

**North Dakota Public Employees Retirement System  
401(a) Defined Contribution Plan  
IRC Section 457 Deferred Compensation Companion  
Plan**

**Request for Proposal to Provide  
Semi-Bundled  
Deferred Compensation Services:  
Recordkeeping/Administration,  
Communication/Education,  
Custodial Trustee Services and Investment  
Management Services**

<b>Issue Date:</b>	<b>11/28/2016</b>
<b>Deadline for Questions:</b>	<b>12/12/2016</b>
<b>Deadline for Submission:</b>	<b>01/09/2017</b>

## NOTICE TO PROPOSERS

There may be one or more amendments to this Request for Proposal (“RFP”). If your company desires to receive copies or notices of any such amendments, you **must** provide the information requested below to Craig Chaikin at Segal Rogerscasey by e-mail at [cchaikin@segalrc.com](mailto:cchaikin@segalrc.com). Additional information about the plans is available at <http://www.nd.gov/ndpers/>.

All inquiries regarding this RFP must be addressed to the individual listed above. The North Dakota Public Employees Retirement System (NDPERS) in consultation with Segal Rogerscasey will issue responses to inquiries and any other corrections or amendments it deems necessary in addenda issued prior to the Proposed Submission Deadline. Proposers should not rely on any representations, statements or explanations other than those made in this RFP or in a formal addendum. It is the proposer’s responsibility to ensure receipt of all addenda.

**Amendments to the RFP will only be sent to those firms that complete and return this form via fax or provide the requested information by e-mail.**

RFP Name	North Dakota Public Employees Retirement System 457 Deferred Compensation Companion Plan and 401(a) Defined Contribution Plan Recordkeeping and Investment Services
Company name	_____
Mailing address	_____ _____ _____
Phone number	_____
Fax number	_____
Contact person	_____
E-mail address	_____

*All amendments will be sent via E-mail*

Any alterations to this document made by the proposer may be grounds for rejection of the proposal, cancellation of any subsequent award, or any other legal remedies available to NDPERS

**From the date this RFP is issued until the award of the contract, all communication related to this RFP shall be directed to Craig Chaikin of Segal Rogerscasey.**

### Projected Timetable

TASK	TARGET DATES
Release of Request for Proposal – RFP	<b>11/28/2016</b>
Receive pre-proposal questions from provider(s)	<b>12/12/2016</b>
Provide response to provider(s) proposal questions	<b>12/19/2016</b>
<b>Deadline for proposal submission</b>	<b>01/09/2017</b>
Finalists Presentations	<b>March 2017</b>
Commence Plan Implementation	<b>April 2017</b>
Asset Transfer	<b>June 30, 2017</b>

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# **SECTION 1**

## **Introduction/Overview**

# Section 1: Introduction/Overview

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## **Purpose/Objective**

The North Dakota Public Employees Retirement System (NDPERS) is seeking competitive proposals from qualified companies to provide semi-bundled 401(a) Defined Contribution Plan and 457 Deferred Compensation Companion Plan services (i.e., recordkeeping/administration, communication/education, and custodial trustee services) and semi-bundled investment management services for the North Dakota Public Employees Retirement System 401(a) Defined Contribution and IRC Section 457 Deferred Compensation Plan

NDPERS has retained Segal Advisors, Inc. to assist in the evaluation and selection of a full service provider to administer the Plans

The purpose of this RFP is to solicit proposals from qualified vendors that can offer best-in-class investment choices, highest-quality services and favorable costs (i.e., the maximum value for the benefits proposed).

NDPERS is also requesting each proposer provide recommendations in alternative asset classes it believes will enhance the Plan. Each proposer should provide recommendations in its response to section 3: Investment Management Services, and include its reasoning.

NDPERS expects each proposer to clearly outline its best and most comprehensive resources because all services and responsibilities identified in this RFP, with the exception of Qualified Domestic Relations Orders and Hardship Withdrawals determinations, will be outsourced to the service provider.

Additionally, the successful bidder will actively work with NDPERS to meet the following key Plan objectives:

1. Increase the overall number of participants in the 457 Companion Plan 2. Increase the average contribution percentage rate, thus producing a higher average account balance in the 457 Companion Plan

These objectives for the 457 Companion Plan may be achieved by:

(a) Offering incentives, such as a buyout of surrender charges, allowing participants utilizing another deferred compensation service provider to transfer their balances to the plan

(b) Increasing the contribution rate of the 457 Companion Plan

(c) An alternative strategy suggested by the selected service provider

## ***Background***

### **NDPERS IRC Section 457 Deferred Compensation Companion Plan:**

The administration of the deferred compensation plan for public employees was given to NDPERS on July 1, 1987. All state employees are eligible to participate, as well as political subdivision employees, if the governing authority of the political subdivision elects to offer the state plan.

Presently about 7,000 employees have accounts with fifteen investment providers. There are nine active providers. Assets are over \$200 million. The Board has developed a plan and contracts with investment providers (mainly insurance companies) to invest the contributions of employees.

The deferred compensation plan is found in Chapter 54-52.2 of the North Dakota Century Code (NDCC). State administrative code allows any provider company to participate in the program that has 50 or more eligible members willing to sign up for their product. NDPERS does not select or monitor the investment products offered by these vendors, and does not act as a trustee for their products.

In 1998 NDPERS decided that an additional product should be added that would be: 1) selected by NDPERS based upon a competitive RFP process, 2) that NDPERS would act as the trustee for, 3) that NDPERS would select and monitor the investment products, and 4) the investment products would be mutual funds. This product is called the NDPERS Companion Plan. NDPERS developed a Statement of Investment Policies for this plan. This policy may be viewed at:

<http://www.nd.gov/ndpers/forms-and-publications/publications/investment-policy-companion-plan.pdf>  
 NDPERS also has been monitoring the investment products for this plan. This report can also be found on its website at [www.nd.gov/ndpers](http://www.nd.gov/ndpers).

The 457 Companion Plan has over \$83.0 million in assets with approximately \$800,000 in monthly contributions. TIAA is the present provider for these services. There has been a steady growth in Plan assets and participation.

Date	Assets	Number of Participants
September 2013	\$54.0 million	4,626
September 2014	\$64.3 million	5,293
September 2015	\$69.9 million	6,033
September 2016	\$83.0 million	6,728

**NDPERS 401(a) Defined Contribution Plan:**

The state approved the establishment of a defined contribution plan for certain state employees, effective January 1, 2000. This program is offered as an alternative to the State’s defined benefit plan. Eligible employees are not classified by Human Resource Management Services; however, this does not include employees of the University System and the Supreme Court.

In 2013 the legislature changed the eligibility provision to allow all new state employees the options to elect out of the DB plan and join the DC plan within the first six months of employment. This option as passed has a sunset clause on it for 2017. Unless legislation is passed in the 2017 session eligibility will revert back to non-classified employees on July 1, 2017.

Approximately 95 employees are enrolled in the 401(a) Defined Contribution plan. The estimated value of contributions to this plan is approximately \$75,000. Total assets are approximately \$11.3 million. Monthly contributions in the amount of 14.12% of salary are added to the plan for each month for each participant. Similar to the Companion Plan the “Statement of Investment Policy” and “Quarterly Report” are available on the NDPERS Web site under Defined Contribution Retirement Plan. TIAA is the present provider for these services.

<http://www.nd.gov/ndpers/forms-and-publications/forms-pubs-dc.html>  
<http://www.nd.gov/ndpers/forms-and-publications/publications/investment-policy-defined-contribution-plan.pdf>

Both the 401(a) Defined Contribution Plan and the 457 Deferred Compensation Companion Plan utilize the same investment options. Additionally, a self-directed brokerage option is currently available.

Participants must complete and return a form to NDPERS for approval to utilize the self-directed brokerage option.

## **Scope of Services**

### ***Investment Management Services***

The Plans currently offer participants a diverse array of investment options covering all major asset classes. NDPERS is looking for a provider that can offer participants a selective, highly competitive investment product for each asset class described in the RFP

While the final investment line-ups will be determined by NDPERS in its sole discretion, for purposes of submitting your firm's proposal you should assume that the investment structure would be exactly as described in the RFP. In addition, NDPERS is looking for the selected service provider to review the existing fund line up and asset classes and make any recommendation it deems appropriate for additional core options in the Plans.

The Stable Value Fund should be fully diversified, limit credit risk/exposure, provide competitive returns with no benefit payment limitations and provide attractive contract termination conditions such as transfer of book value with no market value adjustments or liquidation penalties. Investment options with any front-end or rear-end loads or other similar fees, charges or penalties will not be considered.

### ***Administration and Recordkeeping Services***

Proposers will be required to provide detailed information about their recordkeeping and administrative systems and use of technology. Important factors include ability to monitor compliance, process participant transactions, provide timely and accurate participant statements and financial statements for the plan sponsor. The service provider selected by NDPERS must have in place a toll-free customer service center, automated voice response system, and Internet service that allow participants access to their accounts.

Proposers will provide extensive capabilities to support employee self-service using a variety of media. As a baseline, the proposer must provide superior Internet, interactive voice response system (VRS), and customer and field service representative capabilities to support the needs of the Plans' participants. The services must include the following:

1. Support employee enrollment activities, initial and ongoing.
2. Provide participant education through onsite group presentations and webinars.
3. Answer employee inquiries related to eligibility, plan features, and investment offerings.
4. Allow employees to model retirement scenarios, request withdrawals from the Plans, change investment mix, change investment rates and percentages, request balances, and other similar activities.
5. Provide participant investment education materials to make informed investment decisions.
6. Provide participant investment advisory services.
7. Provide benefits literature, such as summary plan descriptions, forms, statements, and prospectuses.

8. Work with NDPERS staff to administer unforeseen emergency withdrawals, service purchases, transfers and Domestic Relations Orders.
9. For the DC 401(a) plan, must be able to provide a comparison tool to look at DB and DC plan projections.

NDPERS will be responsible for establishing qualification procedures and other distribution and savings options. In accordance with applicable federal statutes and regulations, NDPERS shall approve all unforeseeable emergency withdrawal requests and handle all appeals of that determination.

NDPERS expects the successful service provider to be able to accept daily/weekly data interfaces of enrollment/contribution data. The service provider will be held accountable for timely, accurate transmission and, as appropriate, editing and validation of data for processing enrollments and contribution activity.

### ***Implementation Services***

Proposers must provide a detailed transition strategy along with communication materials to explain any new plan changes and enhancements. The potential transition from the current plan provider to a new provider will require you to provide an explanation of the process, blackout period, and reconciliation of plan assets to the individual participant records.

### ***Employee Communication/Education and Enrollment Services***

The prospective service provider will be required to provide a comprehensive employee communication and investment education program that includes investment advice and pre-retirement planning services. Communication services are to be supported by customer service representatives and comprehensive Internet services that provide participants with interactive financial and retirement planning tools and software. A dual-high touch, high-tech approach will be required to provide the participants with all of the necessary financial information and data to make informed investment decisions related to their elections. An explanation that outlines your firm's capabilities in designing and implementing a communication/education strategy will be required for both the initial transition and ongoing process. The goal is to identify a service provider that offers a comprehensive communication/education services supported with field service representatives to accommodate the needs of the employees located throughout the State of North Dakota including one-on-one counseling and investment advisory services. Field service representatives' compensation cannot be structured for any bias towards any investment product or advisory services.

The service provider will participate in NDPERS enrollment efforts as determined by NDPERS. The service provider may be called upon to prepare enrollment packages, which may be distributed at group meetings and in response to an employee's request and will contain all information in a complete and concise manner so that an employee would be able to enroll in the Plans. The service provider may also be required to provide enrollment counseling to employees who wish to discuss the Plans and the investment offerings in person or over the telephone.

The service provider will be required to prepare, for NDPERS approval, an annual education plan. This plan should detail the approach that your organization will take in communicating the program to employees, including the plan for contacting existing participants, by mail/or email, by telephone or in person, to periodically re-evaluate their deferred compensation plan participation and review whether changes should be made. NDPERS will require a quarterly report from the service provider to monitor plan level activities, including Plan investments. This report shall include data on both the Plan and



participant level, as well as the status and resolution of any participant problems and developments in the delivery of plan services. NDPERS will also require monthly account balance reports for each Plan.

The Plans currently have two, local service provider representatives that provide onsite services. Participants also have access to a wealth group located in Minneapolis. These service representatives average about 85 days of individual member meetings per quarter. They also conduct 6 on-site workshops per year along with 10 financial webinars that are open to all members.

### ***Trustee/Custodial Services***

The proposer must provide trustee/custodial services for the Plans or arrange for trustee services with an outside party. Any additional costs for trustee/custodial services are to be fully disclosed in the fee section of this Request for Proposal.

## **Proposal Preparation**

### ***Fees***

Each respondent must fully disclose fees based on the plan information provided in this RFP as both a flat total dollar amount and as a basis point fee.

### ***Preparation Costs***

All costs incurred during proposal preparation or in any way associated with the proposal's preparation, response, submission, presentation, or oral interviews shall be the sole responsibility of the proposer and will not be reimbursed by the Plans.

### ***Term of Contract***

The successful proposer must execute a contract providing the specified package of services in accordance with the State's requirements.

Once awarded, the contract will begin **July 1, 2017** for a period of **24-months** concluding on **June 30, 2019**. The fee structure proposed must be guaranteed for the initial contract term. In addition, NDPERS, at its discretion, may extend the contract for up to two, 24-month periods. The fee structure of these extensions will be subject to negotiations.

NDPERS is not bound by any oral or written information released prior to the issuance of this RFP. Any materials and documents developed during the engagement will become the property of NDPERS.

In submitting a proposal, the selected provider agrees that NDPERS has access to and the right to examine directly all pertinent documents, papers and records of the contractor and/or any subcontractor as related to any contract and/or sub-contract resulting from this RFP. NDPERS has the exclusive ownership and unlimited rights to use, disclose, or duplicate for any purpose whatsoever, all information, data, designs, work products, and materials developed by the provider under contract.

NDPERS reserves the right to refuse to do business with any proposer found to be non-responsive by NDPERS. NDPERS reserves the right to postpone or cancel this RFP and to reject all proposals.

If no agreement is reached with a proposer within a period of time considered reasonable by NDPERS, NDPERS may terminate negotiations and select another proposer, issue a new RFP, or take any other action consistent with the Plans' best interests. No proposer shall have any rights against the Plans,

NDPERS, or the State arising from such negotiations. By issuing this RFP, NDPERS is not obligated to award a contract. The contract between the Plans, acting through NDPERS, and the successful proposer shall contain provisions based on the specific requirements of this RFP, the successful proposer's proposal, and general provisions governing all Plans' contract. No elected or appointed member, agent, or employee of NDPERS and/or the State shall benefit financially or materially from any contract resulting from this procurement. NDPERS may terminate any contract resulting from this procurement if gratuities were offered or given by the contractor or his agent to any member, agent, or employee of NDPERS and/or the State.

