------------------------------------------------------------------------------|
| .. | ..    | (a) Reallocated as additional Employer Contributions or as additional Matching Contributions. |
| .. | ..    | (b) Used to reduce Employer and/or Matching Contributions.                                    |

For purposes of this AA §8-6, forfeitures will be applied:

- |    |    |                                                                                      |
|----|----|--------------------------------------------------------------------------------------|
| .. | .. | (c) for the Plan Year in which the forfeiture occurs.                                |
| .. | .. | (d) for the Plan Year <b>following</b> the Plan Year in which the forfeitures occur. |

Prior to applying forfeitures under this AA §8-6:

- |    |    |                                                               |
|----|----|---------------------------------------------------------------|
| .. | .. | (e) Forfeitures will be used to pay Plan expenses.            |
| .. | .. | (f) Forfeitures will <b>not</b> be used to pay Plan expenses. |

8-7 **SPECIAL RULES REGARDING CASH-OUT DISTRIBUTIONS.**

- (a) **Additional allocations.** If a terminated Participant receives a complete distribution of his/her vested Account Balance while still entitled to an additional allocation, the Cash-Out Distribution forfeiture provisions do not apply until the Participant receives a distribution of the additional amounts to be allocated. (See Section 7.10(a)(1) of the Plan.)

To modify the default Cash-Out Distribution forfeiture rules, complete this AA §8-7(a).

.. The Cash-Out Distribution forfeiture provisions will apply if a terminated Participant takes a complete distribution, regardless of any additional allocations during the Plan Year.

- (b) **Timing of forfeitures.** A Participant who receives a Cash-Out Distribution (as defined in Section 7.10(a) of the Plan) is treated as having an immediate forfeiture of his/her nonvested Account Balance.

To modify the forfeiture timing rules to delay the occurrence of a forfeiture upon a Cash-Out Distribution, complete this AA §8-7(b).

.. A forfeiture will occur upon the completion of \_\_\_\_ *[cannot exceed 5]* consecutive Breaks in Service (as defined in Section 7.07(a) of the Plan).

**SECTION 9**  
**DISTRIBUTION PROVISIONS – TERMINATION OF EMPLOYMENT**

**9-1 AVAILABLE FORMS OF DISTRIBUTION.**

**Lump sum distribution** Unless selected otherwise under subsection (e) below, a Participant may take a distribution of his/her entire vested Account Balance in a single lump sum.

**Additional distribution options.** To provide for additional distribution options, check the applicable distribution forms under this AA §9-1. If a lump sum distribution will not be provided under the Plan, check (e) below and indicate that no lump sum distribution is available under the Plan.

- (a) **Partial lump sum.** A Participant may take a distribution of less than the entire vested Account Balance upon termination of employment.
  - Minimum distribution amount.** A Participant may not take a partial lump sum distribution of less than \$1000.
- (b) **Installment distributions.** A Participant may take a distribution over a specified period not to exceed the life or life expectancy of the Participant (and a designated beneficiary).
- (c) **Installment distribution for required minimum distributions.** A Participant may take an installment distribution solely to the extent necessary to satisfy the required minimum distribution rules under Section 8.11 of the Plan.
- (d) **Annuity distributions.** A Participant may elect to have the Plan Administrator use the Participant's vested Account Balance to purchase an annuity as described in Section 8.02 of the Plan.
- (e) **Describe:** \_\_\_\_\_

*[Note: Any distribution option described in (e) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.]*

**9-2 QUALIFIED JOINT AND SURVIVOR ANNUITY RULES.** This Plan is not subject to the Qualified Joint and Survivor Annuity rules, except to the extent required under Section 9.01 of the Plan (e.g., if the Plan is a Transferee Plan). Upon termination of employment, a Participant may receive a distribution from the Plan, in accordance with the provisions of AA §9-3, in any form allowed under AA §9-1. (If any portion of this Plan is subject to the Qualified Joint and Survivor Annuity rules, the QJSA and QPSA provisions will automatically apply to such portion of the Plan.)

To override this default provision, complete the applicable sections of this AA §9-2.

- (a) **Qualified Joint and Survivor Annuity rules.** Check this (a) to apply the Qualified Joint and Survivor rules to the entire Plan. If this (a) is checked, all distributions from the Plan must satisfy the QJSA and QPSA requirements under Section 9 of the Plan, with the following modifications:
  - (1) **No modifications.**
  - (2) **Modified QJSA benefit.** Instead of a 50% survivor benefit, the spouse's survivor benefit is:
    - (i) 100%.       (ii) 75%.       (iii) 66-2/3%.
  - (3) **Modified QPSA benefit.** Instead of a 50% QPSA benefit, the QPSA benefit is 100% of the Participant's vested Account Balance.
- (b) **One-year marriage rule.** The one-year marriage rule does not apply unless this (b) is checked. See Section 9.04(c)(2) of the Plan.

**9-3 TIMING OF DISTRIBUTIONS UPON TERMINATION OF EMPLOYMENT.**

(a) **Distribution of vested Account Balances exceeding \$5,000.** A Participant who terminates employment with a vested Account Balance exceeding \$5,000 may receive a distribution of his/her vested Account Balance in any form permitted under AA §9-1 within a reasonable period following:

- (1) the date the Participant terminates employment.
- (2) the last day of the Plan Year during which the Participant terminates employment.
- (3) the first Valuation Date following the Participant's termination of employment.
- (4) the completion of \_\_\_ Breaks in Service.
- (5) Describe: \_\_\_\_\_

*[Note: Any distribution event described in (5) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.]*

- (b) **Distribution of vested Account Balances not exceeding \$5,000.** A Participant who terminates employment with a vested Account Balance that does not exceed \$5,000 may receive a **lump sum** distribution of his/her vested Account Balance within a reasonable period following:

- ⊖ (1) the date the Participant terminates employment.
- ⋯ (2) the last day of the Plan Year during which the Participant terminates employment.
- ⋯ (3) the first Valuation Date following the Participant's termination of employment.
- ⋯ (4) Describe: \_\_\_\_\_

*[Note: Any distribution event described in (4) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.]*

9-4 **SPECIAL RULES.**

- (a) **Availability of Involuntary Cash-Out Distributions.** A Participant who terminates employment with a vested Account Balance of \$5,000 or less will receive an Involuntary Cash-Out Distribution, subject to the Automatic Rollover provisions under Section 8.06 of the Plan.

