

## Part III: Questionnaire

Fiducient Advisors recognizes your firm may participate in our proprietary vendor (RPAG) database that contains a large number of responses to standard questions that we review as part of our RFP analysis. Please contact us if you do not participate in this database. If you currently outsource recordkeeping services, please provide the recordkeeper that you utilize in the body of the Questionnaire. In addition to those questions, please provide responses to the following questions:

### 1. Conversion & Implementation<sup>1</sup>

#### a. Are the start-up/conversion costs?

There are no costs associated with the start-up or conversion.

#### b. Please outline any and all contract termination fees and/or charges at both the plan level and participant level.

There are no contract-level charges for a standard de-conversion. However, if a custom de-conversion (programming, formatting, reporting, etc.) is required, additional charges may apply.

If the Town of Berlin, CT (Town) chooses to terminate the program, they can process withdrawals from the Lincoln Stable Value Account in one of the following ways:

- Full contract value in six installments over a five-year period.
- Full contract value less a potential market value adjustment paid at contract termination that will never be less than principal plus interest accrued at the GMIR.

Lincoln Stable Value Account is also available on other major recordkeeping platforms.

There are no restrictions on withdrawals from the Lincoln Stable Value Account for:

- Death
- Disability
- Unforeseeable emergency withdrawal
- Payment due to a qualified domestic relations order
- Purchase of an annuity under the contract
- Retirement or termination of employment (excluding termination of employment due to plan termination)
- Plant shutdown or other program instituted by the plan sponsor that reduces workforce by less than 20%

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If there is a competing fund in the line-up, there are limits on transfers from the Lincoln Stable Value Account. Transfers must be made into noncompeting funds and remain there for 90 days before moving assets into a competing fund. This is required to keep an acceptable yield and liquidity in the Lincoln Stable Value Account.

**c. What amount of lead-time does your firm need before the effective date of a record-keeping conversion?**

As a best practice, Lincoln's conversion process is 90 days. The implementation partner, Alice Dawicki, will work with the Town to develop a conversion plan and timeline that meets their needs.

**d. What is the number of days needed after receipt of conversion files to "go live"?**

While the planned blackout is three business days, on average we have been successful in lifting it after one business day.

**2. Administrative Services<sup>2</sup>**

**a. What is the average caseload of the Team/Relationship Manager?**

The Town's dedicated relationship manager, Ken Mangini, currently serves 15 clients.

The Town's dedicated account manager, John Kuhn, currently serves 18 clients.

**b. Can the Town of Berlin expect a visit or contact from account staff? If yes, how frequently?**

Yes. Ken will meet at least annually with the Town to present the plan review, but can meet as often as desired. In addition, he generally conducts quarterly update calls or meetings and will be available as needed by email, telephone, or in person during transition and ongoing. Ken is local and resides with his family in West Hartford.

**c. Please describe how many municipal clients you currently support for defined contribution recordkeeping services.**

We have 1,235 governmental plans. We do not track municipal plans separately.

**3. Technology<sup>3</sup>**

**a. Please describe your guarantee with respect to participant cyber fraud.**

We carry robust cybersecurity coverage to insure losses occurring as a result of a cybersecurity breach.

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In addition, we have a reimbursement policy for cybercrime-related losses.

- Register on LFG.com within the first 60 days of becoming a participant in the employer's plan
- Never share their LFG.com account credentials with anyone
- Enable all available security alerts and notifications
- Turn on all available security features, including two-factor authentication
- Immediately notify Lincoln of any fraud, theft, conversion, or cybercrime-related losses from their Lincoln account
- Immediately notify Lincoln if they become a victim of identity theft, or if they are alerted to fraud from another financial services company

If participants take these actions to protect their Lincoln account, we will provide a reimbursement for the full amount of losses resulting from cybersecurity-related fraud, theft, conversion, or other unauthorized activity, if we conclude that the loss occurred through no fault of their own.<sup>4</sup>

#### 4. Investment Options<sup>5</sup>

**a. Does the platform offer Self-Directed Brokerage Accounts? If so, what is the annual cost to participants?**

Yes. The Lincoln retirement program makes available a self-directed brokerage account (SDBA) option through TD Ameritrade (an independent third party) that allows investment choices outside the core fund line-up. Over 13,000 mutual funds are available, including more than 4,500 no-transaction-fee (NTF) mutual funds.