The selected proposer is responsible for the entire contract performance. The proposer must indicate in the RFP if it intends to use a subcontractor for any part of the work. If so, the proposer shall identify each subcontractor by name, business address, and expertise, and must include the name(s) of the principal(s) of the subcontracting entity. A full description of the tasks to be performed by the subcontractor must be included.

The proposer understands that if any term or condition of this RFP or subsequent contract is determined to have been entered by an agent of NDPERS without the appropriate authority, said term or condition shall be void and unenforceable.

NDPERS reserves the right to accept or reject the account manager and other staff personnel designated for its programs, both initially and in future years. The successful contractor must notify NDPERS of all changes in the personnel assigned to this engagement.

The final award will be subject to the execution of a service contract acceptable to NDPERS.

### ***Confidentiality***

All materials submitted in response to this RFP will become property of NDPERS and upon receipt BY NDPERS are subject to the North Dakota public records law. If the Responder submits information in response to this RFP that it believes to be confidential financial, commercial, propriety or trade secret materials the Responder must:

- a. Clearly mark each provision that respondent believes to be confidential in its response at the time the response is submitted,
- b. Include a statement with its response justifying the confidential designation for each provision.
- c. Attest whether the information sought to be protected has ever been previously publicly disclosed, if not whether disclosure would cause the Responder competitive injury, and if so, how.

Responder is put on notice that, except for information that is determined by NDPERS to be confidential or otherwise exempt from the North Dakota public records law, NDPERS must disclose to the public upon request any records it receives from Responder. If NDPERS receives a request for information that Responder has requested be kept confidential, NDPERS will review the above information submitted by Responder and may also contact Responder for additional input regarding the nature of those records, but NDPERS will be solely responsible for making the ultimate determination of whether the materials submitted are open or exempt. All information that has not been clearly identified by Responder as being confidential and which NDPERS has determined constitutes confidential or exempt information under the North Dakota public records law will be disclosed as an open record. NDPERS will not consider the prices submitted by the Responder to be confidential.

## Minimum Qualifications of Service Provider

The following is the criteria for a semi-bundled provider to be considered as an eligible candidate to bid on the requested services described in this RFP.

1. Proposers must certify that they are a qualified firm to provide administrative services pursuant to Sections 401(a) and 457 of the Internal Revenue Code, including all rules and regulations of the State of North Dakota.
2. Proposers must offer the following administrative services (i.e., recordkeeping/administration, communication/education, investment management, custodial trustee services, and investment advisory services) and submit a response to this proposal under all scenarios provided.
3. Proposers must comply with all RFP specifications. Unless otherwise noted by you, in your cover letter, it is assumed that, by submitting a response to this RFP, your response is intended to conform to the specifications in every way.
4. Proposers must be able to accommodate a **July 1, 2017** implementation date.
5. Proposer must have at least **five (5) years' experience** in providing the proposed services and products to the public sponsor defined contribution marketplace.
6. Proposer must have a minimum of **\$2 billion** under administration for public sector 401(a) and 457 plans.
7. Proposer must have at least **three (3)** public sector 401(a) and 457 plan accounts each with **10,000** or more participants.
8. Proposer must have at least **three (3)** public sector clients where you administer the 401(a) and/or 457 plans.

## Service Provider Preferences

1. Proposer should have a Statement on Standards for Attestation Engagements (SSAE) 16 conducted at least annually and provide their most recent SSSAE 16 as part of their response to this proposal.
2. Proposers should have the capability to accept daily/weekly data interfaces from NDPERS with enrollment and contribution data for plan participants.
3. Proposers must provide resources to support the on-going consultation to NDPERS and all Plan participants located throughout the State. This includes the availability of customer and field service representatives to support employee meetings and new employee orientation programs. The selected vendor must have field service support available by **April 3, 2017** to commence the new plan roll out.
4. Proposers should be solely liable and responsible for any processing errors of the provider or its agents. In the event of a participant's loss of interest and/or dividend and/or principal due to an error by the selected proposer or its agent in processing transactions on behalf of the participant, the selected proposer agrees to adjust the participant's account to the same position as if the processing error had not occurred.

**Any responses not meeting these specifications may be considered, at the sole discretion of NDPERS, as non-responsive.**

# Section 1: Introduction/Overview

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## Information Regarding the 401(a) Defined Contribution Retirement Plan <http://www.nd.gov/ndpers/forms-and-publications/publications/dc-plan-handbook.pdf>

<b>Plan Name:</b>	North Dakota Public Employee Retirement System Defined Contribution Plan
<b>Plan Sponsor:</b>	North Dakota Public Employees Retirement System 400 E Broadway, Suite 505 PO Box 1657 Bismarck, ND 58502-1657
<b>Eligibility:</b>	All permanent employees who meet the eligibility requirements set by chapter 54-52.6, except an employee who is eligible for the Highway Patrol Retirement System, an employee who is eligible for the Teachers Fund for Retirement, or an employee who is eligible for the alternate retirement program
<b>Eligible Employees:</b>	There are approximately <b>130/month</b> newly eligible employees
<b>Contribution Types:</b>	
<b>Mandatory Employee</b>	▪ 7% of compensation
<b>Employer</b>	▪ 7.12% of compensation deposited each calendar month
<b>Employer Payment of Employee</b>	▪ The Employer, at its option, may pay for the employee contributions for all compensation earned after December 31, 1999
<b>Vesting:</b>	Less than 2 years of service                      0% 2 years    50% 3 years    75% 4 years    100%
<b>Benefit Payment Events:</b>	The Plan allows for withdrawals for the following events: ▪ Termination of employment ▪ Less than \$1,000 force outs ▪ Minimum Required Distributions ▪ Retirement ▪ Death ▪ Disability ▪ Qualified Domestic Relations Orders.
<b>Forms of Distribution:</b>	▪ Lump Sum ▪ Periodic payments (monthly, quarterly or semi-annually)
<b>Fees:</b>	0.23%; all in revenue sharing

## Information Regarding the 457 Plan

<http://www.nd.gov/ndpers/forms-and-publications/publications/defcomp.pdf>

<b>Plan Name:</b>	State of North Dakota 457 Deferred Compensation Companion Plan
<b>Plan Sponsor:</b>	North Dakota Public Employees Retirement System 400 E Broadway, Suite 505 PO Box 1657 Bismarck, ND 58502-1657
<b>Eligibility:</b>	Employees of the State of North Dakota and employees of participating political subdivisions <ul style="list-style-type: none"><li>▪ Permanent employees working a minimum of 20 hours per week for 20 or more weeks per year</li><li>▪ 18 years of age filling a permanent position that is regularly funded and not of limited duration</li><li>▪ Legislators</li></ul>
<b>Eligible Employees:</b>	There are approximately <b>15,000</b> eligible State employees plus participating political subdivision employees
<b>Contribution Types:</b>	
<b>Employee Pre-Tax:</b>	▪ Minimum of \$25.00 per month
<b>Rollovers:</b>	▪ Rollover contributions from 401(a), 401(k), 401(c) Keogh, 403(b), 457(b), FERS and IRA
<b>Catch-Up Contributions:</b>	▪ Age 50 and over and 3-Year
<b>In-Service Withdrawals:</b>	Participants may withdraw their contributions plus interest for the following reason: <ul style="list-style-type: none"><li>▪ Financial hardship in accordance with IRS regulations</li><li>▪ Qualified Domestic Relations Orders</li><li>▪ Purchase of Service Credits</li><li>▪ One-time de minimus distribution of account balances less than \$5,000 and have not contributed in the previous 24 months</li></ul>
<b>Benefit Payment Events:</b>	The Plan allows for withdrawals for the following events: <ul style="list-style-type: none"><li>▪ Termination of employment</li><li>▪ Retirement</li><li>▪ Death</li><li>▪ Required Minimum Distributions</li></ul>
<b>Forms of Distribution:</b>	<ul style="list-style-type: none"><li>▪ Lump Sum</li><li>▪ Periodic payments</li></ul>
<b>Fees:</b>	0.23%; all in revenue sharing

## NDPERS Participating Political Subdivisions/Employer Groups

Number	Agency	Employees
10100	Governor's Office	13
10800	Secretary Of State	34
11000	Office Of Management & Budget	40
11200	Information Technology Dept	315
11700	State Auditor's Office	55
11800	Central Services	25
12000	State Treasurer's Office	6
12500	Attorney General's Office	235
12700	Tax Department	125
13000	Facility Management	53
14000	Office Of Administrative Hearings	5
16000	Legislative Council	36
18000	ND Supreme Court	375
18800	Commission On Legal Counsel For Indigent	39
19000	Retirement & Investment Office	19
19200	ND Public Employees Retirement System	33
20100	Public Instruction	87
20200	Education Standards & Practice	7
21500	ND University System Office	10
22300	ND Youth Correctional Center	68
22400	Juvenile Services - DOCR	29
22600	Land Department	29
22700	Bismarck State College	144
22800	Lake Region State College	48
22900	Williston State College	35
23000	University Of North Dakota	1059
23500	North Dakota State University	866
23800	ND St College Of Science	161
23900	Dickinson State University	68
24000	Mayville State University	112
24100	Minot State University	178
24200	Valley City State University	62
25000	ND State Library	27
25200	SCHOOL FOR THE DEAF	36
25300	School For The Blind	17
26100	ND Board Of Nursing	8
27000	Career & Technical Education	24
30100	ND Department Of Health	357

30500	Tobacco Prevention/Control Committee	9
31000	Life Skills and Transition Center	352
31100	San Haven State Hospital	1
31200	North Dakota State Hospital	403
31300	ND Veterans Home	142
31600	Indian Affairs Commission	3
32100	Veterans Affairs Department	9
32500	Department Of Human Services	1336
36000	Protection & Advocacy Project	28
38000	Job Service North Dakota	162
40100	Insurance Department	42
40500	Industrial Commission	105
40600	ND Department Of Labor	14
40800	Public Service Commission	42
41200	Aeronautics Commission	6
41300	Department Of Financial Institutions	30
41400	ND Securities Department	8
42600	State Board Of Law Examiners	4
42700	ND State Board Of Cosmetology	1
42800	ND State Plumbing Board	6
47100	Bank Of North Dakota	172
47200	Public Finance Authority	2
47300	Housing Finance Agency	39
47500	Mill & Elevator Association	142
48500	Workforce Safety & Insurance	257
50200	Field Services Division	135
50400	Highway Patrol	196
51700	Department Of Corrections Transitional S	42
51800	James River Correctional Ctr	162
51900	State Penitentiary	229
52000	Rough Rider Industries	30
53000	Department Of Corrections And Rehabilita	107
54000	Adjutant General ND National Guard	212
60100	Department Of Commerce	66
60200	Dept Of Agriculture	70
60700	Milk Marketing Board	3
60800	ND Oilseed Council	1
61100	ND Soybean Council	6
61400	ND Corn Utilization Council	3
61600	State Seed Department	26
62400	Beef Commission	3
62500	ND Wheat Commission	5

62600	ND Barley Council	1
66500	State Fair Association	21
67000	Racing Commission	2
70100	Historical Society	75
70900	ND Council On The Arts	5
72000	Game & Fish Department	160
75000	Parks & Recreation Department	64
77000	Water Commission	92
80100	Department Of Transportation	1026
90000	ND State Board Of Accountancy	4
90100	Board Of Medical Examiners	4
90200	Board Of Pharmacy	3
90600	Real Estate Commission	3
90900	Electrical Board	19
99501	ND System Information Technology Service	31
100002	McIntosh District Health Unit	2
100003	Wells County Dist Health Unit	4
100004	Central Valley Health Unit	22
100005	Dickey County Health District	4
100006	Emmons County Public Health	6
100007	Rolette County Public Health	8
100008	Towner County Public Health Unit	2
100009	Nelson-Griggs District Health Unit	3
100010	First District Health Unit	48
100011	Lake Region District Health Unit	18
100012	Garrison Diversion Conservancy District	29
100013	Upper Missouri Health Unit	18
100014	Kidder County District Health Unit	2
100015	Southwestern District Health Unit	27
100017	City-County Health District	13
100018	Sargent County District Health Unit	2
100019	Traill District Health Unit	3
100021	Cavalier County Health Dist	2
100022	Walsh County Health District	5
100023	Custer Health Unit	30
200002	City Of Mcville	4
200003	City Of Drayton	6
200004	City Of Fessenden	1
200005	City Of Westhope	3
200006	City Of Belfield	9
200008	City Of Rolla	9
200009	City of New Town	21



200010	City Of Cavalier	15
200011	City Of Harvey	14
200012	City Of Napoleon	6
200014	City Of Grand Forks	376
200015	City Of Killdeer	14
200016	City Of Ellendale	9
200017	City Of Wishek	6
200018	City Of Granville	2
200019	City Of Linton	6
200020	City Of Finley	2
200021	City Of Wilton	3
200022	City Of Ray	4
200025	City Of Medora	7
200026	City of Velva	6
200027	City Of Mandan	32
200028	City Of Thompson	5
200029	City Of Williston	274
200030	City Of Bowman	19
200031	City Of Tioga	18
200033	City Of Rhame	1
200035	City Of Fargo	540
200036	City Of Jamestown	115
200037	City Of Beach	5
200038	City Of Glenburn	2
200040	City Of Kulm	4
200041	City Of Harwood	3
200045	City Of Mapleton	2
200046	City Of Wahpeton	51
200049	City Of Elgin	2
200050	City Of Rugby	16
200051	City Of New Salem	4
200052	City Of Walhalla	6
200053	City Of Gwinner	4
200054	City Of Kenmare	7
200055	City Of Watford City	53
200057	City Of Cooperstown	5
200058	City Of New England	2
200059	City Of Carrington	16
200060	City Of Mott	3
200061	City Of Larimore	4
200062	City Of Sherwood	1
200063	City Of Lamoure	4

200064	City Of Michigan	2
200065	City Of Park River	9
200067	City Of Hatton	2
200069	City Of Northwood	9
200070	City Of Powers Lake	3
200071	City Of Hillsboro	1
200072	City Of Towner	3
200073	City Of Pembina	2
200075	City Of Underwood	2
200076	City Of New Leipzig	1
200077	City Of Stanley	16
200080	City Of Crosby	5
200083	City Of Grafton	34
200084	City Of Emerado	2
200085	City Of Lincoln	8
200086	City Of Minto	2
200087	City Of Ashley	3
200088	City Of Nече	1
200089	City Of Surrey	10
200090	City Of Hankinson	6
200091	City Of New Rockford	6
200092	City Of Minot	1
200094	City Of West Fargo	144
200097	City Of Devils Lake	34
200098	City Of Oakes	15
200100	City Of Mohall	3
200101	City Of Lidgerwood	2
200102	City Of Mcclusky	1
200103	City Of Burlington	6
200104	City Of Lisbon	10
200110	City Of Halliday	3
200111	City Of Maddock	3
200114	City of Regent	2
200115	City of Lakota	5
200117	City of Alexander	3
200118	City of Berthold	3
200119	City of Carson	2
200120	City of Dodge	1
300001	Adams County	30
300002	Barnes County	96
300003	Benson County	51
300004	Billings County	44