Alternatively, an Involuntary Cash-Out Distribution will be made to the following terminated Participants

- ⋯ (1) **No Involuntary Cash-Out Distribution.** The Plan does not provide for Involuntary Cash-Out Distributions. A terminated Participant must consent to any distribution from the Plan.
- ⋯ (2) **Lower Involuntary Cash-Out Distribution threshold.** A terminated Participant will receive an Involuntary Cash-Out Distribution only if the Participant's vested Account Balance is less than or equal to:
  - ⋯ (i) \$1,000
  - ⋯ (ii) \$ \_\_\_\_\_ (must be less than \$5,000)

- (b) **Application of Automatic Rollover rules.** The Automatic Rollover rules described in Section 8.06 of the Plan do not apply to any Involuntary Cash-Out Distribution below \$1,000 (to the extent available under the Plan).

To override this default provision, check this subsection (b).

- ⋯ Check this (b) to apply the Automatic Rollover provisions under Section 8.06 of the Plan to all Involuntary Cash-Out Distributions (including those below \$1,000).

- (c) **Treatment of Rollover Contributions.** Unless elected otherwise under this (c), Rollover Contributions will be excluded in determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold for purposes of applying the distribution rules under this AA §9 and Section 8.04(a) of the Plan. To include Rollover Contributions for purposes of applying the Plan's distribution rules, check below.

- ⊖ In determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold, Rollover Contributions will be included.

- (d) **Distribution upon attainment of stated age.** A Participant must consent to a distribution from the Plan at any time prior to attainment of the Participant's Required Beginning Date.

To allow for involuntary distribution upon attainment of Normal Retirement Age (or age 62, if later), check below.

- ⋯ Subject to the spousal consent requirements under Section 9.04 of the Plan, a distribution from the Plan will be made to a terminated Participant without the Participant's consent, regardless of the value of such Participant's vested Account Balance, upon attainment of Normal Retirement Age (or age 62, if later).

**SECTION 10  
IN-SERVICE DISTRIBUTIONS AND REQUIRED MINIMUM DISTRIBUTIONS**

- 10-1 **AVAILABILITY OF IN-SERVICE DISTRIBUTIONS.** A Participant may withdraw all or any portion of his/her vested Account Balance, to the extent designated, upon the occurrence of the event(s) selected under this AA §10-1.

Deferral	Match	ER	
⋯	⋯	⋯	(a) No in-service distributions are permitted.
⊖	⋯	⋯	(b) Attainment of age <u>59 1/2</u> . <i>[If age is earlier than 59½, such age is deemed to be age 59½ for Salary Deferrals and for amounts held in a Custodial Account.]</i>
⊖	⋯	⋯	(c) A Hardship (that satisfies the safe harbor rules under Section 8.09(d)(1) of the Plan). <i>[Note: Not applicable to amounts attributable to Matching Contributions and Employer Contributions held in a Custodial Account, QNECs, QMACs, or Safe Harbor Contributions.]</i>

Deferral	Match	ER	
⊖	..	..	(d) Attainment of Normal Retirement Age. <i>[If Normal Retirement Age is earlier than age 59½, such age is deemed to be age 59½ for Salary Deferrals and for amounts held in a Custodial Account.]</i>
..	..	..	(e) Attainment of Early Retirement Age. <i>[If Early Retirement Age is earlier than age 59½, such age is deemed to be age 59½ for Salary Deferrals and for amounts held in a Custodial Account.]</i>
N/A	..	..	(f) Completion of ____ Years of Service. <i>[This election is not available with respect to amounts held in a Custodial Account.]</i>
N/A	..	..	(g) Describe: _____

*[Note: Unless designated otherwise under (g), any selection(s) in the Deferral column also apply to Roth Contributions, After-Tax Contributions, Safe Harbor Contributions, QMACs and QNECs. Distributions from a Participant’s Salary Deferral Account may not be made before the earliest of the time a Participant has a Severance from Employment, dies, has a Hardship, becomes Disabled or attains age 59 ½. Distributions from a Participant’s Custodial Account may not be made before the earliest of the time a Participant has a Severance from Employment, dies, becomes Disabled or attains age 59 ½.]*

10-2 **SPECIAL DISTRIBUTION RULES.** No special distribution rules apply, unless specifically provided under this AA §10-2.

- .. (a) In-service distributions will only be permitted if the Participant is 100% vested in the amounts being withdrawn.
- .. (b) A Participant may take no more than \_\_\_\_ in-service distribution(s) in a Plan Year.
- .. (c) A Participant may not take an in-service distribution of less than \$\_\_\_\_ (may not exceed \$1,000).
- .. (d) If a Hardship distribution is permitted in AA §10-1 above, a Participant may take such a Hardship distribution after termination of employment.
- ⊖ (e) Describe: Not withstanding the above, Roth Deferrals are not available for in-service and hardships.  
*[Note: Any special rules described in (e) will apply uniformly to all Participants under the Plan.]*

10-3 **REQUIRED BEGINNING DATE – NON-5% OWNERS.** In applying the required minimum distribution rules under Section 8.12 of the Plan, the Required Beginning Date for non-5% owners is:

- ⊖ (a) the later of attainment of age 70½ or termination of employment.
- .. (b) the date the Employee attains age 70½, even if the Employee is still employed with the Employer.

10-4 **HARDSHIP DISTRIBUTIONS.** Unless elected below, the hardship distribution provisions of the Plan do not apply with respect to primary beneficiaries. See Section 8.09(d)(3) of the Plan.

- .. Check this AA §10-4 to allow hardship distribution to be determined based on a hardship of a primary beneficiary (as permitted under Section 8.09(d)(3) of the Plan).