The annual administrative fee charged to participants who use the SDBA is \$50.

**b. Does the platform accommodate custom target date funds? If so, what is the cost associated with this?**

Yes. We offer approximately 1,790 target date funds and CITs from nearly 30 different fund companies.

##### **Target date custom portfolios**

Lincoln also makes available our custom portfolio service, a sophisticated administrative platform designed to allow advisors/consultants and plan sponsors to develop asset allocation portfolios. These portfolios can be created from the investments in the fund line-up or include

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<sup>4</sup> Lincoln must review the circumstances of each loss prior to making a reimbursement payment. Some losses will not be covered including losses resulting from (1) transactions involving an employee retirement account that have been approved by the employee's employer or the employer's agent, (2) actions taken by or a breach of security involving a person or entity with whom the participant has shared their account credentials, (3) conduct of a person to whom the participant has granted authority over their account and (4) a participant's own fraudulent activity.

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additional funds not available in the plan as standalone investment options. A wide range of portfolios can be developed, including combination target date and risk portfolios. The portfolios may also be offered as a plan's Qualified Default Investment Alternative (QDIA). Participants can choose to allocate all or a percentage of their total account balance to the portfolios, allowing asset allocation flexibility for participants. Furthermore, all portfolios are unitized, allowing performance to be shown.

#### **Lincoln custom portfolio service**

Lincoln offers multiple solutions for custom portfolios; *LifeSpan*<sup>SM</sup> and *YourPath*<sup>®</sup>. These programs do not charge a fee. Our custom portfolio services are designed to grant financial professional/consultants and plan sponsors the ability to develop asset allocation portfolios.

We have the ability to apply fees associated with the development and oversight of the portfolios. These fees are negotiated between the Town and the discretionary manager of the portfolios. the Town may pay the discretionary manager directly or via the plan's expense account. Lincoln also has the ability to include the fees within the custom portfolio program that offers unitized portfolios.

#### **Morningstar target date custom portfolios**

We also make available both custom and pre-packaged *YourPath*<sup>®</sup> portfolios by Morningstar Investment Management. Morningstar will act as the plan sponsor's investment manager for all assets in the portfolios. Plan sponsors will have fiduciary protection related to developing, monitoring, and updating the portfolios. These portfolios include combination target date and risk portfolios, which may also be offered as a plan's Qualified Default Investment Alternative (QDIA). Participants can choose to allocate all or a percentage of their total account balance to the portfolios, allowing asset allocation flexibility for participants. Furthermore, all portfolios are unitized, allowing performance to be shown.

#### **c. Does the platform offer income products? If yes, please describe key features.**

Yes.

#### ***Lincoln PathBuilder Income*<sup>SM</sup>**

We offer *Lincoln PathBuilder Income*<sup>SM</sup> – an innovative income solution that provides a simple way for people to turn retirement savings into guaranteed annual income for life. This unique approach to retirement income offers participants:

- Protection from market declines
- Confidence to participate in rising markets
- Anytime account access, subject to plan terms
- Reasonable costs
- Spousal benefits

*Lincoln PathBuilder Income*<sup>SM</sup> includes an Income Base – a calculated value that starts on the date a participant first invests in the option.





The Income Base determines the guaranteed lifetime retirement income. It increases each year if the market value of the account is higher on the anniversary date. If the market value drops, the Income Base remains the same.

Participants are guaranteed approximately 5% of the Income Base for life. The percentage will fluctuate based on factors including the applicable Guaranteed Annual Income Rate, single or joint life election, and the age when withdrawals begin. The guaranteed withdrawal benefit is subject to the claims-paying ability of The Lincoln National Life Insurance Company.

*Lincoln PathBuilder Income*<sup>SM</sup> resonates with participants:

- 76% of U.S. households are concerned about having adequate income in retirement<sup>6</sup>
- 72% of working U.S. adults prefer a retirement plan that provides them with a guaranteed monthly payment for life<sup>7</sup>
- 65% of U.S. workers believe they will need additional income beyond Social Security<sup>8</sup>
- 50% of working U.S. adults would sacrifice a portion of future pay increases for guaranteed retirement income for life<sup>9</sup>

*Lincoln PathBuilder Income*<sup>SM</sup> can be added to a plan as a stand-alone investment option or included in the glide path of a custom portfolio.