300005	Bottineau County	75
300006	Bowman County	41
300007	Burke County	35
300008	Burleigh County	296
300009	Cass County	431
300010	Cavalier County	52
300011	Dickey County	48
300012	Divide County	53
300013	Dunn County	90
300014	Eddy County	24
300015	Emmons County	36
300016	Foster County	30
300018	Grand Forks County	297
300019	Grant County	35
300020	Griggs County	25
300021	Hettinger County	29
300023	Lamoure County	43
300024	Logan County	21
300025	Mchenry County	37
300026	Mcintosh County	31
300027	Mckenzie County	185
300028	Mclean County	113
300029	Mercer County	72
300030	Morton County	156
300031	Mountrail County	113
300032	Nelson County	40
300033	Oliver County	23
300034	Pembina County	66
300035	Pierce County	59
300036	Ramsey County	70
300037	Ransom County	44
300038	Renville County	30
300039	Richland County	124
300040	Rolette County	71
300041	Sargent County	1
300042	Sheridan County	23
300044	Slope County	17
300045	Stark County	130
300046	Steele County	26
300047	Stutsman County	137
300048	Towner County	26
300049	Traill County	66

300050	Walsh County	79
300051	Ward County	274
300052	Wells County	46
300053	Williams County	248
400002	Mcclusky Public Schools	7
400003	Lake Region Special Education Unit	17
400004	Lidgerwood Public School	17
400006	Halliday Public School	4
400007	Oliver-Mercer Special Education Unit	23
400008	Underwood School District #8	15
400010	New Town Public School District	78
400011	Bottineau Public School	65
400012	Peace Garden Special Services	10
400014	Beulah Public School #27	51
400016	St John School District #3	23
400017	Ellendale Public School District #40	25
400018	Rural Cass Special Education Unit	4
400019	Fargo Public Schools	729
400020	Surrey Schools	26
400021	Jamestown Public School District #1	164
400023	Warwick Public School	15
400024	Souris Valley Special Services	5
400025	Rugby Public School District #5	29
400026	Billings County School District	17
400027	Belcourt School District #7	110
400028	West Fargo Public School #6	657
400029	Minot Public School District #1	613
400030	Belfield Public School #13	15
400031	Minto Public School District #20	20
400033	Harvey Public School Dist #38	34
400034	Oakes Public Schools	24
400035	Larimore Public School District #44	28
400036	Hazen Public School District #3	28
400038	Park River Area School District	27
400039	Hillsboro Public School	26
400040	Lisbon Public School	31
400042	Northern Cass School District # 97	27
400043	Mandaree Public School #36	20
400044	Thompson Public School	16
400045	Northern Plains Special Ed Unit	2
400046	Bowman County School District #1	24
400047	Apple Creek Elementary School	2

400048	Burke Central School	8
400049	Washburn Public School	19
400050	Enderlin Area School District #24	32
400051	Midkota School	10
400052	Velva Public School	21
400053	Sheyenne Valley Special Education Unit	31
400054	Center Stanton Public School	13
400055	Burleigh County Special Education Unit	2
400056	New Rockford Sheyenne Public School	16
400057	James River Multidistrict Special Educat	9
400058	Newburg United Public School	7
400059	Napoleon Public School District #2	13
400060	Yellowstone School District # 14	7
400061	Cavalier Public Schools	26
400062	Richland School District # 44	26
400063	Fort Totten School District # 30	9
400064	Bismarck Public Schools	900
400065	Solen Public School Dist #3	14
400068	Lakota Public School District # 66	15
400069	Stanley Community Public School District	54
400070	Mandan Public School District #1	305
400072	Killdeer Public School #16	26
400073	Glenburn School District	22
400074	New Public School #8	29
400075	Williston Public School #1	248
400076	Valley City Public School	37
400077	Dickinson Public Schools	221
400078	Drayton Public School #19	10
400079	Mohall Lansford Sherwood School	17
400080	Westhope Public School #17	14
400081	Kindred Public School District #2	20
400082	Grafton Public School District #3	68
400083	Wilton Public School District	13
400084	Sheyenne Valley Career And Tech Center	4
400085	White Shield School Dist #85	35
400086	Tgu School District #60	79
400087	Turtle Lake Mercer School District #72	17
400088	Lamoure School District #8	23
400089	Divide County School Dist #1	25
400090	Mott/Regent School Dist #1	23
400091	United Public School District # 7	40
400092	Kulm Public School District #7	15

400093	Midway Public School District #128	20
400094	Dunseith School District #1	51
400095	Carrington School District #49	16
400096	Glen Ullin Public School #48	14
400099	Manvel Public School	8
400100	Maple Valley School District	19
400101	North Border School District # 100	27
400102	Mckenzie Cty Public School #1	99
400103	Devils Lake Public School	128
400104	Mt Pleasant School Dist #4	15
400105	Central Cass Public School District #7	39
400106	Milnor Public School District #2	16
400107	Mapleton Public School	5
400108	Linton Public School District #36	24
400109	Tioga Public School District #15	38
400114	Zeeland Public Schools	3
400117	Garrison Public School District #51	28
400118	Kenmare Public School District #28	20
400119	Lewis & Clark Public Schools	24
400120	Sw Special Education Unit	4
400121	North Valley Career & Technology Center	5
400122	Dakota Prairie Public School	31
400123	Beach Public School District #3	37
400124	Rolette Public School	9
400125	Drake Public School District	11
400137	New Salem Almont School District #49	21
400138	Max Public School	12
400139	East Central Special Education Unit	24
400140	North Sargent School District #3	19
400141	Wahpeton Public School District 37	66
400142	Medina Public School District #3	9
400143	Pingree-Buchanan School District	10
400144	West River Student Services	4
400145	Leeds Public School District 6	8
400147	Sawyer Public School	8
400148	Wilmac Multidistrict Special Education U	21
400149	Great Northwest Education Cooperative	3
400150	Anamoose Public School District #14	8
400151	South Prairie School District #70	28
400152	South East Education Cooperative	23
400153	South Heart Public School District #9	13
500002	Cass County Water Resource District	4

500003	Walsh County Water Resource District	3
500006	James River Soil Conservation District	3
500007	Burleigh County Soil Conservation Distri	3
500008	Trails County Water Resource District	2
500009	Grafton Park District	5
500010	Cass County Soil Conservation District	5
500013	Lake Metigoshe Recreation Service Distri	2
500016	Greater Ramsey Water District	6
500017	Carnegie Regional Library	2
500018	Griggs County Public Library	1
500019	R & T Water Supply Commerce Authority	7
500022	Consolidated Waste Ltd	4
500023	Walsh County Housing Authority	1
500024	Williams County Soil Conservation Distri	1
500025	Bowman City Park Board	2
500028	Williston Housing Authority	8
500030	Minot Rural Fire Department	3
500031	Central Plains Water District	4
500033	Ransom County Soil Cons Dist	1
500037	Mandan Park District	1
500038	Jamestown Regional Airport	3
500040	Fargo Park District	60
500041	Bismarck Rural Fire Protection	9
500045	Dunseith Community Nursing Home	39
500047	Mercer County Soil Conservation District	3
500049	West Fargo Park District	18
500053	Stutsman County Housing Authority	3
500054	Grand Forks County Water Resource Distri	1
500055	Southeast Region Career & Technology Cen	3
500056	Cavalier County Job Development Authorit	1
500057	Barnes County Soil Conservation District	3
500059	Trails Rural Water District	2
500060	Devils Lake Basin Joint Water Resource B	1
500061	Ward County Water Resource District	1
500063	Southwest Water Authority	51
500068	Burleigh County Council On Aging	16
500072	Watford City Park District	19
500080	Western & Central Stark Soil Conservatio	2
500081	Ramsey County Housing Authority	6
500082	Grand Forks Public Library	12
500084	Rolette County Soil Conservation Distric	1
500085	Jamestown Parks And Recreation District	5

500091	Ramsey County Water Resource District	1
500107	Grand Forks-E Grand Forks Metropolitan P	4
500108	North Dakota Firefighters Association	3
500109	James River Valley Library System	11
500110	Grand Forks Park District	41
500111	Mcintosh County Housing Authority	1
500113	Lonetree Special Education Unit	3
500114	Roughrider Education Services Program (R	2
500116	Western Area Water Supply Authority	15
500118	Crosby Park District	2
500120	Tri-Cities Joint Job Development Authori	4
500121	Devils Lake Park Board	8
500122	North Central Soil Conservation District	3
<b>Total</b>		<b>24,428</b>



## Plan Demographic Information

1. Frequency of contributions (weekly/bi-weekly/monthly)	Daily
2. Medium used to remit contributions files (electronic, disk, magnet tape, etc.)	Electronic
3. Funding method (check, wire, ACH)	Wire
4. Number of payroll locations	1
5. Number of payroll files	1

## Participant Breakdown

401(a)	YTD 2016	2015	2014	2013
Active	114	228	244	231
Inactive	78	67	59	53
<b>Total Accounts</b>	<b>192</b>	<b>295</b>	<b>303</b>	<b>284</b>

457(b)	YTD 2016	2015	2014	2013
Active	4,622	4,699	4,182	3,832
Inactive	2,104	1,639	1,328	1,094
<b>Total Accounts</b>	<b>6,726</b>	<b>6,338</b>	<b>5,510</b>	<b>4,926</b>

## Total Plan Cash Flow

401(a)	YTD 2016	2015	2014	2013
Contributions	840,884.09	2,497,995.59	2,350,927.39	1,945,771.42
Withdrawals	(622,442.64)	(1,437,382.70)	(763,283.35)	(369,715.92)
Plan to Plan Transfer OUT	(15,592,534.49)	(8,010,158.92)		
<b>Net Cash Flow</b>	<b>(15,374,093.04)</b>	<b>(6,949,546.03)</b>	<b>1,587,644.04</b>	<b>1,576,055.50</b>

457(b)	YTD 2016	2015	2014	2013
Contributions	8,505,364.11	8,313,897.97	6,927,234.89	5,763,030.44
Withdrawals	(3,400,866.74)	(1,933,047.93)	(2,123,935.81)	(1,168,320.12)
Plan to Plan Transfer OUT	(1,303,454.44)	(1,082,413.72)	(1,039,930.11)	(767,847.72)
<b>Net Cash Flow</b>	<b>3,801,042.93</b>	<b>5,298,436.32</b>	<b>3,763,368.97</b>	<b>3,826,862.60</b>

## Stable Value Cash Flow

401(a)	YTD 2016	2015	2014	2013
Contributions	1,547.43	46,727.94	35,310.85	28,290.28
Withdrawals	(160,411.25)	(42,589.77)	(50,515.21)	(26,220.00)
Plan to Plan Transfer OUT	(601,132.58)	(503,874.66)		
<b>Net Cash Flow</b>	<b>(759,996.40)</b>	<b>(499,736.49)</b>	<b>(15,204.36)</b>	<b>2,070.28</b>

<i>457(b)</i>	<i>YTD 2016</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>
Contributions	102,469.10	118,993.26	69,824.73	86,617.77
Withdrawals	(234,762.81)	(84,001.20)	(252,693.82)	(26,695.36)
Plan to Plan Transfer OUT	(169,194.71)	(56,828.06)		(10,986.78)
<b>Net Cash Flow</b>	<b>(301,488.42)</b>	<b>(21,836.00)</b>	<b>(182,869.09)</b>	<b>48,935.63</b>

### **Stable Value Participant Information**

<i>401(a)</i>	<i>YTD 2016</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>
Under age 25	0	0	0	0
Age 26 - 35	0	0	0	0
Age 36 - 45	1	2	4	3
Age 46 - 55	1	2	1	1
Age 56 - 65	4	8	9	9
Age 65 - 70.5	4	4	5	5
Age 71 - 80	0	0	0	0
Age 80+	1	1	1	1

<i>401(a)</i>	<i>YTD 2016</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>
Under age 25	-	-	-	-
Age 26 - 35	-	-	-	-
Age 36 - 45	2,290.54	2,498.76	16,250.41	19,436.71
Age 46 - 55	3,275.47	9,676.49	10,512.57	13,439.75
Age 56 - 65	104,491.26	474,673.41	556,227.12	607,708.24
Age 65 - 70.5	98,806.61	238,426.08	334,831.13	258,834.70
Age 71 - 80	-	-	-	-
Age 80+	113,205.96	129,314.53	153,437.46	177,530.51

<i>457(b)</i>	<i>YTD 2016</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>
Under age 25	0	0	0	0
Age 26 - 35	5	6	4	3
Age 36 - 45	14	10	7	3
Age 46 - 55	23	18	7	9
Age 56 - 65	53	36	34	28
Age 65 - 70.5	9	11	7	6
Age 71 - 80	1	0	0	0
Age 80+	1	0	0	0

<b>457(b)</b>	<b>YTD 2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Under age 25	-	-	-	-
Age 26 - 35	7,042.45	8,521.84	7,883.55	1,243.85
Age 36 - 45	14,567.77	8,479.67	6,204.32	1,912.31
Age 46 - 55	92,981.28	130,091.24	231,795.54	460,165.80
Age 56 - 65	1,081,584.31	865,835.52	889,044.49	838,906.88
Age 65 - 70.5	182,669.04	232,179.84	96,663.07	77,525.74
Age 71 - 80	9,229.38	-	-	-
Age 80+	108,873.71	-	-	-

### **Participant Information**

<b>401(a)</b>	<b>As of 09/30/16</b>
Number of eligible employees	117
Number of participants active and contributing	238
Number of participants active, not contributing	
Number of terminated participants w/balances	85
Number of terminated participants w/balances less than \$5,000	4
Number of participants suspended due to hardship	0
Total account balances - participants active and contributing	4,548,633.84
Total account balances - terminated participants w/balances	6,760,165.08
Total account balances - suspended due to hardship	0
Total account balances – participants with loans	0
Average account balance	58,594.00
Participation rate	

<b>457(b)</b>	<b>As of 09/30/16</b>
Number of eligible employees	4,757
Number of participants active and contributing	4,807
Number of participants active, not contributing	
Number of terminated participants w/balances	2,379
Number of terminated participants w/balances less than \$5,000	1,713
Number of participants suspended due to hardship	0
Total account balances - participants active and contributing	65,934,474.55
Total account balances - terminated participants w/balances	17,082,210.69

Total account balances - suspended due to hardship	0
Total account balances – participants with loans	0
Average account balance	12,338.00
Participation rate	

### **Transaction Activity**

<b>401(a)</b>	<b>YTD 2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Number of new participants (year participant entered the plan)	33	42	27	8
Number of new loans	0	0	0	0
Number of outstanding loans	0	0	0	0
Number of hardship withdrawals	0	0	0	0
Number of in-service withdrawals not due to financial hardship	2	2	0	0
Number of lump sum distributions	5	16	8	5
Number of recordkeeper IRAs opened	0	0	0	0
Number of minimum required distributions	0	0	0	0
Number of QDROs	0	0	0	0
Number of rollovers <i>into</i> the plan	1	0	0	0