**SECTION 11  
MISCELLANEOUS PROVISIONS**

11-1 **VALUATION DATES.** The Plan is valued **annually**, as of the last day of the Plan Year. In addition, the Plan will be valued on the following dates:

Deferral	Match	ER	
⊖	..	..	(a) <b>Daily.</b> The Plan is valued at the end of each business day during which the New York Stock Exchange is open.
..	..	..	(b) <b>Monthly.</b> The Plan is valued at the end of each month of the Plan Year.
..	..	..	(c) <b>Quarterly.</b> The Plan is valued at the end of each Plan Year quarter.
..	..	..	(d) <b>Describe:</b> _____

*[Note: The Employer may elect operationally to perform interim valuations, provided such valuations do not result in discrimination in favor of Highly Compensated Employees.]*

- 11-2 **DEFINITION OF HIGHLY COMPENSATED EMPLOYEE.** In determining which Employees are Highly Compensated (as defined in Section 1.57 of the Plan), the following rules apply:
- ⊖ (a) The **Top-Paid Group Test** does not apply.
  - “ (b) The **Top-Paid Group Test** applies.
  - “ (c) The **Calendar Year Election** applies. [*This (c) may be chosen only if the Plan Year is not the calendar year. If this (c) is not selected, the determination of Highly Compensated Employees is based on the Plan Year. See Section 1.57(d) of the Plan.*]
- 11-3 **SPECIAL RULES FOR APPLYING THE CODE §415 LIMITATION.** The provisions under Section 5.03 of the Plan apply for purposes of determining the Code §415 Limitation.
- Complete this AA §11-3 to override the default provisions that apply in determining the Code §415 Limitation under Section 5.03 of the Plan.
- “ (a) **Limitation Year.** Instead of the Plan Year, the Limitation Year is the 12-month period ending \_\_\_\_\_.
- [*Note: If the Plan has a short Plan Year for the first year of establishment, the Limitation Year is deemed to be the 12-month period ending on the last day of the short Plan Year, unless provided otherwise in (c) below.*]
- “ (b) **Imputed compensation.** For purposes of applying the Code §415 Limitation, Total Compensation includes imputed compensation for a Nonhighly Compensated Participant who terminates employment on account of becoming Disabled. (See Section 5.03(c)(7)(iv) of the Plan.)
  - “ (c) **Special rules.** Instead of the default provisions under Section 5.03 of the Plan, the following rules apply:
- 
- 11-4 **SPECIAL RULES FOR MORE THAN ONE PLAN.** If the Employer maintains another Defined Contribution Plan in which any Participant is a participant, the rules set forth under Section 5.03(b)(5) of the Plan apply.
- To modify the default provisions under Section 5.03(b)(5) of the Plan, designate how such rules will apply.
- “ Instead of applying the default rules under Section 5.03(b)(5) of the Plan, the Employer will limit Annual Additions in the following manner: \_\_\_\_\_
- 11-5 **DELEGATION OF ADMINISTRATIVE FUNCTIONS.** Generally the Employer, as Plan Administrator, has responsibility to administer the Plan. These responsibilities include compliance with Code §403(b) and other tax requirements. However, the Employer may delegate such responsibilities to a third party, including a provider of an Annuity Contract or Custodial Account, provided such third party agrees to such delegation of responsibilities. An Employer may not allocate administrative responsibilities to Plan Participants. (See Section 11.06 of the Plan.)
- “ The following special provisions apply with respect to the delegation of administrative responsibilities, including any insurance policies, custodial agreements or other documents that are incorporated into the Plan by reference: \_\_\_\_\_
- 
- 11-6 **CONTRACT EXCHANGES AND PLAN-TO-PLAN TRANSFERS.** Unless otherwise indicated below, the Plan authorizes contract exchanges and plan-to-plan transfers.
- “ (a) **Contract exchanges.** The Plan does not authorize contract exchanges as described in Section 14.04 of the Plan.
  - “ (b) **Plan-to-plan transfers.** The Plan does not authorize plan-to-plan transfers as described in Section 14.05 of the Plan.
- 11-7 **SPECIAL RULES APPLICABLE TO THIS PLAN.** The following rules apply to this Plan: This plan is not subject to ERISA.



**APPENDIX A  
SPECIAL EFFECTIVE DATES**

- .. A-1 **Eligible Employees.** The definition of Eligible Employee under AA §3 is effective as follows:  
\_\_\_\_\_
- .. A-2 **Minimum age and service conditions.** The minimum age and service conditions Entry Date provisions specified in AA §4 are effective as follows:  
\_\_\_\_\_
- .. A-3 **Compensation definitions.** The compensation definitions under AA §5 are effective as follows:  
\_\_\_\_\_
- .. A-4 **Employer Contributions.** The Employer Contribution provisions under AA §6 are effective as follows:  
\_\_\_\_\_
- .. A-5 **Salary Deferrals.** The provisions regarding Salary Deferrals under AA §6A are effective as follows:  
\_\_\_\_\_
- .. A-6 **Matching Contributions.** The Matching Contribution provisions under AA §6B are effective as follows:  
\_\_\_\_\_
- .. A-7 **Safe Harbor Plan provisions.** The Safe Harbor Plan provisions under AA §6C effective as follows:  
\_\_\_\_\_
- .. A-8 **After-Tax Contributions.** The After-Tax Contribution provisions under AA §6D are effective as follows:  
\_\_\_\_\_
- .. A-9 **Retirement age.** The retirement age provisions under AA §7 are effective as follows:  
\_\_\_\_\_
- .. A-10 **Vesting and forfeiture rules.** The rules regarding vesting and forfeitures under AA §8 are effective as follows:  
\_\_\_\_\_
- .. A-11 **Distribution provisions.** The distribution provisions under AA §9 are effective as follows:  
\_\_\_\_\_
- .. A-12 **In-service distributions and Required Minimum Distributions.** The provisions regarding in-service distribution and Required Minimum Distributions under AA §10 are effective as follows:  
\_\_\_\_\_
- .. A-13 **Miscellaneous provisions.** The provisions under AA §11 are effective as follows:  
\_\_\_\_\_
- .. A-14 **Special effective date provisions for merged plans.** If any retirement plans have been merged into this Plan, the provisions of Section 14.03 of the Plan apply, except as follows:  
\_\_\_\_\_
- .. A-15 **Other special effective dates:**  
\_\_\_\_\_

**APPENDIX B  
LOAN POLICY**

B-1 Are **PARTICIPANT LOANS** permitted? (See Section 13 of the Plan.)