For more information on *Lincoln PathBuilder Income*<sup>SM</sup>, please click [here](#).

### ***Income America*<sup>TM</sup>**

*Income America*<sup>TM</sup> offers nonproprietary, multi-manager and multi-insured Collective Investment Trusts to address sustainable retirement income needs. The solution is portable among recordkeepers, removes product bias, and provides a fiduciary-based solution under ERISA 3(38). It provides guaranteed income combined with a target date structure. A participant can choose to receive a lifetime income guarantee of 5% of the guaranteed income base per year, beginning at age 65.

### ***Lincoln PathBuilder Income*<sup>SM</sup> powered by *YourPath*<sup>®</sup>**

We offer *Lincoln PathBuilder Income*<sup>SM</sup> powered by *YourPath*<sup>®</sup> - an innovative income solution that provides a simple way for people to turn retirement savings into guaranteed annual income for life. This unique approach to retirement income offers participants:

- Protection from market declines
- Confidence to participate in rising markets
- Anytime account access, subject to plan terms
- Reasonable costs

<sup>6</sup> SBI 2014-15 MacroMonitor

<sup>7</sup> PwC 2016 Employee Financial Wellness Survey

<sup>8</sup> EBRI 2016 Retirement Confidence Survey

<sup>9</sup> PwC 2016 Employee Financial Wellness Survey



- Spousal benefits

With the *Lincoln PathBuilder Income*<sup>SM</sup> powered by *YourPath*<sup>®</sup> option, a participant can increase their income base through contributions to their retirement plan. The income base, which is used to determine the guaranteed lifetime income amount, is initially equal to the participant's contributions minus withdrawals. At age 60 and on the date a participant starts receiving income (retirement), the income base is locked in, meaning it will reset to equal the greater of:

- The market value of their balance in the *Lincoln PathBuilder Income*<sup>SM</sup> target date portfolio
- The previous income base plus their plan contributions minus withdrawals

Once locked in, the income base will not be reduced due to market performance.

*Lincoln PathBuilder Income*<sup>SM</sup> powered by *YourPath*<sup>®</sup> includes an Income Base – a calculated value that starts on the date a participant first invests in the option.

The Income Base determines the guaranteed lifetime retirement income. It increases each year if the market value of the account is higher on the anniversary date. If the market value drops, the Income Base remains the same.

Participants are guaranteed approximately 5% of the Income Base for life. The percentage will fluctuate based on factors including the applicable Guaranteed Annual Income Rate, single or joint life election, and the age when withdrawals begin. The guaranteed withdrawal benefit is subject to the claims-paying ability of The Lincoln National Life Insurance Company.

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- 72% of working U.S. adults prefer a retirement plan that provides them with a guaranteed monthly payment for life<sup>11</sup>
- 65% of U.S. workers believe they will need additional income beyond Social Security<sup>12</sup>
- 50% of working U.S. adults would sacrifice a portion of future pay increases for guaranteed retirement income for life<sup>13</sup>

*Lincoln PathBuilder Income*<sup>SM</sup> powered by *YourPath*<sup>®</sup> provides a lifetime income glide path option. About 15 years before the target date, when the participant is around 50 years old, the *YourPath* target-date portfolio will add the *Lincoln PathBuilder Income*<sup>SM</sup> protection, ensuring their potential retirement income in the target-date portfolio is safeguarded against market losses.



For more information on *Lincoln PathBuilder Income*<sup>SM</sup> powered by *YourPath*<sup>®</sup> please click [here](#).

<sup>10</sup> SBI 2014-15 MacroMonitor

<sup>11</sup> PwC 2016 Employee Financial Wellness Survey

<sup>12</sup> EBRI 2016 Retirement Confidence Survey

<sup>13</sup> PwC 2016 Employee Financial Wellness Survey





**d. Does the platform offer Managed Accounts? If yes, please describe key features.**

Yes. We make available Morningstar Investment Management to provide **Managed by Morningstar**. This managed account service offers participants all of the benefits of professional investment management for their retirement account. Morningstar Investment Management accepts fiduciary responsibility for the investment management it provides.