<b>457(b)</b>	<b>YTD 2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Number of new participants (year participant entered the plan)	563	952	775	805
Number of new loans	0	0	0	0
Number of outstanding loans	0	0	0	0
Number of hardship withdrawals	0	0	0	0
Number of in-service withdrawals not due to financial hardship	1	1	1	0
Number of lump sum distributions	152	177	141	110
Number of recordkeeper IRAs opened	0	0	0	0
Number of minimum required distributions	0	0	0	0
Number of QDROs	0	0	0	0
Number of rollovers <i>into</i> the plan	51	57	46	48

### **Cash-in**

<b>401(a)</b>	<b>YTD 2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Employee Pre-tax (EE PRE MAND + EE PRE-TAX)	385,634.44	1,232,715.47	1,168,254.84	960,912.31
Age 50 catch-up	-	-	-	-
3-year catch-up	-	-	-	-
15-year catch-up	-	-	-	-
Roth	-	-	-	-
After-Tax	2,874.72	2,312.28	2,033.66	915.00
Employer Match	-	-	(9,949.21)	(690.67)
Employer Discretionary (Employer)	395,166.90	1,262,967.84	1,190,588.10	984,634.78

Rollover Contributions	57,208.03	-	-	-
90-24 Contract exchanges	-	-	-	-
Loan repayments	-	-	-	-

<i>457(b)</i>	<i>YTD 2016</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>
Employee Pre-tax	7,024,024.01	8,313,897.97	6,927,234.89	5,763,030.44
Age 50 catch-up	-	-	-	-
3-year catch-up	-	-	-	-
15-year catch-up	-	-	-	-
Roth	-	-	-	-
After-Tax	-	-	-	-
Employer Match	-	-	-	-
Employer Discretionary	-	-	-	-
Rollover Contributions	1,481,340.10	1,584,667.61	1,299,397.09	1,039,361.80
90-24 Contract exchanges	-	-	-	-
Loan repayments	-	-	-	-

### **Cash-out**

<i>401(a)</i>	<i>YTD 2016</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>
Lump sum distributions – cash + rollover	(473,901.40)	(1,295,494.47)	(616,073.45)	(288,596.31)
De Minimum payments (less than \$5,000)	-	-	-	-
Installment payments	(96,416.00)	(125,301.00)	(90,020.00)	(77,920.00)
Unforeseeable/Hardship withdrawals	-	-	-	-
Inservice withdrawals (excluding hardship withdrawals)	(18,891.94)	(16,587.23)		
Loan withdrawals	-	-	-	-
Fees (ie: loans, self-directed brokerage)	-	-	-	-

<i>457(b)</i>	<i>YTD 2016</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>
Lump sum distributions – cash + rollover	(3,334,370.32)	(1,481,169.55)	(1,853,660.23)	(991,535.74)
De Minimum payments (less than \$5,000)	-	-	-	-
Installment payments	(46,111.44)	(57,529.94)	(43,637.28)	(7,547.84)
Unforeseeable/Hardship withdrawals	-	-	-	-
Inservice withdrawals (excluding hardship withdrawals)	(14,234.39)	(7,450.50)	(7,721.57)	
Loan withdrawals	-	-	-	-
Fees (ie: loans, self-directed brokerage)	-	-	-	-

## **Investment Structure and Plan Assets as of September 30, 2016**

NDPERS is looking for a semi-bundled service provider to fully support both of the Plans, offering an investment structure with competitive funds including a series of lifecycle funds. The investment options may be either proprietary or outside alliances, and shall offer broad diversification opportunities and competitive expense levels.

You may propose fund recommendations in each of the categories currently in the Plan line up. Your proposed funds can include mutual funds, separate accounts, and/or commingled funds. The proposed investment structure consists of **core funds plus a series of Lifecycle/Retirement Date funds**. NDPERS, upon selection of the services provided, will have complete flexibility and sole discretion to select the final investment options as well as to determine the actual number of investment options in the investment lineup to be offered to its plan participants.

NDPERS is also requesting each proposer provide recommendations in additional asset classes it believes will enhance the Plan. Each proposer should provide recommendations in its response to section 3: Investment Management Services, and include its reasoning.

### **Stable Value Fund**

The Plan utilizes the Wells Fargo Stable Value Fund a collective investment trust. The Fund generally requires a 12-month put for a full Plan liquidation. However, the Fund may waive the notification period at the discretion of Wells Fargo.

### 401(a) Deferred Compensation Retirement Plan

401(a) Plan	Investment Category	Ticker	Account Value as of 9/30/2016	Percent of Assets
Wells Fargo	Stable Value	-	\$319,812	2.8%
Vanguard Treasury Money Market	Money Market	VUSXX	\$56,109	0.5%
Vanguard Total Bond Market	Fixed Income	VBTLX	\$36,811	0.3%
PIM CO Real Return Admin	Fixed Income	PARRX	\$64,055	0.6%
<b>PIMCO Total Return Admin</b>	<b>Fixed Income</b>	<b>PTRAX</b>	<b>\$305,119</b>	<b>2.7%</b>
Prudential High Yield Z	Fixed Income	PHYZX	\$202,037	1.8%
Templeton Global Bond Adv	Fixed Income	TGBAX	\$101,178	0.9%
Hartford Dividend & Growth	Large Value	HDGTX	\$126,532	1.1%
<b>T.Rowe Price Equity Income</b>	<b>Large Value</b>	<b>PRFDX</b>	<b>\$116,587</b>	<b>1.0%</b>
T.Rowe Price Capital Appreciation (Balanced)	Large Blend	PACLX	\$317,907	2.8%
Vanguard 500 Index Signal	Large Blend	VFIAX	\$508,453	4.5%
Vanguard Dividend Growth	Large Blend	VDIGX	\$62,049	0.5%
<b>Wells Fargo Adv Growth Adm</b>	<b>Large Growth</b>	<b>SGRXX</b>	<b>\$373,890</b>	<b>3.3%</b>
Franklin Growth Adv	Large Growth	FCGAX	\$169,259	1.5%
RidgeWorth Mid Cap Value Equity I	Mid-Cap Value	SMVTX	\$95,488	0.8%
Columbia Mid Cap Index A	Mid-Cap Blend	NTIAX	\$52,125	0.5%
ASTON/Fairpointe Mid Cap I	Mid-Cap Blend	ABMIX	\$89,278	0.8%
Prudential Jennison Mid Cap Growth Z	Mid-Cap Growth	PEGZX	\$72,855	0.6%
<b>Allianz NFJ Small Cap Value Admin</b>	<b>Small Value</b>	<b>PVADX</b>	<b>\$217,024</b>	<b>1.9%</b>
DFA Small Cap	Small Blend	DFSTX	\$57,174	0.5%
Brown Capital Mgmt Small Co Inv	Small Growth	BCSIX	\$181,452	1.6%
Franklin Mutual Global Discovery Z	International	MDISX	\$184,535	1.6%
Vanguard Total Intl Stock Index Inv	International	VTIAX	\$358,080	3.2%
Oppenheimer Developing Markets Y	International	ODVYX	\$72,398	0.6%
Cohen & Steers Realty Shares	Real Estate	CSRSX	\$211,951	1.9%
TIAA-CREF Lifecycle 2010	Target Date	TCLEX	\$796,382	7.0%
TIAA-CREF Lifecycle 2015	Target Date	TCLIX	\$161,576	1.4%
TIAA-CREF Lifecycle 2020	Target Date	TCLTX	\$1,036,880	9.2%
TIAA-CREF Lifecycle 2025	Target Date	TCLFX	\$1,389,517	12.3%
TIAA-CREF Lifecycle 2030	Target Date	TCLNX	\$1,210,641	10.7%
TIAA-CREF Lifecycle 2035	Target Date	TCLRXX	\$965,302	8.5%
TIAA-CREF Lifecycle 2040	Target Date	TCLOX	\$418,572	3.7%
TIAA-CREF Lifecycle 2045	Target Date	TTFRX	\$272,436	2.4%
TIAA-CREF Lifecycle 2050	Target Date	TLFRX	\$281,336	2.5%
TIAA-CREF Lifecycle 2055	Target Date	TTRLX	\$141,354	1.2%
TIAA-CREF Lifecycle 2060	Target Date	TLXRX	\$5,400	0.0%
TIAA- CREF Self Directed Account	Self-Directed Brokerage		\$277,246	2.5%
<b>Total</b>			<b>\$11,308,799</b>	<b>100.0%</b>
<b>Formal Fund Review</b>				

### 457(b) Deferred Compensation Retirement Plan

407(b) Companion Plan	Investment Category	Ticker	Account Value as of 9/30/2016	Percent of Assets
Wells Fargo	Stable Value	-	\$1,343,224	1.6%
Vanguard Treasury Money Market	Money Market	VUSXX	\$536,627	0.6%
Vanguard Total Bond Market	Fixed Income	VBTLX	\$228,551	0.3%
PIMCO Real Return Admin	Fixed Income	PARRX	\$359,457	0.4%
<b>PIMCO Total Return Admin</b>	<b>Fixed Income</b>	<b>PTRAX</b>	<b>\$1,293,388</b>	<b>1.6%</b>
Prudential High Yield Z	Fixed Income	PHYZX	\$420,224	0.5%
Templeton Global Bond Adv	Fixed Income	TGBAX	\$557,636	0.7%
Hartford Dividend & Growth	Large Value	HDGTX	\$520,632	0.6%
<b>T.Rowe Price Equity Income</b>	<b>Large Value</b>	<b>PRFDX</b>	<b>\$994,485</b>	<b>1.2%</b>
T.Rowe Price Capital Appreciation (Balanced)	Large Blend	PACLX	\$980,168	1.2%
Vanguard 500 Index Signal	Large Blend	VFIAX	\$3,088,878	3.7%
Vanguard Dividend Growth	Large Blend	VDIGX	\$1,251,729	1.5%
<b>Wells Fargo Adv Growth Adm</b>	<b>Large Growth</b>	<b>SGRXX</b>	<b>\$797,683</b>	<b>1.0%</b>
Franklin Growth Adv	Large Growth	FCGAX	\$663,946	0.8%
RidgeWorth Mid Cap Value Equity I	Mid-Cap Value	SMVTX	\$439,522	0.5%
Columbia Mid Cap Index A	Mid-Cap Blend	NTIA	\$1,003,687	1.2%
ASTON/Fairpointe Mid Cap I	Mid-Cap Blend	ABMI	\$579,509	0.7%
Prudential Jennison Mid Cap Growth Z	Mid-Cap Growth	PEGZ	\$354,598	0.4%
<b>Allianz NFJ Small Cap Value Admin</b>	<b>Small Value</b>	<b>PVADX</b>	<b>\$1,393,520</b>	<b>1.7%</b>
DFA Small Cap	Small Blend	DFST	\$304,605	0.4%
Brown Capital Mgmt Small Co Inv	Small Growth	BCSI	\$356,144	0.4%
Franklin Mutual Global Discovery Z	International	MDISX	\$305,490	0.4%
Vanguard Total Intl Stock Index Inv	International	VTIAX	\$1,778,769	2.1%
Oppenheimer Developing Markets Y	International	ODVYX	\$533,651	0.6%
Cohen & Steers Realty Shares	Real Estate	CSRSX	\$851,583	1.0%
TIAA-CREF Lifecycle Ret. Income	Target Date	TLIRX	\$526,929	0.6%
TIAA-CREF Lifecycle 2010	Target Date	TCLEX	\$1,727,606	2.1%
TIAA-CREF Lifecycle 2015	Target Date	TCLIX	\$8,062,521	9.7%
TIAA-CREF Lifecycle 2020	Target Date	TCLTX	\$13,464,658	16.2%
TIAA-CREF Lifecycle 2025	Target Date	TCLFX	\$12,388,036	14.9%
TIAA-CREF Lifecycle 2030	Target Date	TCLNX	\$8,860,603	10.7%
TIAA-CREF Lifecycle 2035	Target Date	TCLRXX	\$5,426,153	6.5%
TIAA-CREF Lifecycle 2040	Target Date	TCLOX	\$4,581,959	5.5%
TIAA-CREF Lifecycle 2045	Target Date	TTFRX	\$3,788,752	4.6%
TIAA-CREF Lifecycle 2050	Target Date	TLFRX	\$2,426,149	2.9%
TIAA-CREF Lifecycle 2055	Target Date	TTRLX	\$396,828	0.5%
TIAA-CREF Lifecycle 2060	Target Date	TLXRX	\$10,511	0.0%
TIAA-CREF Self Directed Account	Self-Directed Brokerage		\$418,275	0.5%
<b>Total</b>			<b>\$83,016,685</b>	<b>100.00%</b>

Formal Fund Review



## **Goals and Objectives of the 401(a) Defined Contribution Retirement and 457(b) Deferred Compensation Companion Plans**

As part of the selection criteria, NDPERS is looking for a semi-bundled service provider that has the capabilities of dealing directly with at least **15,000** eligible state employees plus participating political subdivisions.

For a program of this size to be a success, an administrative process must be in place to address the needs of all eligible employees, including assistance in the enrollment and education process. NDPERS is looking for a service provider who can actively manage all related enrollment activity and implement a program to ensure maximum participation.

Additionally, NDPERS wants to develop a relationship with a service provider(s) who will offer strong and competitive fund choices, accurate and timely recordkeeping services and administer the Plans within pre-described service standards. It places a high value on finding a service provider that meets the following qualifications.

### **1. Focus on Quality and Consistency of Service Delivery**

- Adheres to successful quality assurance procedures;
- Follows a successful problem resolution methodology;
- Has a history of performing services on a timely basis;
- Performs services correctly and accurately every time;
- Provides accurate and consistent responses to inquiries;
- Develops a strategy with NDPERS to increase 457 Plan participation and assets including but not limited to:
  - (a) Offering incentives, such as a buyout of surrender charges, allowing participants utilizing another deferred compensation service provider to transfer their balances to the Plan
  - (b) Increasing the contribution rate of the Plan
  - (c) An alternative strategy suggested by the selected service provider
- Proactively provides NDPERS with opportunities to lower fund fees and Plan administrative costs; and
- Provides accurate and consistent modeling of participant scenarios for both the Defined Benefit Pension and Defined Contribution plans.

### **2. Proactive Approach**

- Develops and implements a strategic plan that covers participant communication and education, enhancements to Plan sponsor and participant services and implementation of any substantive regulatory or legislative changes and includes clear and concise objectives, timetables and benchmarking methodology;
- Educates participants through participant friendly communications;
- Educates participants by providing informed customer service representatives;
- Provides comprehensive retirement planning and investment education services to participants; and

- Provides comprehensive education on an ongoing basis to NDPERS.

### **3. Commitment to Technology Development**

- Keeps up to date on technological developments such as website development, Internet access and Mobile Apps;
- Continuously invests in enhanced technology; and
- Demonstrates improvement (accuracy, timeliness, etc.) in client service through technological enhancements.