- (a) Yes.
- (b) No.

B-2 **LOAN PROCEDURES.**

- (a) Loans will be provided under the default loan procedures set forth in Section 13 of the Plan, unless modified under this Appendix B.
- (b) Loans will be provided under a separate written loan policy. *[If this (b) is checked, do **not** complete the remainder of this Appendix B.]*

B-3 **LOAN LIMITS.** The default loan policy under Section 13.03 of the Plan allows Participants to take a loan provided all outstanding loans do not exceed 50% of the Participant's vested Account Balance. To override the default loan policy to allow loans up to \$10,000, even if greater than 50% of the Participant's vested Account Balance, check this AA §B-3.

- A Participant may take a loan equal to the greater of \$10,000 or 50% of the Participant's vested Account Balance. *[If this AA §B-3 is checked, the Participant may be required to provide adequate security as required under Section 13.06 of the Plan.]*

B-4 **NUMBER OF LOANS.** The default loan policy under Section 13.04 of the Plan restricts Participants to one loan outstanding at any time. To override the default loan policy and permit Participants to have more than one loan outstanding at any time, complete (a) or (b) below.

- (a) A Participant may have \_\_\_ loans outstanding at any time.
- (b) There are no restrictions on the number of loans a Participant may have outstanding at any time.

B-5 **INTEREST RATE.** The default loan policy under Section 13.05 of the Plan provides for an interest rate commensurate with the interest rates charged by local commercial banks for similar loans. To override the default loan policy and provide a specific interest rate to be charged on Participant loans, complete this AA §B-5.

- (a) The prime interest rate
  - (1) plus \_\_\_ percentage point(s).
- (b) Describe: \_\_\_\_\_

B-6 **MINIMUM LOAN AMOUNT.** The default loan policy under Section 13.04 of the Plan provides that a Participant may not receive a loan of less than \$1,000. To modify the minimum loan amount, complete (a) or (b) below.

- (a) There is no minimum loan amount.
- (b) The minimum loan amount is \$\_\_\_\_\_.

B-7 **PURPOSE OF LOAN.** The default loan policy under Section 13.02 of the Plan provides that a Participant may receive a Participant loan for any purpose. To modify the default loan policy to restrict the availability of Participant loans, complete (a) or (b) below.

- (a) A Participant may only receive a Participant loan upon the demonstration of a hardship event, as described in Section 8.10(d)(1)(i) of the Plan.
- (b) A Participant may only receive a Participant loan under the following circumstances: \_\_\_\_\_

B-8 **SOURCE OF LOAN.** The default loan policy under Section 13.09 of the Plan provides that Participant loans will be made first from Employer Contribution and Employer Matching Contributions Accounts and then from the Salary Deferral Account(s). To modify the default loan policy to modify the contribution sources from which a Participant loan is made, complete (a) or (b) below.

- (a) Participant loans will be made on a prorata basis from all contribution sources.
- (b) Participant loans will only be available from the following contribution sources: \_\_\_\_\_

**APPENDIX C  
ADMINISTRATIVE ELECTIONS**

*Use this Appendix C to identify certain elections dealing with the administration of the Plan. These elections may be changed without reexecuting this Agreement by substituting an updated Appendix C with new elections.*

C-1 **DIRECTION OF INVESTMENTS.** Are Participants permitted to **direct investments**? (See Section 10.08(c) of the Plan.)

(a) No

(b) Yes

(1) Specify Accounts: All

(2) Check this selection if the Plan is intended to comply with **ERISA §404(c)**. (See Section 10.08(d) of the Plan.)

C-2 **ROLLOVER CONTRIBUTIONS.** Does the Plan accept **Rollover Contributions**? (See Section 3.07 of the Plan.)

(a) No

(b) Yes

C-3 **QDRO PROCEDURES.** Do the **default QDRO procedures** under Section 11.06 of the Plan apply?

(a) No

(b) Yes

**EMPLOYER SIGNATURE PAGE**

**PURPOSE OF EXECUTION.** This Signature Page is being executed to effect:

- (a) The adoption of a **new plan**, effective \_\_\_\_\_ [*insert Effective Date of Plan*].
- (b) The **restatement** of an existing plan, effective 1-1-2010 [*insert Effective Date of Plan*].
- (1) Name of Plan(s) being restated: Newport News Public Schools 403(b) Plan.
- (2) The original effective date of the plan(s) being restated: 1-1-2009
- (c) An **amendment** of the Plan. If this Plan is being amended, the updated pages of the Adoption Agreement may be substituted for the original pages in the Adoption Agreement. All prior Employer Signature Pages should be retained as part of this Adoption Agreement.
- (1) Identify the section(s) of the Adoption Agreement being amended: \_\_\_\_\_
- (2) Effective Date(s) of such changes: \_\_\_\_\_
- (d) To identify a **Successor Employer**. Check this selection if a successor to the signatory Employer is continuing this Plan as a Successor Employer. Complete this Employer Signature Page and substitute a new page 1 under this Adoption Agreement to identify the Successor Employer. All prior Employer Signature Pages should be retained as part of this Adoption Agreement.
- (1) Effective Date of the amendment is: \_\_\_\_\_

**[Note: It is recommended that the Employer consult with legal counsel before executing this Agreement.]**

Newport News Public Schools  
(Name of Employer)

\_\_\_\_\_  
(Name of authorized representative)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

**CUSTODIAN/INSURANCE COMPANY DECLARATION**

**Effective date of Declaration:** 1-1-2010

**Custodian/Insurance Company Signature.** By signing this Declaration, the Custodian/Insurance Company agrees to the duties, responsibilities and liabilities imposed on the Custodian/Insurance Company by the BPD and this Agreement.