The **Managed by Morningstar** service is offered through an interactive, web-based program that evaluates a participant's retirement situation and gives specific advice on their retirement plan investments. The underlying methodology was developed and is provided by Morningstar Investment Management. All of the participant data available on the Lincoln recordkeeping system is automatically populated into the program.

The benefits of **Managed by Morningstar** include:

- Portfolios tailored to participants' personal circumstances
- Expert investment selection and ongoing professional oversight
- Regular investment updates
- Detailed reports

Participants who elect this service are charged 0.45% of their retirement plan account balance and the fee is automatically deducted from their account.

**e. Does the platform offer Health Savings Accounts? If yes, please describe key features.**

Yes. Lincoln is engaging with an industry leading vendor to provide an enhanced customer experience by providing an integrated health account solution. The participant experience will be integrated with the health account balance showing on the quarterly statement as well as being listed in their online account. They will have the ability to access and manage their HSA account via single sign on from their Lincoln online account. Participants will be able to submit claims and reimbursements from the vendor's site. They will also be able to manage their account from the mobile app as well.

Participants will have access to resources that will assist them in understanding and utilizing their health account. They will be able to work directly with representatives from the vendor's customer service center, as well as their Lincoln retirement consultant (if applicable). Participants will be able to have an all-encompassing conversation with their representative on their retirement and health accounts, and how they can work together for retirement.

Plan sponsors will administer the health account plan through our partner's site. We will provide an integrated annual plan review that will share information about the retirement and health plans.

**f. How many investment options are available on the proposed platform?**

Lincoln has an open architecture investment platform that makes available nearly 12,000 mutual funds from 600-plus external fund families along with our Lincoln Stable Value Account.





**g. Does the Town have discretion over the investment options available?**

Yes.

**5. Participant Services<sup>14</sup>**

**a. If “point-in-time” investment advice is offered to plan participants, is it in-house or via a third party? Describe your process, mode and scope of advice. Please include fees for this service and your fee quote.**

We make available Morningstar Investment Management to provide the Morningstar **Managed by You** investment advice service. Participants gain access to Morningstar Investment Management resources and advice and have the option to accept Morningstar Investment Management's recommendations. Participants are responsible for visiting the Morningstar Investment Management site periodically (at least every six months is recommended) to ensure account recommendations are up-to-date. The service is provided through an interactive, web-based program that evaluates a participant's retirement situation and gives specific advice on plan investments. The underlying methodology was developed and is provided by Morningstar Investment Management. All participant data available on the Lincoln recordkeeping system is automatically populated into the program.

Morningstar Investment Management is a federally registered investment advisor and a subsidiary of Morningstar Inc. Morningstar Investment Management assumes fiduciary responsibility for the advice it provides.

The benefits of **Managed by You** include:

- Portfolio strategy scenarios
- Fund specific recommendations
- Research and education

There is no fee to the participant or plan sponsor for this service.

**b. What is the fee, per day, for additional education days (the town currently offers 6 educational days per year)?**

We have included 6 on-site education days as requested. In addition, the Town's employees will have access to virtual one-on-one meetings with a retirement consultant when using our Click2Meet tool to schedule an appointment. Additional on-site support is available at the rate of \$750 per day, per retirement consultant.

**c. Can you offer topical onsite and/or virtual education sessions including financial wellness topics? Please provide a summary of education materials/topics available.**

Yes. Retirement consultant Luz Gonzales will provide one-on-one education to participants by discussing their goals and using tools to help them make decisions for their financial future. She

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will combine technology with in-person or virtual support to simplify complex topics and assist participants with enrollment, contribution changes, investment education, and financial wellness topics.

### **Educational topics to assist participants**

#### **Plan benefits**

We understand the importance of getting started on the path to a more secure retirement. Luz will welcome new hires to the plan, introduce the benefits of tax-deferred savings, and help with enrollment.

#### **Distributions**

Luz is available to provide retirees and former employees with information about their distribution options.