### **4. Investment Vehicles**

- Diversified array of investment offerings including investment vehicle

### **Pre-Bid Vendor Questions**

Submission of questions related to this Request for Proposal must be made via email to Craig Chaikin at [cchaikin@segalrc.com](mailto:cchaikin@segalrc.com) by **5:00 p.m. Eastern Time, December 12, 2016**. Your questions must simultaneously be submitted as a cc: to Mr. Bryan T. Reinhardt, Research & Planning Manager, North Dakota Public Employees Retirement System, at [breinhar@nd.gov](mailto:breinhar@nd.gov).

Written responses will be posted to the NDPERS site by **5:00 p.m. ET, December 19, 2016**.

<http://www.nd.gov/ndpers/providers-consultants/consultants/rfp-index.html>

## Format of RFP Responses

Vendors must provide their proposal in the following format:

### 1. Transmittal Letter

A letter of transmittal shall accompany each proposal. Such letter must be signed by a person authorized to contractually obligate the vendor to the scope, terms, specifications, and pricing contained in the response. This letter should also clearly indicate the name, address, phone number and facsimile number of one contact person for the proposal.

The letter of transmittal should be no longer than two pages and should include the following:

- A. Certification that the proposer meets all of the minimum service qualifications. Reference to completion of certification of compliance with terms and conditions of the RFP.
- B. A brief statement of the services to be provided.
- C. A statement of commitment to provide the services requested within the times and manner specified.
- D. A brief summary of the vendor's qualifications to perform this type of engagement.
- E. A statement confirming that this proposal shall remain valid for six (6) months after the closing date for receipt of proposals.
- F. Certification that the individual signing this proposal has the authority to bind the proposer to the terms and conditions set out in the proposal document.

Name of Company \_\_\_\_\_  
Signature \_\_\_\_\_  
Position \_\_\_\_\_  
Date \_\_\_/\_\_\_/\_\_\_

### 2. Table of Contents

The table of contents should include clear and complete identification of the materials submitted by section and page number.

### 3. Format Requirements

Responses must comply with the following:

- A. All questions in Sections 2, 3 and 4 must be answered in the manner and area stipulated after each question. Each RFP question must be restated before your response. If printed matter is supplied as supplemental information, please make sure that the supplemental information is appropriately marked with the corresponding question to which it applies.
- B. Please respond to every question in each section of the RFP. Failure to respond to all questions may lead to your elimination from consideration.
- C. All responses must be numbered and answered in the order asked.

D. Neither Segal Rogerscasey nor NDPERS will be bound by oral explanations or instructions given at any time during the request for proposal process or after the award of the contract.

**4. Fee Specifications**

Fee quotes should be provided in the format outlined in the Fee section of the questionnaire (Section 4). Pricing offer must be good for six (6) months from the receipt date of the proposal.

## Submission of RFP Responses

Each vendor must submit their RFP response in accordance with all stipulations listed below:

Each service provider must submit a total of thirteen (13) copies by **5:00 p.m. Eastern Time on January 9, 2017 to the North Dakota Public Employees Retirement System and to Segal Rogerscasey**, as follows:

**Ten (10) bound copies, one (1) unbound copy, one (1) unbound redacted copy, plus an electronic copy to:**

Mr. Bryan T. Reinhardt  
Research & Planning Manager  
North Dakota Public Employees Retirement System  
400 E. Broadway, Suite 505  
PO Box 1657  
Bismarck , ND 58502  
E-mail: [breinhar@nd.gov](mailto:breinhar@nd.gov)

**One (1) bound copy and one (1) electronic copy to:**

Craig Chaikin  
Vice President  
Segal Rogerscasey  
333 W 34<sup>th</sup> Street  
New York, NY 10001  
E-mail: [cchaikin@segalrc.com](mailto:cchaikin@segalrc.com)

1. Proposals must be clearly labeled: **Request for Proposal/ 401(a) Defined Contribution Retirement Plan and 457 Deferred Compensation Companion Plan Services.**
2. Service providers must provide a copy of their proposal in an electronic format to Craig Chaikin (212-251-5486) at Segal Rogerscasey via e-mail: [cchaikin@segalrc.com](mailto:cchaikin@segalrc.com)

Asset transfer to the new provider will be completed on **June 30, 2017**

**Projected Timetable**

<b>TASK</b>	<b>TARGET DATES</b>
Release of Request for Proposal – RFP	<b>11/28/2016</b>
Receive pre-proposal questions from provider(s)	<b>12/12/2016</b>
Provide response to provider(s) proposal questions	<b>12/19/2016</b>
<b>Deadline for proposal submission</b>	<b>01/09/2017</b>
Finalists Presentations	<b>March 2017</b>
Commence Plan Implementation	<b>April 2017</b>
Asset Transfer	<b>June 30, 2017</b>

If required, successful proposers will be notified as to the actual date and time of finalist presentations and will be provided with instructions regarding the presentation agenda and location.

## **Evaluation of the Proposals**

NDPERS along with Segal Rogerscasey will first examine proposals to eliminate those that are non-responsive to the stated requirements. Therefore, proposers should exercise particular care in reviewing the proposal format required for this RFP.

NDPERS reserves the right to contact any and all references to obtain, without limitation, information regarding a proposer's performance on previous projects. A sample of references will be checked for each proposer.

An initial review will narrow the respondents to three finalists. While evaluation will review all aspects of the proposal total cost to the Plans, proposed servicing model, scope of communication and education capabilities, technology and ongoing investment support will be key factors in the decision.

In evaluating the finalist proposals, all aspects of the required services will be fully evaluated. NDPERS may consider any factors it deems necessary and proper for best value, including but not limited to:

1. Data-management services, including creation and maintenance of employee data, transaction data and history, interfaces with suppliers and payroll, and other recordkeeping and administrative functions, including compliance.
2. Overall cost structure, including member fees and credit allowances for plan level expenses
3. Size, structure, resources, and experience in providing deferred compensation services that are similar in size and scope to that of the North Dakota Public Employees Retirement System 401(a) Defined Contribution and 457 Deferred Compensation Companion Plans.
4. Qualifications of the personnel assigned to execute the services required by NDPERS.
5. Member services including one-on-one participant counseling and on-line system capabilities including voice response system, participant internet website and customer service center.
6. Plan for increasing overall plan participation and assets
7. Ongoing support for investment monitoring
8. Scope and value of performance guarantees.

The final award will be subject to the execution of a service contract acceptable to NDPERS.

### **Finalist Presentations**

The purpose of the finalist presentations is to give each finalist an opportunity to further explain its qualifications, services and capabilities.

When finalist presentations are made to NDPERS, it is expected that each proposer will bring to the meeting those people who will work directly with NDPERS, if proposer is successful.

Travel expenses and costs related to the interview will be the responsibility of the proposer.

**From the date this RFP is issued until the award of the contract, all communication related to this RFP shall be directed to Craig Chaikin of Segal Rogerscasey.**

**This RFP and the selected proposer's RFP response including exhibits and any addenda, will be incorporated into the final contract document.**

**Exceptions/Additions**

Any language which differs from this RFP that is used or suggested by a proposer will be submitted for clarification only, and shall not affect the proposer's acceptance of the terms and conditions of this RFP and shall not be binding on NDPERS unless affirmatively accepted by NDPERS in writing. NDPERS assumes no obligation to accept, reject, or negotiate proposed replacement terms or conditions with the successful proposer.

Proposers will be required to sign a statement, as part of the proposal, that they are in agreement with all of the terms and conditions presented in the RFP, the exhibits, and the addendum to the RFP. (Transmittal Letter)

The proposer is responsible for clarifying any ambiguity, conflict, discrepancy, omission, or other error in the Request for Proposal before submitting the proposal; otherwise the right to raise such issues shall be waived.



# **SECTION 2**

## **Request for Proposal**

### **Administrative Services Questionnaire**

## Organization and History

1. **Proposer Information:** The proposer must include a narrative summary of the proposer's corporation and each subcontractor, if any. The narrative shall include the following:
  - (a) date established;
  - (b) ownership (public, partnership, subsidiary, etc.);
  - (c) years active in the deferred compensation market;
  - (d) years active in the 457 market;
  - (e) years active in the 401(a) market; and
  - (f) relationships with other entities relevant to or related to the subject matter of this RFP.
2. Provide the following information:
  - a. Total assets under administration
  - b. Total defined contribution assets under administration
  - c. Total deferred compensation assets under administration
  - d. Total public 457(b) deferred compensation assets under administration
  - e. Total public 401(a) assets under administration
3. How many proposals have you submitted in the last three years in response to public 457(b) deferred compensation plan service provider RFPs? How many for public 401(a) plans?
4. What are your client retention statistics for each of the last three years broken out by year? What percentage left due to issues pertaining to services provided by your organization?
5. How many public 457(b) deferred compensation plans have you lost in the last three years broken out by year? How many public 401(a) plans broken out by year?
6. How many public 457(b) deferred compensation plans have you gained in the last three years broken out by year? How many public 401(a) plans broken out by year?
7. What is the average client relationship duration? What is the average relationship duration for your public sector plans?
8. List the number and total assets of the public sector 401(a) plans that you currently administer in the following categories:

Number of Participants Public 401(a) Plans	Plans		Assets	
	Number	Percent	Amount	Percent
<b>Under 1,000</b>				
<b>1,001 – 5,000</b>				
<b>5,001 – 10,000</b>				
<b>10,001 +</b>				

## Section 2: Administrative Questionnaire

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<b>Total</b>				
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9. List the number and total assets of the 457(b) plans that you currently administer in the following categories:

	Plans		Assets	
<b>Number of Participants 457 Plans</b>	<b>Number</b>	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>
<b>Under 1,000</b>				
<b>1,001 – 5,000</b>				
<b>5,001 – 10,000</b>				
<b>10,001 +</b>				
<b>Total</b>				

10. What is the total number of participants in all public sector deferred compensation plans currently being administered by your organization? Break out by 457(b) and 401(a) as well.
11. Describe your errors/omissions liability insurance and coverage. Describe the various types of insurance coverage and indemnification provided to protect clients.
12. Has your company, or any affiliates, been a party to any litigation during the last three years involving your deferred compensation recordkeeping and administration services? If yes, please provide: 1) the nature of the claim or action 2) the current status of the litigation, 3) any fines or settlements paid.
13. What is the last date when your organization had a change in its business structure, whether through an acquisition or divestiture or through an alliance arrangement? If applicable, how did this change in business affect the recordkeeping division?
14. Describe any pending or anticipated plans to re-organize your company within itself or as part of the larger organization of which your company is a part.
15. Please describe all outsourcing arrangements and any contemplated outsourcing arrangements that will be used by you to deliver any of the services you will be providing.

### References

- Please provide references for three current 457 clients and three current 401(a) clients that have similar plan demographics (*i.e.*, size and plan design). If available, at least one of the three should have converted within the last year. For each reference, please provide client name, contact name, address, phone number, services provided, and year they became a client.
- Please provide references for three former clients who had similar plan demographics (*i.e.*, size and plan design). At least one of the three should have left within the last year. Please provide

## Section 2: Administrative Questionnaire

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former client name, contact name, address, phone number, services provided, year they ceased to be a client and the reason(s).

### Client Service / Quality Assurance

1. How many of your employees work on DC plans? Is there staff dedicated specifically to public 457(b) and/or public 401(a) plans? If so, please provide the numbers in addition to completing the chart below on the number of full-time equivalent employees working on DC:

Personnel Type	Number
Management	
Call Center Mgmt./Supervisors	
Customer Service Reps	
Field Reps	
Systems Management	
Systems Staff: Development & Operating/Maintenance	
Website	
Other	

2. What is the average tenure (in years) of the following positions:
- Plan Administrator
  - Client Relationship Manager
  - Field Service Representatives
  - Conversion Project Manager
  - 800 Customer Service Center Representatives
3. Do you currently have staff located in North Dakota? If yes, where is your office located? If no, where is the closest office?
4. Describe the team that would deal directly with NDPERS on an ongoing basis. Indicate size, roles, experience, and turnover rates. In addition, provide a brief resume for each individual.
5. What location(s) would provide the services described in this RFP?
6. Briefly describe the training program and licensing requirements for your field service representatives. What are the licensing requirements?
7. Briefly describe the training program and licensing requirements for your 800 customer service representatives. What are the licensing requirements?
8. Will you need to hire any additional staff in order to service this account?
9. The current performance standards are included in the appendix. Confirm that you are able to meet or exceed the current standards. If you exceed the standard, provide your standard and the amount at risk.

## **Section 2: Administrative Questionnaire**

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10. What is the total, annual amount you are willing to put at risk?
11. How frequently do you conduct client and participant satisfaction surveys on your services and performance?
12. What are your procedures to insure that NDPERS participant information is only used for the administration of these plans and will not be used to solicit other products/business/education for non-NDPERS services?

### **Recordkeeping / Administration**

1. What portion of your organization's expenses is related to recordkeeping and system technology development?
2. Briefly describe the level of customization available to the Plans on the administrative forms used by Plans' participants. Will NDPERS have input on content and not just look? (Yes/No)
3. Can you accept manual edits, adjustments, and indicative data changes to the contribution input file? (Yes/No)
4. Can you handle negative data from the payroll files? (Yes/No)
5. Describe how your payroll contribution reports identify participants contributing up to the current maximum contribution, and identify participants in catch-up status.
6. Are you able to fully administer hardship/unforeseen emergency distribution requests? (Yes/No) Are you able to handle first level appeals? (Yes/No) Note: Currently ND PERS administers these requests.
7. For systematic payment distributions, is payment made on a pro rata basis or can a participant elect systematic payment from specific fund(s)?
8. Describe your process for searching for participants who have not cashed their distribution payment checks.
9. NDPERS will continue to qualify QDROs. Briefly describe how you will work with NDPERS to ensure that accounts are segregated and assets distributed properly.
10. Are there any limits imposed on any participant initiated transactions (i.e.: mix changes, contribution rate changes, etc.). If yes, list them.
11. Describe the process you use to track and maintain employee beneficiary data.
12. How much historical plan information do you maintain on participants? List the type of information available. How much information is immediately available?
13. Are you able to provide a customized tool that provides comparison projections for the NDPERS defined benefit plan and defined contribution plan, for employees who have the option to join the DC plan?

### **Contracts**

## **Section 2: Administrative Questionnaire**

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1. NDPERS standard contract and data agreement are included in the Appendix. Provide a redline version with any exceptions that you would require. Additional changes will not be considered if they are not included with this proposal.

Additionally, this RFP will be included as part of the contract. Provide copies of any additional contracts that would be required.