THIS PAGE IS FOR YOUR CONVENIENCE IN TRACKING VENDORS FOR YOUR PLAN

*(Print name)*

\_\_\_\_\_  
*(Signature of authorized representative)*

\_\_\_\_\_  
*(Date)*

\_\_\_\_\_  
*(Print name)*

\_\_\_\_\_  
*(Signature of authorized representative)*

\_\_\_\_\_  
*(Date)*

\_\_\_\_\_  
*(Print name)*

\_\_\_\_\_  
*(Signature of authorized representative)*

\_\_\_\_\_  
*(Date)*

\_\_\_\_\_  
*(Print name)*

\_\_\_\_\_  
*(Signature of authorized representative)*

\_\_\_\_\_  
*(Date)*

\_\_\_\_\_  
*(Print name)*

\_\_\_\_\_  
*(Signature of authorized representative)*

\_\_\_\_\_  
*(Date)*

\_\_\_\_\_  
*(Print name)*

\_\_\_\_\_  
*(Signature of authorized representative)*

\_\_\_\_\_  
*(Date)*

**RFP 018 Supplemental Retirement Recordkeeping Services Questions Received 12 August 2019**  
**(Revised with Requestors Id' d.**

**Voya Financial**

1. Can you please provide a breakdown by assets and investment options? **Provided in Appendix B**
2. What is the current fee structure? Is it an asset-based fee or a per head fee and what would NNPS prefer? **The Plan currently uses revenue sharing. The Plan will consider moving to a "0" revenue sharing line-up and an asset-based fee.**
3. Can you please provide the current rate of return on the Stable Value fund? **The current crediting rate for the Lincoln Stable Value Fund is 3%.**
4. Can you please provide a plan document and/or any adoption agreements? **Adoption Agreement is attached. It is in process of restatement, but no material changes are anticipated.**
5. Does NNPS prefer an open architecture platform or utilization of a proprietary Fixed account/Stable Value option? **You may provide pricing for either and/or both.**
6. Based on revenue sharing of the current investment lineup, how much is allocated to the current advisor for performing education services? **None.**

**Empower Retirement**

7. How many participants currently have a balance (regardless of active vs. terminated)? **403(b) 933 participant balances. 457(b)- 34 participant balances. As of 6/30/19.**
8. Please provide the total contributions to the plan in 2016, 2017, & 2018. **Contributions for last two years found in RFP.**
9. Please provide the total distributions to the plan in 2016, 2017, & 2018. **403(b) Total Number or Distributions 2017: 202 (We double checked the numbers because they were so close from 2017 to 2018) , 403(b) Total Number or Distributions 2018: 201**
10. Please provide the total number of loans outstanding as well as the total number of loans issued in 2018. **Loans represent 2% of Plan assets. Outstanding Loans at 12/31/2018: 94 New Loans Initiated in 2018: 26**
11. Please provide the current service days provided by your recordkeeper. How many group meetings and how many individual meetings were held in 2018? How many days per year would NNPS prefer going forward? **Please provide your proposal for service days.**
12. Please provide information on the fixed fund in the plan today. What is the current crediting rate? What are the expense ratios? Are there any termination provisions or liquidity restrictions (i.e. MVA, 12 month put, etc.)? **See question 3 above.**
13. Please provide a list of any ancillary fees that are currently being charged to the plan and or its participants. i.e) QDRO's, financial advice, etc. **Please provide your proposal for ancillary fees, if any.**
14. Does the plan currently have a managed account program? If so, please provide the total assets in the program today. **No**
15. Please indicate who the payroll provider with the plan is today? **Internal staff**
16. Please provide the current plan document. **See attached Adoption Agreement and question 4 above.**
17. Please provide the current service agreements. **Bidders may provide their service agreement.**
18. What is the current fee for the plan today? **Please provide proposed pricing information.**

**RFP 018 Supplemental Retirement Recordkeeping Services Questions Received 12 August 2019**  
**(Revised with Requestors Id' d.**

**AIG Retirement Services**

19. Total assets and liquidity restrictions (for both 403(b) and 457(b) plans). See Appendix B
20. Active/ inactive participants (same) See question 7 above. 403(b) Active participants 705. Inactive/terminated participants – 228. 457(b) – Active participants 22. Inactive participants 12. If possible, identify unique participants and if any overlap across the plans. Number of participants with a balance in both the 403(b) and the 457 Plan: 17.
21. Annual distributions from each plan See question 9.
22. Total amount of current assets invested in Fixed/stable value accounts and any liquidity restrictions. See Appendix B
23. Current crediting rate/ GMIR. See question 3 above.
24. Any loan provisions and loans outstanding (if possible). Yes, the Plan has a loan provision. See question 10 above.



**PURCHASING DEPARTMENT**

**Newport News Public Schools**

757-591-4525/ FAX 757-591-4634

12465 WARWICK BOULEVARD • NEWPORT NEWS, VIRGINIA 23606-3041

August 6, 2019  
**Addendum 1**

TO: ALL OFFERORS

RE: **RFP 018-0-2019LAC Supplemental Retirement Benefit Plan Recordkeeping Services**

NON-MANDATORY PREPROPOSAL CONFERENCE WILL BE A WEBEX TELECONFERENCE  
SCHEDULED FOR AUGUST 8, 2019 @ 10 AM.