### **Systems Capabilities and Hardware**

1. What system do you use to recordkeep and administer defined contribution plans? Do you have different systems for 457 and 401(a) plans? (Yes/No)
2. Was the software developed internally, leased, or purchased from another provider? Who has the ultimate responsibility/authority to make sure the software remains current to laws, regulations, client needs, etc.?
3. How long have you used these systems for recordkeeping?
4. Are you planning any major change in the software or hardware supporting your recordkeeping system in the next 24 months? If yes, please describe.
5. Describe your documented disaster recovery plan. How often do you test your recovery system?
6. Where is your main data processing center located?
7. Where is your back-up center located?
8. How often is data backed-up?
  - a. Describe any system outages within the last three years and how have they been handled?
  - b. Has any liability resulted from these outages and are there any pending claims related to these outages?
9. Describe in detail your procedures and safeguards used to guarantee:
  - a. Security for your hardware and facility
  - b. Authorized access to data
  - c. Confidentiality of data
  - d. Security for any hard copy of plan-related data or documents
  - e. Explain in detail your process in the event that participant data is compromised (types of member support, credit monitoring, etc.).
10. Provide a current SSAE16 audit of your recordkeeping system, or any other audit you have performed. Who completes the audit and how frequently?
11. Do you test IT security as part of the SSAE16 or separately? If separately, who performs and how frequently.

### **Custodial Trustee Services**

1. For the custody/trustee services you propose, what is the name of the trust company, the total number of years that they have been in operation, and the assets under custody as of August 31, 2016?

## **Section 2: Administrative Questionnaire**

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2. What are the total public DC assets currently held by the custodian?
3. Are there any restrictions by investment type that pertain to your custodial services? (Yes/No) If yes, what?
4. Confirm that you will trustee outside investment funds.
5. Do you have a limit on the number of checks/wires available to participants? (Yes/No)
6. Do you have an electronic link with the investment managers for updating participants' accounts on the recordkeeping system? (Yes/No)
7. Will the Plans be required to execute a custodial agreement with your custodial trustee or will it be part of the contract with the Plans?

### **Regulatory/Compliance Service**

1. Describe how you monitor §401(a) (9) required minimum distributions including:
  - Identification of individuals
  - Determination of the amount of the minimum required payment
  - Payment within required deadlines.
2. Describe your capabilities and timeframes for monitoring maximum deferral limits and the catch-up provisions.
3. What resources do you have to obtain legal opinions, interpretations of laws, regulations, and other matters on issues pertaining to deferred compensation plans?
4. How do you ensure that your recordkeeping system is in compliance with all applicable rules and regulations?
5. How quickly are changes in the law reflected in the system?
6. Should NDPERS wish to comply with 408(b)(2) and 404(a)(5) regulations, will you provide 408(b)(2) disclosures to NDPERS and 404(a)(5) disclosures to participants? (Yes/No) If yes, is there an additional cost to provide either?

### **Communication and Education**

1. Describe separately your initial and on-going communication and education program (including printed material, visits, training, etc.). Be sure to identify the key elements provided as part of a standard communication and education program package including the types marketing medium (e.g. print, e-mail, onsite, etc.).
2. Provide samples of initial enrollment and on-going communication and education materials.

## **Section 2: Administrative Questionnaire**

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3. Describe the services you offer in the enrollment process. Be sure to include such items as monitoring and tracking new hires. Outline any data requirements. Will you maintain and control the inventory of all related enrollment materials that are to be included in the enrollment kits?
4. Describe the communication and education process that you provide for non-active participants (i.e. retirees and terminated employees with assets in the Plan).
5. Will you provide participants with onsite, group education, and retirement planning sessions or financial/pre-retirement seminars on an on-going basis? (Yes/No). If yes, please list the titles of the subjects that are covered in your program. No description necessary.
6. Do you provide information to Plan participants regarding options on distributions? Describe any services or programs you provide for participants leaving the Plan.
7. Describe NDPERS role in the communication, education, and enrollment process.
8. To what extent can NDPERS customize communication and investment education materials (e.g., plan name, logos)? State if there would be additional charges for customizing or editing these communication materials.
9. Briefly describe how you measure the success of your education/communication programs.

### **Plan Sponsor Reporting**

1. Describe the standard reporting package that you would provide to NDPERS (provide samples).
2. Are you able to comply with NDPERS' investment policies as provided? (Yes/No) If not, redline the specific updates that would need to be considered if you were selected.
3. Will NDPERS be able to generate these reports on-line?
4. What is the standard timeframe for providing each plan sponsor report, including investment asset reports, after the reporting period ends?
5. Confirm that you will be able to provide all quarterly reports within five weeks of quarter end. Specify any reports that would require a longer turnaround and explain why.
6. Confirm you will attend quarterly investment subcommittee meetings.
7. List the types of demographic participant data will you be able to provide?

### **Participant Reporting**

1. Describe your standard participant statements (provide samples).
2. Are there any differences between your hard copy statements and the statements available online? (Yes/No) If yes, briefly describe the differences.
3. What time periods are illustrated for a participant's personalized rate-of-return?



## **Section 2: Administrative Questionnaire**

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4. Describe your customization capabilities for participant statements. Are these applied to both hard copy and electronic statements? (Yes/No)
5. Are participants able to additionally customize the statements they receive (hard copy or electronic)? (Yes/No)
6. How much space is there for customized messages from NDPERS on your quarterly participant statement? Is this included on both hard copy and electronic statements? (Yes/No) Is there an additional cost?
7. Can you include other printed information, prepared by NDPERS, with the mailing of statements to participants? (Yes/No) Is this included on both hard copy and electronic statements? (Yes/No) If so, please verify that this service is available at no additional cost.
8. Are fees disclosed to plan participants on the quarterly statements? (Yes/No) Do they comply with 404(a)(5)? (Yes/No) What additional fee disclosure, if any, do you provide?

### **Participant Services/Automated Voice Response System (VRS)**

1. Are there any transactions that cannot be processed through the voice response system (i.e., PIN changes, address changes, etc.)?
2. How quickly is the VRS updated after transactions are performed?
3. Is the VRS fully capable of generating all the necessary administrative forms to handle enrollments, hardships, terminations, and beneficiary distribution requests?
4. In the situation whereby a participant calls the VRS but does not properly complete the transaction, is there any follow-up with the participant? (Yes/No)
5. Can participants request contribution deduction changes through the VRS? (Yes/No) Can you provide a feedback report back to NDPERS and each local subdivision to update their payroll records and contribution changes? (Yes/No) How frequently?
6. Does your VRS accommodate non-English speaking participants? What languages?
7. Does it accommodate the hearing/speech impaired participants?
8. Describe how data is secured within the system (i.e., PIN, audit trail, confirmations).
9. Describe any security breaches that resulted in improper access to one or more participant's accounts within the last three years and the steps you took to remedy the breach.

### **Participant Services/1-800 Customer Service Center**

1. What are the standard hours of operation of your customer service center?
2. Where is your customer service center located?

## Section 2: Administrative Questionnaire

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3. Where is your back-up customer service center?
4. Are there any transactions that cannot be processed? If yes, what?
5. If allowed by the Plans, can employees enroll in the Plan through the customer service center?
6. Can participants change their PIN through a CSR? Can PINs be reset and immediately provided to a participant during the call? Can participants who misplace their PIN call the customer service center and have a new PIN sent directly to their home address?
7. Provide the following information on your customer service reps:
  - a. Licensing requirements in addition to your training program
  - b. Relationship: employees or outside contractors
    - i. If contractors or a combination, include the percentage of each & duration of subcontractor agreement
  - c. Average tenure
  - d. Total CSR agents employed year-round basis
  - e. Compensation structure
8. Do you dedicate CSR's to specific accounts? (Yes/No) If yes, how many would be dedicated to NDPERS?
9. Provide the information below on your service center standards:

	<b>Performance Standard</b>	<b>3<sup>rd</sup> quarter 2016</b>	<b>2<sup>nd</sup> quarter 2016</b>	<b>1<sup>st</sup> quarter 2016</b>
Number of calls				
Average length				
Average response time				
Percentage requiring follow-up				
Abandonment rate				
Percentage handled 100% via VRS versus 1-800				

### Participant Services/Internet Services

1. Provide an Internet address and instructions on how to access a demonstration of your Internet capabilities for both the participant and plan sponsor.
2. Briefly highlight your participant website capabilities.
3. Specify any transactions that cannot be completed via your Internet site.
4. Do you have a mobile app or mobile optimized website? (Yes/No) Are the limitations to the functionality versus the full site? (Yes/No) If yes, what?
5. What communication materials or tools do you offer participants via the Internet?
6. Do you offer an automated enrollment process through the Internet? (Yes/No)

## **Section 2: Administrative Questionnaire**

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7. Do participants have the ability to implement auto escalation? (Yes/No)
8. Can participants e-mail account specific questions via the Internet site? (Yes/No) If yes, who receives the e-mail, researches the issue, and responds? What is the turnaround time?
9. Does your Internet site have the ability to download participant account information software programs (i.e. Quicken, Mint, etc.)? If yes, which programs?
10. Describe the security through which a participant passes to use your Internet system. What firewalls do you have in place for your Internet services?
11. What improvements to your Internet capabilities are designated to occur in the next two to three years?
12. Are the same improvements being made to your mobile capabilities? (Yes/No) If no, briefly describe what is being done to enhance your mobile capabilities.

### **Field Service Representatives**

1. How many field service representatives are you dedicating to NDPERS? Will they be 100% full-time dedicated representatives?
2. How many hours per week do you expect your representatives to provide services?
3. Provide your rationale for determining the appropriate staffing for the Plan.
4. Describe the structure of how the field service representatives would be organized to service this relationship:
  - a. Location
  - b. Staffing (including functions to be performed)
  - c. Standard hours of operation
  - d. How you would handle pre-scheduled consultations?
  - e. How you would handle walk-ins?
5. What is your annual cost associated for each dedicated service representative?
6. Briefly describe the credentials and related experience of local service representatives who will be assigned to the Plan's account.
7. If the representative are responsible for additional accounts, how many?
8. Will the representatives assigned to the NDPERS Plans be employees of your firm?
9. Detail the compensation structure for the local representative (e.g. 85% salary, 15% bonus). Include an explanation of how any bonuses and incentives are determined. As indicated in the minimum service qualifications in Section 1, it is a requirement that your field service representatives that provide enrollment and education services are not compensated on a commissioned or incentive basis to promote any investment product or services.

## **Section 2: Administrative Questionnaire**

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10. Are field service representatives available to discuss the plan and investments with participants on a one-on-one basis? If so, how often? Will you provide local annual account reviews for participants?
11. How will these discussions be handled (e.g., in person, via telephone)?
12. Identify the annual number of group meetings and number of one-on-one consultations you have assumed will be provided by the field service representatives.
13. Will quarterly/annual field activity reports be provided to NDPERS? Provide a summary of the type of information included.

### **Investment Advisory Services**

1. Describe the investment advisory services (i.e., Morningstar ClearFuture, Financial Engines, etc.), including managed accounts.
2. Describe your due diligence process for selecting the partner and what services are provided.
3. How long have you partnered with your current vendor for each of the services in your advisory program?
4. What are the costs associated with the advisory services? Is it based on total plan level or only charged to participants who elect these services?
5. Describe the difference between your Internet investment education tools and software from your investment advisory services.
6. Does your service produce asset allocation recommendations? (Yes/No) Does it provide recommendations of specific funds? (Yes/No)
7. Does your investment advisory service include savings rate recommendations? (Yes/No)
8. Does your investment advisory service take into account a participant's assets outside the Plans? If so, please list what assets.
9. Describe the generally accepted investment theories that form the basis for your advice model.
10. Briefly describe the type and level of indemnification you provide to NDPERS for your advisory services.
11. What is disclosed to participants regarding your fiduciary role and the provider's fiduciary role with respect to these investment advisory services?
12. How many of your existing public sector clients have subscribed for each level of service you offer?

## Section 2: Administrative Questionnaire

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13. Do you offer specific investment advice to participants on an in-person basis other than through the on-line advice provider? (Yes/No) If yes, briefly describe. How have the recent fiduciary regulations impacted your offering to participants?
14. For in-person investment advice, how do you manage conflicts of interest?
15. Will the Plans be required to execute a separate contract with your investment advisory provider or it be part of your service contract and agreements?

### Plan Implementation

1. By what date would you need authority to proceed to accommodate the June 30, 2017 asset and recordkeeping transfer?
2. What involvement will be required from NDPERS during the implementation process?
3. Do you have any limitations as to the format/media of participant data received from the current recordkeeper?
4. How are investments handled during the conversion process? How are distributions handled to accommodate the continuity of payments to retirees during the conversion period?
5. Describe your procedures during the conversion period to communicate with non-active employees (*i.e.* retirees and terminated employees with value in the plan).
6. What assurances/guarantees do you provide with respect to a timely implementation?
7. What is the standard length of your blackout period?
8. Briefly describe your general methodology for mapping investment options.
9. Identify comparable plan conversions in which you have been involved. How many conversions and implementations has your company conducted during the past three years involving Plans of similar size?
10. How many similar conversions have you done where you have converted both 457(b) and 401(a) programs over the last three years?

## **SECTION 3**

# **Investment Management Services**

## **Self-Directed Brokerage Services**

1. Briefly describe any third parties involved in offering of the self-directed brokerage account services and explain their role.
2. Fully describe the self-directed brokerage option features, program design requirements.
3. Does your self-directed brokerage account require any minimum balance? What happens if minimum balances are not maintained?
4. Can your brokerage account restrict a participant from investments that are ordinarily not permitted in retirement plans or a part of a “restricted list” established by the plan sponsor (e.g., no precious metals, futures, margin trading, options, commodities, collectibles, short sales, real estate, etc.)?
5. Describe the procedure you will use in monitoring and enforcing the limitations that are currently in place, such as investment in mutual funds only and maintaining a minimum percent of account balance outside the self-directed brokerage option.
6. Describe the rules for transferring from the core options into the brokerage accounts and vice-versa. Are there any restrictions with respect to the transfer of balances between your core defined contribution investment alliance funds and the self-directed brokerage account?
7. During what hours of the day are client service brokerage representatives available to respond to participant trading questions and inquiries?
8. Do participants receive a detailed account summary of all assets held in the brokerage account? When? How often?
9. What information from the self-directed brokerage account is reflected and reported on the core participant quarterly statement? On quarterly plan-level reports provided to the plan sponsor?
10. Will NDPERS be required to execute a separate contract for self-directed brokerage?
11. Currently participants interested in utilizing the Plan’s self-directed brokerage services must complete and return the “Mutual Fund Window Election” Form (<http://www.nd.gov/ndpers/forms-and-publications/forms/sfn-53082-mutual-fund-window.pdf>) to NDPERS for approval. Please outline how you will work with the NDPERS staff to establish participant access to this service.

## **Investment Management Services**

1. Provide the number of outside fund family alliances with which you have relationships. Approximately how many investment options does this represent?
2. Describe the administrative, financial, and any other impact on the plan sponsor and the participants when a manager or fund offered to those participants ceases to be offered through your organization.

## **Section 2: Administrative Questionnaire**

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3. For any funds managed in-house, briefly describe your research capabilities, including the number of research professionals you employ.
4. Describe your recordkeeping capabilities for exchange traded funds. Are the Plans able to offer exchange traded funds as part of the core investment line up?
5. Describe your capabilities for annuities and retirement income options. Do you have the ability to offer both in-plan and out-of-plan options? List options available on your platform.
6. Do you have resources to assist NDPERS in the ongoing monitoring of the investment options? (Yes/No) If yes, briefly describe those services and the level of fiduciary responsibility you take in regards to those services.
7. For each investment category currently offered, identify a single fund which your organization recommends as an alternative (if you feel there is one) to the Plans' current funds as well as corresponding index options in each investment category. Additionally, provide any alternative asset classes, and corresponding investment options, you think would be enhance the current offering (for information only). Complete the chart below with the required fund information.

The Plan requires that participants be able to freely transfer assets between the funds recommended by your organization; therefore, the funds recommended should be non-competing vehicles. Describe any situation in which the recommended funds would be considered competing and provide an explanation of how your organization would address or circumvent this issue.

The proposer must propose an investment option for each asset class in the investment structure.

<b>Asset Class</b>	<b>Fund Name</b>	<b>Fund Ticker</b>	<b>Net Expense Ratio (%)</b>	<b>Revenue Sharing (%)</b>	<b>Transfer Restrictions</b>	<b>Rationale for proposing</b>



## Section 2: Administrative Questionnaire

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8. For the lifecycle/retirement investment vehicles, provide (in a separate excel spreadsheet) each portfolio's underlying funds and asset allocation breakdown for the period ending September 30, 2016. Additionally, if you are proposing customized lifecycle funds, describe how you would determine portfolio construction, asset allocation and re-balancing frequency. For custom funds, do you act as the investment manager?

### Stable Value Fund (for information only)

- List the stable value products available on your platform.
- Provide your most recent ratings from A.M. Best, Moody's and S&P.
- What stable value product are you proposing for NDPERS and why?
- For the proposed product, does old money receive the same rate as new? If not, describe.
- Complete the following charts for the proposed product as of September 30, 2016:

<b>Manager</b>	
<b>Vehicle</b>	
<b>Fund Name</b>	
<b>Class</b>	
<b>Fund Inception</b>	
<b>Fund Assets (\$B)</b>	
<b>Total Firm Stable Value Assets (\$B)</b>	
<b>Effective Duration</b>	
<b>Market-to-Book Value Ratio</b>	
<b>Gross Crediting Rate *</b>	
<b>Net Crediting Rate *</b>	
<b>Crediting Rate Reset Frequency</b>	
<b>Minimum Crediting Rate</b>	
<b>Recommended Benchmark</b>	
<b>Benchmark for Underlying Portfolio</b>	
<b>Expense Ratio</b>	
<b>Trustee</b>	

\* Gross of investment management fees, net of wrap fees, sub-advisory fees and other expenses

### Book Value Structure

	<i>% allocation</i>
Liquidity Buffer	
Wrap Providers	
<i>Please list wrap providers below</i>	

## Section 2: Administrative Questionnaire

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<b>Total</b>	<b>100%</b>
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6. Is wrap capacity contingent on affiliated investment management? (Yes/No)

<b>Fees</b>	
Investment Management	
Wrap	
Revenue Share	
Other	
<b>Total Expense Ratio</b>	

*\* Specify Other*

7. Do you anticipate any changes in wrap fees that would impact the total expense ratio? (Yes/No) If yes, what is the expected impact?

<b>Quality Allocation</b>	<b>%</b>
Cash/cash equivalents	
AAA	
AA	
A	
BBB	
Below Inv Grade	
NR	
<b>Sector Allocation</b>	<b>%</b>
Cash/cash equivalents	
U.S. Treasury	
U.S. Govt-Related	
Corporate	
Agency MBS	
Non-agency MBS	
ABS	
CMBS	
Municipal	
Other	

8. Fully describe the withdrawal/transfer restrictions for both the Plan and participants.

**SECTION 4**

**Request for Proposal**

**Fees**

The initial contract term will be 24 months from the date on which a contract is awarded by NDPERS. The contract will be renewed based upon the discretion of NDPERS.

1. What are the factors you consider in determining future fee decreases and when they are to occur?
2. How are fees adjusted if a sizable number of participants are added or removed from the Plan?
3. If a participant has multiple accounts in the Plans, will they be charged for each account?
4. The Plans have a lot of small accounts. Describe any fee arrangements you have to help increase participation and not disincentivize participants with smaller balances.
5. Provide other alternatives not outlined in this proposal that could result in the lowering of participant fees. Be clear in your response and provide the condition and the result.
6. Are you able to return revenue directly to participant accounts from which it was generated? If no, are you working on this capability?
7. Briefly describe any additional fee leveling capabilities. What different arrangements are available?

Based upon the information supplied in the RFP, please complete the cost structure charts on the following pages. It is critical that you provide complete information so that fees can be compared on an equitable basis. If there are additional fees not listed, describe them, in detail, under “comments.”

If assumptions are necessary, please fully explain your assumptions and quote the related fees on a unit cost basis, if possible.

## Fee Schedule Initial Contract

Both 457(b) & 401(a)	Amount	Assumptions underlying the amount
<b>Total basis point administrative fee for all services described in the RFP (based on all assets)</b>		
<b>Total dollar administrative fee for all services described in the RFP (this is not per participant but the total administrative cost)</b>		

- \* Should not include any ongoing reimbursement or credit allowances in your required fee.
- \* **Clearly note if there is a different fee arrangement for the 457(b) and 401(a) plans.**

## Fee Schedule First 2-year Extension

Both 457(b) & 401(a)	Amount	Assumptions underlying the amount
<b>Total basis point administrative fee for all services described in the RFP (based on all assets)</b>		
<b>Total dollar administrative fee for all services described in the RFP (this is not per participant but the total administrative cost)</b>		

- \* Should not include any ongoing reimbursement or credit allowances in your required fee.
- \* **Clearly note if there is a different fee arrangement for the 457(b) and 401(a) plans.**

## Fee Schedule Second 2-year Extension

Both 457(b) & 401(a)	Amount	Assumptions underlying the amount
<b>Total basis point administrative fee for all services described in the RFP (based on all assets)</b>		
<b>Total dollar administrative fee for all services described in the RFP (this is not per participant but the total administrative cost)</b>		

- \* Should not include any ongoing reimbursement or credit allowances in your required fee.
- \* **Clearly note if there is a different fee arrangement for the 457(b) and 401(a) plans.**

## Additional Fees

### Plan Level

Services	Fee	Comments
Plan Set-up/Installation (one-time fee)		
Investment advisory services		
Managed accounts		
Plan documents (outside of prototype)		
Check processing		
1099-R forms		
Postage		
Custom website set-up		
Custom website ongoing		
Employee communication & education		
Customized enrollment materials		
Customized periodic newsletter		
Customized communications		
Annual notifications to eligible participants		
Other (be specific)		

### Participant Level

Services	Fee	Comments
Investment advisory services		
Managed accounts		
Self-directed brokerage – Annual fee		
Self-directed brokerage – Transaction Fees		
Hardship Qualifications		
DRO Qualifications		
Wire Fees		
Other (be specific)		



# **SECTION 5**

## **APPENDIX**

## Appendix A – Model State Agreement

### AGREEMENT FOR SERVICES BETWEEN (Name of Contractor) AND NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

(Name of Contractor) (hereinafter CONTRACTOR) has offered to provide services to the State of North Dakota acting through its Public Employees Retirement System (hereinafter NDPERS). The terms of this Contract shall constitute the services agreement (“Agreement”).

CONTRACTOR and NDPERS agree to the following:

- 1) **SCOPE OF SERVICES:** CONTRACTOR agrees to provide the service(s) as specified in the 2016 RFP and proposal (attached hereto and incorporated by reference Exhibit A).
- 2) **TERM:** The term of this contract shall commence July 1, 2017.
- 3) **FEES:** NDPERS shall only pay pursuant to the terms in Exhibit A.
- 4) **BILLINGS:** NDPERS self- administers the plan which includes responsibility for determining eligibility, collecting and maintaining enrollment information, billing and premium collection. Each month, NDPERS pays the carrier the premiums for the current month on approximately the 20<sup>th</sup> and also provides the carrier with a Group Life Premium Report, Appendix F
- 5) **TERMINATION:** Either party may terminate this agreement with thirty (30) days written notice mailed to the other party, or as mutually agreed to by the parties. Upon any termination the CONTRACTOR shall be compensated as described in Exhibit A for services performed up to the date of termination.

In addition, PERS by written notice to CONTRACTOR, may terminate the whole or any part of this Agreement under any of the following conditions:

- 1) If funding from federal, state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the services or supplies in the indicated quantities or term.
- 2) If federal or state laws or rules are modified or interpreted in a way that the services are no longer allowable or appropriate for purchase under this Agreement or are no longer eligible for the funding proposed for payments authorized by this Agreement.

- 3) If any license, permit, or certificate required by law or rule, or by the terms of this Agreement, is for any reason denied, revoked, suspended, or not renewed.

Termination of this Agreement under this subsection is without prejudice to any obligations or liabilities of either party already accrued prior to termination.

In addition, NDPERS may terminate this Agreement effective upon thirty (30) days prior written notice to CONTRACTOR, or any later date stated in the notice:

- 1) If CONTRACTOR fails to provide services required by this Agreement within the time specified or any extension agreed to by NDPERS; **or**
- 2) If CONTRACTOR fails to perform any of the other provisions of this Agreement, or so fails to pursue the work as to endanger performance of this Agreement in accordance with its terms.

The rights and remedies of NDPERS provided in this subsection are not exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

- 6) **ASSIGNMENT AND SUBCONTRACTS:** CONTRACTOR may not assign or otherwise transfer or delegate any right or duty without STATE'S express written consent. However, the State expressly consents to CONTRACTOR entering into (i) subcontracts with its affiliates located in the United States, and (ii) third-party subcontracts provided that any such third-party subcontract acknowledges the binding nature of this contract and incorporates this contract, including any attachments. CONTRACTOR is solely responsible for the performance of any subcontractor to the same extent as if such performance were done by CONTRACTOR. CONTRACTOR does not have authority to contract for or incur obligations on behalf of NDPERS.
- 7) **ACCESS TO RECORDS AND CONFIDENTIALITY:** The parties agree that all participation by NDPERS members and their dependents in programs administered by NDPERS is confidential under North Dakota law. CONTRACTOR may request and NDPERS shall provide directly to CONTRACTOR upon such request, confidential information necessary for CONTRACTOR to provide the services described in Exhibit A. CONTRACTOR shall keep confidential all NDPERS information obtained in the course of delivering services. Failure of CONTRACTOR to maintain the confidentiality of such information may be considered a material breach of the contract and may constitute the basis for additional civil and criminal penalties under North Dakota law. CONTRACTOR has exclusive control over the direction and guidance of the persons rendering services under this Agreement. Upon termination of this Agreement, for any reason, CONTRACTOR shall return or destroy all

confidential information received from NDPERS, or created or received by CONTRACTOR on behalf of NDPERS. This provision applies to confidential information that may be in the possession of subcontractors or agents of CONTRACTOR. CONTRACTOR shall retain no copies of the confidential information. In the event that CONTRACTOR asserts that returning or destroying the confidential information is not feasible, CONTRACTOR shall provide to NDPERS notification of the conditions that make return or destruction infeasible. Upon explicit written agreement of PERS that return or destruction of confidential information is not feasible, CONTRACTOR shall extend the protections of this Agreement to that confidential information and limit further uses and disclosures of any such confidential information to those purposes that make the return or destruction infeasible, for so long as CONTRACTOR maintains the confidential information.

CONTRACTOR shall not use or disclose any information it receives from NDPERS under this Agreement that NDPERS has previously identified as confidential or exempt from mandatory public disclosure except as necessary to carry out the purposes of this Agreement or as authorized in advance by NDPERS. NDPERS shall not disclose any information it receives from CONTRACTOR that CONTRACTOR has previously identified as confidential and that NDPERS determines in its sole discretion is protected from mandatory public disclosure under a specific exception to the North Dakota public records law, N.D.C.C. ch. 44-04. The duty of NDPERS and CONTRACTOR to maintain confidentiality of information under this section continues beyond the term of this Agreement.

CONTRACTOR understands that, except for disclosures prohibited in this Agreement, NDPERS must disclose to the public upon request any records it receives from CONTRACTOR. CONTRACTOR further understands that any records that are obtained or generated by CONTRACTOR under this Agreement, except for records that are confidential under this Agreement, may, under certain circumstances, be open to the public upon request under the North Dakota public records law. CONTRACTOR agrees to contact NDPERS immediately upon receiving a request for information under the public records law and to comply with NDPERS's instructions on how to respond to the request.

- 8) **APPLICABLE LAW AND VENUE:** This agreement shall be governed by and construed in accordance with the laws of the State of North Dakota. Any action to enforce this contract must be adjudicated exclusively in the State District Court of Burleigh County, North Dakota.
- 9) **MERGER AND MODIFICATION:** This Agreement shall constitute the entire agreement between the parties. In the event of any inconsistency or conflict among the documents making up this agreement, the documents must control in this order of precedence: First – the terms of this Agreement, as may be amended and Second - the state's Request for Proposal (attached in Exhibit A)

and Third – CONTRACTOR's Proposal (attached in Exhibit A). No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification or change, if made, shall be effective only in the specific instances and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement.

10) **INDEMNITY:** CONTRACTOR agrees to defend, indemnify, and hold harmless the state of North Dakota, its agencies, officers and employees (State), from and against claims based on the vicarious liability of the State or its agents, but not against claims based on the State's contributory negligence, comparative and/or contributory negligence or fault, sole negligence, or intentional misconduct. This obligation to defend, indemnify, and hold harmless does not extend to professional liability claims arising from professional errors and omissions. The legal defense provided by CONTRACTOR to the State under this provision must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary. Any attorney appointed to represent the State must first qualify as and be appointed by the North Dakota Attorney General as a Special Assistant Attorney General as required under N.D.C.C. § 54-12-08. CONTRACTOR also agrees to defend, indemnify, and hold the State harmless for all costs, expenses and attorneys' fees incurred if the State prevails in an action against CONTRACTOR in establishing and litigating the indemnification coverage provided herein. This obligation shall continue after the termination of this Agreement.

11) **INSURANCE**  
CONTRACTOR shall secure and keep in force during the term of this Agreement, from insurance companies, government self-insurance pools or government self-retention funds, the following insurance coverages:

- 1) Commercial general liability, including premises or operations, contractual, and products or completed operations coverages (if applicable), with minimum liability limits of \$250,000 per person and \$1,000,000 per occurrence.
- 2) Professional errors and omissions with minimum liability limits of \$1,000,000 per occurrence and in the aggregate. CONTRACTOR shall continuously maintain such coverage during the contract period and for three years thereafter. In the event of a change or cancellation of coverage, CONTRACTOR shall purchase an extended reporting period to meet the time periods required in this section.
- 3) Automobile liability, including Owned (if any), Hired, and Non-Owned automobiles, with minimum liability limits of \$250,000 per person and \$1,000,000 per occurrence.
- 4) Workers compensation coverage meeting all statutory requirements.