\*\*\*Please provide your email address to [lisa.cumming@nn.k12.va.us](mailto:lisa.cumming@nn.k12.va.us) to be added to the attendee list.  
Directions to access the WebEx meeting will be emailed to the email address provided.\*\*\*

**Signature:** \_\_\_\_\_  
(Offeror)

Sincerely,

Lisa A. Cumming, CPPO, C.P.M., VCO  
Director of Procurement





August 7, 2019  
**Addendum 2**

TO: ALL OFFERORS

RE: **RFP 018-0-2019LAC Supplemental Retirement Benefit Plan Recordkeeping Services**

The following information is provided:

1. As of 3/31/19:
  - 403(b)- \$29.1 Million in assets; Active participants 708, out of 4,622 eligible
  - 457(b)- \$1.1 Million in assets; Active participants 18, out of 4, 622 eligible
2. Attachment A, Questionnaire is revised and attached.
3. Attachment B, Fund Line Up is attached to this addendum

**Signature:** \_\_\_\_\_  
(Offeror)

Sincerely,

Lisa A. Cumming, CPPO, C.P.M., VCO  
Director of Procurement

Attachments:

- Attachment A: Revised Questionnaire
- Attachment B: Fund Line Up

## RFP 018-0-2019LC Attachment A (Revised)

---

### **Background:**

1. Provider Name:
2. Provide background information and a brief description of your firm. Include any pertinent information relative to the size and organizational structure of your firm.
3. Provide pertinent financial data which demonstrates your firm's ability to successfully perform required services. Include a copy of most recent annual report.
4. Describe the service team that will be responsible for the overall relationship. Please include only those with direct interaction with the client and do not include supervisors or other management positions.
5. Please describe the conversion team that will transition the plan and the conversion process.
6. Describe how your relationship management services work and where that servicing is done.
7. What is the case load of the relationship manager that would be assigned to a plan of this size?
8. How long has the relationship manager been in this position?
9. What is the average tenure of support personnel?
10. Have there been any management changes in the retirement plan group within the past six months? If yes, please explain.
11. Please estimate the number of new hires for the year in the Retirement Plan group.
12. What is your voluntary employee turnover rate?
13. Does your service model provide for the same administrative team working on a plan year after year?
14. How many in person meetings per year does your relationship manager attend at the client's office?
15. Do you have internal counsel? If so, how many?
16. Is counsel made available directly to a client to answer questions related to their plan?
17. Are clients billed extra for consulting with your attorneys?
18. Is your firm under any litigation? If yes, please describe.
19. What capabilities do you have for comparing the plan's retirement benefit programs with the programs sponsored by other similarly-sized organizations? Describe databases, methodologies, and other features of your approach.
20. Please provide the number of defined contribution plans that currently use your record keeping and compliance services.
21. Please provide the number of 403(b) and 457(b) clients where you are the single provider?

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22. Please provide the number of clients that are ERISA 403(b) plan sponsors?
23. Please provide the number of clients that are non-ERISA 403(b) plan sponsors?
24. What are the total assets and total number of participants in the defined contribution plans on your platform?
25. What is average size of plans currently under management in terms of both assets and number of participants?
26. How many plans do you currently service that are similar in size to this 403(b)/457(b) client?
27. Please provide the number of defined contribution plans gained and lost in 2018, 2017, and 2016.
28. How many 403(b) and 457(b) plans do you currently actively administer in the following (Please note if you are responding for 403(b) , 457(b) or both categories:

<u>Participant Base:</u>	<u>Multi-Vendor</u>	<u>Single Vendor</u>
Under 100 Participants		
100 to 499 Participants		
500 to 999 Participants		
1,000 to 4,999 Participants		
5,000 to 9,999 Participants		
10,000 or more Participants		

29. How many public school systems do you currently actively administer? Please separate multiple vendor clients versus single vendor clients.
30. Have you previously provided services to the Newport News Public Schools 403(b)/457(b) Plans? If so,
  - a. How many participants are currently in your program? How many are active? How many are inactive?
  - b. What are the assets currently in the Program? How much of the assets are in individual contracts? Group Contracts? Fixed assets? Variable?
  - c. What surrender charges exist if participants choose to move assets?

**Administration:**

31. What type of plan design and consulting services are included in your standard services?
32. Do you outsource any operational responsibilities?
33. If so, who are you partnering with and which services are being outsourced?

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34. Does a third party have the ability to access or receive participant demographic data and asset information values?
35. List all tasks the plan sponsor can initiate via the plan sponsor website.
36. List all tasks the plan participant can initiate via the participant website.
37. What is the timing for mailing or posting of quarterly reports to the plan sponsor?
38. Are there any options for receiving reports other than paper?
39. What is your targeted date for mailing participant statements? What is your actual experience?
40. Do participants have the option to have electronic statements? If so, please describe the process for notification and delivery.
41. Does your firm have a governmental affairs or legal department that provides legislative oversight on issues concerning retirement plans? How is this communicated to the client?
42. Do you have the ability to place employees into various groups (divisions) if you are provided with a unique identifier for each group/division?
43. How many payroll sources can your platform support (employee deferrals, employer match, employer profit sharing, catch-ups, etc.)?
44. How many days does your typical payroll processing encompass? (i.e. Receive pay file on Day 1; When are funds drafted and allocated to accounts)?
45. What method of electronic fund transfer do you support? (ACH, Wire)
46. Do you provide a suite of standard reports that are readily accessible via Internet?
47. Do you provide real time, on-demand ad-hoc reporting via Internet?
48. Do you provide paperless loan capabilities?
49. Do you provide participants with access to a prospectus for investment options, and if so, how do you provide the information to participants?
50. Describe your current process for assisting plan sponsors with complying with 403(b)/457(b) regulations. Please describe your compliance process.
51. Please provide information to perform a demo of your website.
52. Provide a sample participant statement.
53. Detail your QDRO processing and the responsibility you take. Is there a separate charge?
54. How often will you meet with the Human Resources Management to review the plan, review regulatory developments, and discuss any workflow or satisfaction issues? Who from your firm will attend these meetings?
55. In the table below, note the capabilities of your plan sponsor internet site:

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ITEM	YES	NO
Payroll Submission		
Reverse Payroll Feed		
Standard Reports		
Approve Participant Transactions, if required		
Regulatory;/Legislative Information		
Transaction History		
Create Ad Hoc Reports		
Print Forms		
View Discrimination Testing Results		

56. Please provide information to perform a demonstration of this site.

57. Payroll Processing

- a. How are contribution dollars transmitted to your firm? (ACH or Wire)
- b. How is the contribution data file provided to your firm?