The insurance coverages listed above must meet the following additional requirements:

- 1) Any deductible or self-insured retention amount or other similar obligation under the policies shall be the sole responsibility of the CONTRACTOR.
- 2) This insurance may be in policy or policies of insurance, primary and excess, including the so-called umbrella or catastrophe form and must be placed with insurers rated "A-" or better by A.M. Best Company, Inc., provided any excess policy follows form for coverage. Less than an "A-" rating must be approved by the State.
- 3) The duty to defend, indemnify, and hold harmless the State under this Agreement shall not be limited by the insurance required in this Agreement.
- 4) The state of North Dakota and its agencies, officers, and employees (State) shall be endorsed on the commercial general liability policy, including any excess policies (to the extent applicable), as additional insured. The State shall have all the benefits, rights, and coverages of an additional insured under these policies that shall not be limited to the minimum limits of insurance required by this Agreement or by the contractual indemnity obligations of CONTRACTOR.
- 5) The insurance required in this Agreement, through a policy or endorsement, shall include:
  - a) "Waiver of Subrogation" waiving any right to recovery the insurance company may have against the State;
  - b) a provision that CONTRACTOR's insurance coverage shall be primary (i.e. pay first) as respects any insurance, self-insurance or self-retention maintained by the State and that any insurance, self-insurance or self-retention maintained by the State shall be in excess of the CONTRACTOR's insurance and shall not contribute with it;
  - c) cross liability/severability of interest for all policies and endorsements;
  - d) The legal defense provided to the State under the policy and any endorsements must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary;
  - e) The insolvency or bankruptcy of the insured CONTRACTOR shall not release the insurer from payment under the policy, even when such insolvency or bankruptcy prevents the insured CONTRACTOR from meeting the retention limit under the policy.
- 5) CONTRACTOR shall furnish a certificate of insurance to the undersigned State representative prior to commencement of this Agreement.
- 6) Failure to provide insurance as required in this Agreement is a material breach of contract entitling State to terminate this Agreement immediately.
- 7) CONTRACTOR shall provide at least 30 day notice of any cancellation or material change to the policies or endorsements.

- 12) **SEVERABILITY:** If any term in this Agreement is declared by a court having jurisdiction to be illegal or unenforceable, the validity of the remaining terms must not be affected, and, if possible, the rights and obligations of the parties are to be construed and enforced as if the Agreement did not contain that term.
- 13) **INDEPENDENT ENTITY:** CONTRACTOR is an independent entity under this Agreement and is not a State employee for any purpose, including the application of the Social Security Act, the Fair Labor Standards Act, the Federal Insurance Contribution Act, the North Dakota Unemployment Compensation Law and the North Dakota Workforce Safety and Insurance Act. CONTRACTOR retains sole and absolute discretion in the manner and means of carrying out CONTRACTOR'S activities and responsibilities under this Agreement, except to the extent specified in this Agreement.
- 14) **NDPERS RESPONSIBILITIES:** NDPERS shall cooperate with the CONTRACTOR hereunder, including, without limitation, providing the CONTRACTOR with reasonable and timely access to data, information and personnel of NDPERS. NDPERS shall be responsible for the performance of its personnel and agents and for the accuracy and completeness of data and information provided to the CONTRACTOR for purposes of the performance of the Services.
- 19) **FORCE MAJEURE:** Neither party shall be held responsible for delay or default caused by fire, riot, terrorism, acts of God or war if the event is beyond the party's reasonable control and the affected party gives notice to the other party immediately upon occurrence of the event causing the delay or default or that is reasonably expected to cause a delay or default.
- 15) **ALTERNATIVE DISPUTE RESOLUTION – JURY TRIAL:** NDPERS does not agree to any form of binding arbitration, mediation, or other forms of mandatory alternative dispute resolution. The parties have the right to enforce their rights and remedies in judicial proceedings. NDPERS does not waive any right to a jury trial.
- 16) **NOTICE:** All notices or other communications required under this contract must be given by registered or certified mail and are complete on the date mailed when addressed to the parties at the following addresses:

**NDPERS:**

Sparb Collins, Executive Director  
ND Public Employees Retirement System  
400 East Broadway, Suite 505

PO Box 1657  
Bismarck, ND 58502-1657

CONTRACTOR:

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Notice provided under this provision does not meet the notice requirements for monetary claims against the State found at N.D.C.C. § 32-12.2-04.

17) **NONDISCRIMINATION AND COMPLIANCE WITH LAWS:** CONTRACTOR agrees to comply with all laws, rules, and policies, including those relating to nondiscrimination, accessibility and civil rights, as are applicable to CONTRACTOR. CONTRACTOR agrees to timely file all legally required reports, make required payroll deductions, and timely pay all taxes and premiums owed, including unemployment compensation and workers' compensation premiums. CONTRACTOR shall have and keep current at all times during the term of this contract all licenses and permits required by law.

18) **STATE AUDIT:** All records, regardless of physical form, and the accounting practices and procedures of CONTRACTOR relevant to this Agreement are subject to examination by the North Dakota State Auditor, the Auditor's designee, or Federal auditors. CONTRACTOR shall maintain all of these records for at least three (3) years following completion of this Agreement and be able to provide them at any reasonable time. State, State Auditor, or Auditor's designee shall provide reasonable notice.

19) **TAXPAYER ID:** CONTRACTOR'S federal employer ID number is:\_\_\_\_\_.

20) **PAYMENT OF TAXES BY STATE:** State is not responsible for and will not pay local, state, or federal taxes. State sales tax exemption number is E-2001, and certificates will be furnished upon request by the NDPERS.

21) **EFFECTIVENESS OF CONTRACT:** This Agreement is not effective until fully executed by both parties.

IN WITNESS WHEREOF, CONTRACTOR and NDPERS have executed this Agreement as of the date first written above.



**NORTH DAKOTA PUBLIC  
EMPLOYEES RETIREMENT SYSTEM**

\_\_\_\_\_  
Sparb Collins, Executive Director  
ND Public Employees Retirement System

\_\_\_\_\_  
Date

**CONTRACTOR**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**North Dakota Public Employees Retirement System  
Service Agreement 2nd Quarter 2016**

Standard/Service	Service/Quantifier Standard	Percent Completed within Standard	Plan Penalties	SLA Met	Penalties this Quarter
Quality standard for number of seconds on hold while call transfers to CSR	80% of calls answered within 30 seconds	87.7%	\$300 per quarter	Yes	\$0.00
Abandonment Rate	3%	0.8%	\$300 per quarter	Yes	\$0.00
Individual/Administrator Web Availability	99% (excluding regularly scheduled maintenance)	99.9%	\$300 per quarter	Yes	\$0.00
VRS Availability	99% (excluding regularly scheduled maintenance)	100.0%	\$300 per quarter	Yes	\$0.00
National Call Center Availability	Call center is available 100% of scheduled hours	100.0%	\$300 per quarter	Yes	\$0.00
Contribution Remittances	Same business day as receipt of funds as of 4:00 PM ET or earlier market close; assumes prior receipt of payroll data in good order.	100.0%	Provide economic equivalent of investment experience from appropriate trade date through actual processing date.	Yes	\$0.00
Termination distributions, lump sum payments, in-service distributions and Purchase Credits	99% processed within 5 business days after receipt of approved request received within good order.	99.2%	\$350 per quarter	Yes	\$0.00
Fund to Fund Transfers	99% processed within the same business day the request is received within good order by 4:00p.m. ET or earlier market close.	100.0%	\$350 per quarter	Yes	\$0.00
Transfers between plans	99% of requests to transfer between like registered plans under the Employer are processed within 3 business days of the request being received in good order by 4:00p.m. ET or earlier market close.	No requests	\$350 per quarter	N/A	\$0.00



**North Dakota Public Employees Retirement System  
Service Agreement 2nd Quarter 2016 (Continued)**

Standard/Service	Service/Quantifier Standard	Percent Completed within Standard	Plan Penalties	SLA Met	Penalties this Quarter
Beneficiary Service (Survivor Benefits Payments)	98% of claims processed within 3 business days of receipt of approved request received in good order.	100.0%	\$300 per quarter	Yes	\$0.00
QDRO Processing	90% of transactions processed within 15 business days of request received in good order.	No requests	\$300 per quarter	N/A	\$0.00
Issue Resolution - Time to Resolve w/member	95% of verbal customer issues closed within 5 business days.  Next, 98% of verbal customer issues closed within 10 business days.  90% of written customer issues closed within 18 business days.	Verbal 5 day = N/A Verbal 10 day = N/A Written = 100%	\$350 per quarter	Yes	\$0.00
Issue Resolution - Time to Resolve w/NDPERS	NDPERS issues raised by the plans sponsor will be resolved within the agreed upon timeframe. Items will be reviewed and action plan will be implemented.	100.0%	\$300 per quarter	Yes	\$0.00
Administrative Reporting - Timeliness	Reporting for the preceding quarter is available on the Plan Sponsor website within 3 business days after the end of the reporting period.  Monthly Reporting Package – these reports will be available 15 days after month end, 90% of the time. Due to peak volume, the December and June reporting package will be available within 45 days after month end.	100.0%	\$300 per quarter	Yes	\$0.00
Investment Review and Plan Review	Reporting will be delivered within an agreed upon schedule.	100.0%	\$300 per quarter	Yes	\$0.00



**North Dakota Public Employees Retirement System  
Service Agreement 2nd Quarter 2016 (Continued)**

Standard/Service	Service/Quantifier Standard	Percent Completed within Standard	Plan Penalties	SLA Met	Penalties this Quarter
Benefit Election Confirms - Timeliness	99% of Welcome Confirmations mailed within 2 business days of contract issuance (paper). 99% of Financial Confirmations mailed within 1 business day of transaction posting (paper). 99% of Financial Confirmations available within 1 business day of transaction posting (online).	100.0%	\$300 per quarter	Yes	\$0.00
Participant Statement - Timeliness	99% mailed within 5 business days after end of quarter (paper). 99% available within 5 business days after end of quarter (online).	100.0%	\$300 per quarter	Yes	\$0.00
Participant Satisfaction	85% satisfaction rating (7 or higher on a 10 point scale)	Reviewed annually in Q4	\$1,200 annually	N/A	\$0.00
Plan Sponsor Satisfaction	85% satisfaction rating (7 or higher on a 10 point scale)	Reviewed annually in Q4	\$1,200 annually	N/A	\$0.00
Implementation Timeliness	TIAA-CREF warrants that services will be implemented on the agreed upon date and will include a financial penalty. The implementation is guaranteed contingent upon the plan sponsor meeting prerequisites to the implementation of the service as outlined in a detailed transition plan.	100.0%	\$350 per quarter	Yes	\$0.00



**North Dakota Public Employees Retirement System  
Service Agreement 2nd Quarter 2016 (Continued)**

Standard/Service	Service/Quantifier Standard	Percent Completed within Standard	Plan Penalties	SLA Met	Penalties this Quarter
Individual and Group Meetings	<p>Delivered within the agreed upon schedule and number of days</p> <p>The composite score from 5 client survey questions must produce the result that at least 86% of responding attendees rate the Financial Consultant they met with as "Excellent" or "Very Good" on the following characteristics:</p> <ul style="list-style-type: none"> <li>• Providing quality Advice</li> <li>• Understanding your needs and goals</li> <li>• Having the expertise required to handle your financial needs</li> <li>• Anticipating additional financial issues and bringing them to your attention; and</li> <li>• Whether the client Agreed or Strongly Agreed that "The Consultant put your interests first."</li> </ul>	100.0%	\$300 per quarter	Yes	\$0.00

MEMORANDUM OF UNDERSTANDING BETWEEN THE NORTH DAKOTA PUBLIC  
EMPLOYEES RETIREMENT SYSTEM AND **NAME OF PROVIDER**  
RELATING TO MAINTAINING CONFIDENTIAL INFORMATION

This Memorandum of Understanding is between the State of North Dakota acting through its North Dakota Public Employees Retirement System (NDPERS) and **NAME OF PROVIDER** relating to maintenance and destruction of NDPERS Confidential Information held by **NAME OF PROVIDER** and its subsidiaries.

WHEREAS, NDPERS has previously entered into contracts with **NAME OF PROVIDER** to provide services related to administration of the **NDPERS PUT THE PROGRAM SPECIFICS HERE** (Contracts).

WHEREAS, the services provided by **NAME OF PROVIDER** under these Contracts required the exchange of information between the parties that is confidential under North Dakota Century Code §§ **CHANGE ACCORDING TO PROGRAM** 54-52.1-11 and 54-52.1-12 (Confidential Information).

WHEREAS, the parties acknowledge that these Contracts, including the Business Associate Agreements between the parties, required **NAME OF PROVIDER** to return or destroy Confidential Information subsequent to the termination of the applicable Contract, or if return or destruction of this information was infeasible to maintain its confidentiality.

WHEREAS, these Contracts have terminated and **NAME OF PROVIDER** has asserted and NDPERS agrees that member service, applicable audit, record keeping, and other required functions make the return or destruction of all Confidential Information infeasible at this time.

WHEREAS, **NAME OF PROVIDER** has provided and NDPERS has reviewed the **NAME OF PROVIDER** records retention policy (Policy) applicable to the Confidential

Information and **NAME OF PROVIDER** has affirmed that it will maintain the confidentiality of NDPERS information pursuant to this Policy until such time as the information is destroyed in a manner designated by this Policy.

NOW THEREFORE, in consideration of the foregoing premises and in furtherance of the aforementioned contractual obligations, the parties agree as follows:

1. **NAME OF PROVIDER** shall continue to maintain the confidentiality of Confidential Information which it still possesses, in accordance with its Policy in a manner that is at least as secure and diligent as was done during the term of the applicable Contract, until such time as the Confidential Information is destroyed or returned.
2. Upon the request of NDPERS, **NAME OF PROVIDER** shall confirm the destruction of Confidential Information under its Policy.
3. Upon the request of NDPERS, **NAME OF PROVIDER** shall provide NDPERS a copy of any change to the Policy provided NDPERS on **DATE HERE**.
4. NDPERS agrees these actions are consistent with **NAME OF PROVIDER** obligations under these Contracts.
5. This Memorandum of Understanding will terminate upon notice to NDPERS by **NAME OF PROVIDER** that all Confidential Information has either been returned to NDPERS or destroyed, or earlier, upon thirty (30) days' notice by NDPERS to **NAME OF PROVIDER** if NDPERS determines that the Policy has been modified in a manner that is inconsistent with state or federal law.
6. This Memorandum of Understanding shall be governed by, and construed in accordance with, the laws of the State of North Dakota.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

BY: \_\_\_\_\_  
Sparb Collins  
Executive Director

Date: \_\_\_\_\_

**NAME OF PROVIDER**

BY: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Attach Records Retention Policy