58. Loan Processing

1. Does your product provide for participant loans? If yes, does the plan sponsor have the ability to outsource approval to the provider if requested?
2. Are loan repayments made directly by participants or through payroll deduction?
3. Is a 1099 form automatically issued when a loan default occurs?
4. Respond to the following questions as they apply to 403(b)/457(b) plans:
  - Minimum loan amount
  - Maximum loan amount
  - Maximum repayment term
  - Maximum number of loans outstanding at a time
  - Restrictions on how often loans can be requested
  - Interest rate charged on loan as of 12/31/2018
  - Interest rate credited on repayment as of 12/31/2018

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- Are there any restrictions on a participant's remaining balance when they have a loan outstanding? (I.e., a collateral amount must be invested in the Fixed Account)

59. Fully describe your capabilities and processes in the area of compliance, based on 403(b) regulations. How would you ensure we comply with each of the following items. We would like your responses to include, but not be limited to:

- Effective Date
- Written Plan
- Transfers and Exchanges
- Consequences of defects
- Universal Availability and other nondiscrimination requirements
- Distributions and Loans
- Contribution limits
- Vesting
- Plan Termination
- Timing of contribution remittance
- Title I of ERISA

To the extent a vendor (or vendors) fails to provide the information, either by lack of response or by lack of capability, how would you consult with in order to comply with the new regulations?

### **Education and Communication:**

60. Does your firm provide printed education materials and programs other than enrollment? If so, describe the frequency and scope these materials cover. Please provide samples.
61. Will you customize Plan Sponsor and/or Participant communication deliverables (including web presentations and participant statements)? Please state the degree of customization included in your proposed expenses.
62. Do you target communications to specific employee groups using regular mail (e. g., non-participants, low deferral percentages, lack of investment diversification, those nearing retirement)? Please provide samples.
63. Can you personalize targeted participant mailings (e.g., name, salary, age)?
64. Do you provide each participant with an annual GAP analysis for their individual account without the participant having to request the analysis?
65. Do you offer GAP analysis tools for participants available on the website?)
66. Do you offer an online investment advice tool?
67. Do you have automatic enrollment capabilities?
68. Do you report on the number of participants automatically enrolled or participants who opted out each month to Plan sponsors?

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69. Do you report on behavior changes that results from meetings (either group or 1 on 1). Behavior changes could include enrolling in the Plan, increasing rate of deferral, changing asset allocation, etc.
70. Do you have automatic escalation/increase capabilities?
71. What options do you offer for defaulting automatically enrolled participants into the plan?
72. Do you offer any additional participant services?
73. Please list any additional costs associated with any of the above features and communication materials.
74. How do you provide temporary passwords and/or a replacement PIN to a participant who is unable to access his/her previously assigned password/PIN? Is this available immediately or does the participant need to wait for a replacement through the mail?
75. How many days of employee meetings at each public school location are included in your proposal both in the first year and ongoing? How will you provide the entities with data showing compliance with the agreed upon number of days per location?
76. Will you provide 1 on 1 meetings with employees? How many? How will you show compliance with the schedule?
77. Provide a sample communications calendar.
78. How many local representatives will be assigned to service the entities?
79. Do you have corporate standards for returning phone calls to clients? If yes, please detail and describe how this is monitored.
80. What hours are the representatives available to clients via telephone or email? What are the representatives' office hours?

### **Investments:**

81. How many funds and fund families do you have access to on your investment platform?
82. Are there further restrictions as to the funds or families available on your platform?
83. Is there any number of funds or percentage of assets required in your proprietary fund offerings that a client must meet? If so, describe.
84. Are there any restrictions as to the number of funds that a plan can offer on your platform? If so, describe.
85. Does the Plan Sponsor have the ability to build risk based asset allocation models from the core investment menu?
86. Does the Plan Sponsor have the ability to easily replace investment options?
87. What is the required notice period to replace investment options?
88. Who is responsible for drafting and mailing notification to participants when investments are replaced?

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89. Are there any costs associated with closing one fund and mapping assets to another (other than those associated with a particular fund (i.e. redemption fees)?
90. Is there a blackout that requires a Sarbanes-Oxley notice to be provided to participants when fund options are replaced?
91. Do you provide an automatic rebalancing capability?

### **Plan Fees:**

92. May fees be netted from participant accounts? If yes, does the plan sponsor have the choice of reflecting this on participant statements as a line item?
93. May fees be netted from the investment returns in the plan? If yes, does the plan sponsor have the choice of reflecting this on participant statements as a line item?
94. Does your firm provide for full fee transparency, including disclosure of all expenses, sub transfer arrangements and any other fees that a platform may be receiving in exchange for services provided to the plan? Please note how you provide fee transparency on fixed accounts.
95. Assuming there is no revenue sharing, what would be your gross fee to service this/these plans? What services are included in this fee?
96. Are there any funds that will be required to be offered if you are selected as the provider? If so, please provide revenue sharing from those assets.
97. Provide a list of all miscellaneous fees that may be incurred by the plan sponsor or plan participant outside of the fees for your standard services. Please include loans, hardships, in-service withdrawals, terminations, and QDRO processing (not qualification).
98. Please provide your fees for employee communications and education services.
99. Are the revenues generated from the investments maintained in a separate Plan Sponsor account to be used for expenses?

### **Systems and Technology:**

100. What percentage of your firm's budget is applied to technology improvements for retirement services?
101. What dollar amount of your firm's budget is applied to technology improvements for retirement services?
102. Do you have complete disaster recovery capabilities and plan?
103. Do you have a redundant system?
104. Describe your security for protecting an individual's personal information.
105. Has your firm experienced any security breach of plan participant personal information in the past? If so, explain.
106. Please provide a Plan Sponsor Demo Website and Plan Participant Demo Website (information to access).



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107. How often is your web site unavailable?
108. Can the plan sponsor's logo be featured on the participant website?
109. Is there any other customization of the website available (client's colors, layout etc.)?
110. Do you provide a static website with information for participants during the conversion project?

### **Reporting:**

111. Do you offer corporate trustee services?
112. Provide the name of your trustee/custodian.
113. Does your firm have internal safeguards to prevent corruption?
114. Does your firm have the ability to provide signature ready 5500 tax forms?
115. Will you provide a three year service guarantee in which the contracted rates will not increase?
116. Do you measure your performance against established service standards at least annually?
117. Do you guarantee your performance standards against service standards?
118. If your service and performance standards are not met, will you subject yourself to financial penalties?
119. What are your service and/or performance standards with regard to the following:
  - Statement delivery
  - Queue time VRU
  - Year-end report package
  - Signature ready 5500 delivery
  - Loan processing
  - Payroll processing
  - Distribution processing
120. Are quarterly statements for plan sponsor and plan participant kept and made available for at least four quarters?

### **Vendor References:**

121. How many organizations sponsoring [403(b)] and [457(b)] Plans does your company actively service in the Commonwealth of Virginia?
122. List three (3) references for public school districts, including contact person, phone number and e-mail address for which your company is currently providing [403(b)] and [457(b)] services.

## PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.19 | Q2 19

Newport News Public Schools 403(b) Plan

FUND OPTION	CURRENT INVESTMENT NAME	— MARKET VALUE —			
		12.31.2018	(%)	CURRENT	(%)
Stable Value	Lincoln Stable Value (Z28)	\$6,764,100	25.75%	\$6,976,199	24.07%
Fixed Income - Intermediate Core Bond	BNY Mellon Bond Market Index Inv	\$4,762,469	18.13%	\$5,075,257	17.51%
Intermediate Core-Plus Bond	Lord Abbett Total Return R3	\$3,449,570	13.13%	\$3,671,356	12.67%
Large Company Value	JHancock Disciplined Value R2	\$1,400,427	5.33%	\$1,601,607	5.53%
Large Company Blend	BNY Mellon S&P 500 Index	\$2,606,968	9.93%	\$3,131,898	10.81%
Large Company Growth	MFS Growth R2	\$335,190	1.28%	\$415,557	1.43%
Medium Company Value	JPMorgan Mid Cap Value A	\$1,052,741	4.01%	\$1,222,148	4.22%
Medium Company Growth	MassMutual Select Mid Cap Growth A	\$361,906	1.38%	\$472,788	1.63%
Foreign Large Blend	American Funds Europacific Growth R3	\$1,617,108	6.16%	\$1,876,634	6.48%
Foreign Large Blend	MFS International Intrinsic Value R3	\$855,157	3.26%	\$949,633	3.28%
Small Company Value	Victory Integrity Small-Cap Value A	\$299,944	1.14%	\$357,895	1.24%
Small Company Blend	JPMorgan Small Cap Equity A	\$1,084,180	4.13%	\$1,326,682	4.58%
Specialty-Real Estate	DWS RREEF Real Estate Securities S	\$455,819	1.74%	\$527,212	1.82%
Self-Directed Brokerage	Self Directed Accounts	\$813,058	3.10%	\$906,372	3.13%
Loan	Loan Fund	\$405,380	1.54%	\$467,541	1.61%
<b>TOTALS</b>		\$26,264,018	100%	\$28,978,779	100%

Information provided by Record Keeper. For informational purposes. Not a substitute for official statements produced by the plan custodian. Information has been obtained from sources considered reliable, but its accuracy and completeness are not guaranteed. This report is not an illustration of investment performance, but rather a historical illustration of asset allocation.

# PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.19 | Q2 19

Newport News Public Schools 457(b) Plan

FUND OPTION	CURRENT INVESTMENT NAME	— MARKET VALUE —			
		12.31.2018	(%)	CURRENT	(%)
Stable Value	Lincoln Stable Value (Z28)	\$458,418	44.63%	\$394,233	38.86%
Fixed Income - Intermediate Core Bond	BNY Mellon Bond Market Index Inv	\$50,975	4.96%	\$39,716	3.91%
Intermediate Core-Plus Bond	Lord Abbett Total Return R3	\$32,316	3.15%	\$28,491	2.81%
Large Company Value	JHancock Disciplined Value R2	\$16,247	1.58%	\$14,887	1.47%
Large Company Blend	BNY Mellon S&P 500 Index	\$222,903	21.70%	\$263,806	26.00%
Large Company Growth	MFS Growth R2	\$6,779	0.66%	\$8,369	0.82%
Medium Company Value	JPMorgan Mid Cap Value A	\$14,465	1.41%	\$15,481	1.53%
Medium Company Growth	MassMutual Select Mid Cap Growth A	\$16,608	1.62%	\$18,364	1.81%
Foreign Large Blend	American Funds Europacific Growth R3	\$21,384	2.08%	\$20,645	2.03%
Foreign Large Blend	MFS International Intrinsic Value R3	\$15,112	1.47%	\$14,792	1.46%
Small Company Value	Victory Integrity Small-Cap Value A	\$12,780	1.24%	\$14,296	1.41%
Small Company Blend	JPMorgan Small Cap Equity A	\$30,565	2.98%	\$35,285	3.48%
Specialty-Real Estate	DWS RREEF Real Estate Securities S	\$5,544	0.54%	\$4,121	0.41%
Self-Directed Brokerage	Self Directed Accounts	\$118,577	11.54%	\$137,049	13.51%
Loan	Loan Fund	\$4,441	0.43%	\$4,984	0.49%
<b>TOTALS</b>		\$1,027,112	100%	\$1,014,518	100%

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August 19, 2019  
**Addendum 3**

TO: ALL OFFERORS

RE: **RFP 018-0-2019LAC Supplemental Retirement Benefit Plan Recordkeeping Services**

The following information is provided:

1. Responses to questions received attached to this addendum.
2. Adoption Agreement document attached to this addendum

All other provisions of the RFP shall remain unchanged.

**Signature:** \_\_\_\_\_  
(Offeror)

Sincerely,

Lisa A. Cumming, CPPO, C.P.M., VCO  
Director of Procurement

Attachments (2):  
Attachment C: Questions and responses  
Attachment: Adoption Agreement