#### **Asset allocation, diversification, and rebalancing**

These are three investing principles that help participants meet their retirement goals while managing investment risk. Luz will educate participants on the importance of each principle and help them build a strategy based on their risk profile and savings goal.

#### **Asset consolidation**

If participants have existing balances in an IRA or a previous employer's account, Luz can assist with roll-ins by:

- Helping them contact the prior vendor
- Discuss potential charges they will incur with that vendor
- Work with them in completing and submitting the paperwork

#### **Social Security**

Social Security is a significant retirement asset for most Americans. Making informed decisions related to Social Security options can mean a material difference in the income it provides during retirement. Through seminars and one-on-one meetings, Luz will provide education about Social Security benefits.

#### **Financial wellness**

We offer three components to financial wellness, including a self-serve option, on-site personal support, and an interactive online financial wellness tool, *WellnessPATH*®.

**Self-serve education** – Always-available web-based articles, videos, interactive tools, and calculators allow participants to learn what they want, when they want. Some topics include managing debt, paying for education, protecting family, and building a financial plan.

**One-on-one support** – Luz will deliver holistic wellness education and support to participants. They will help them understand financial basics, set goals, and take positive actions toward their financial future.



**Personalized online tool** – Lincoln's *WellnessPath*® is a comprehensive tool that allows participants to personalize their financial wellness plan. Available on our participant website via single sign-on, the tool presents actionable steps such as goal-setting, to dos, and linking accounts. It covers topics related to saving, debt, spending, and protection.

For more information about *WellnessPath*®, visit [LincolnFinancial.com/FinancialWellness](http://LincolnFinancial.com/FinancialWellness).

#### **Virtual retirement consultants**

Lincoln's virtual retirement consultants give participants the freedom to capture the one-on-one retirement consultant experience via phone, tablet, or PC from the comfort of home. Our virtual retirement consultants undergo the same rigorous training as our field force and help ensure access to a retirement consultant for an ever-changing, more virtual workforce.

#### **Online tools increase retirement readiness**

##### **Path2Retirement**

This calculator provides participants with personalized information about their retirement readiness. It helps participants understand the status of their retirement savings and if they are on track to achieve their goals. The calculator focuses on the following targets:

- Contributions
- Income needed at retirement
- Income needed at retirement until a certain age

The calculator displays results through color graphs and tables. It also provides suggestions for how participants can take action to improve their retirement readiness.

##### **My Target<sup>SM</sup> Calculator**

This tool gives participants a snapshot of their retirement income and allows them to interact with a scenario planner. Participants can build multiple scenarios and immediately see how even small changes can improve their retirement savings. The tool allows for easy contribution changes, and participants can print their results from the tool if needed.

##### **Social Security planning and calculator**

These tools are available to help educate and empower participants as they make important decisions on retirement income strategies.

#### **d. Does your participant website offer account aggregation functionality?**

Yes. Lincoln's *WellnessPATH*® solution includes account aggregation capabilities. Participants can aggregate both automatically or manually, depending on their preference. The account aggregation company utilized is MX. The company does not have access to any participant data.

#### **e. Please provide participant and plan sponsor website demonstration links.**





These demonstrations will highlight the features and functionality of our plan sponsor and participant web experience. Simply follow the login information below to begin experiencing Lincoln's web capabilities.

#### **Plan sponsor website experience**

Website: [www.LFG.com](http://www.LFG.com)

User ID: SPONSOR8085

Password: Sponsor#1

Please note this password will expire on 6/17/2023.

Please refer to Attachment 1 for a demo guide.

#### **Participant website experience**

Website: [www.LFG.com](http://www.LFG.com)

User ID: DEMOPPT1843144

Password: Participant#1

Please note this password will expire on 6/17/2023.

Please refer to Attachment 1 for a demo guide.

#### **Financial wellness experience**

Below is a short video about our online program *WellnessPATH®*.

<https://www.lfg.com/static/wcs/digitalbrochure/rps/financialwellness/solutions.html>

[Town of Berlin, CT](#)

**f. Please provide a sample participant statement.**

Please refer to the link for a sample quarterly participant statement included as Attachment 2.

[Town of Berlin, CT](#)

**6. Please provide plan pricing information under the following arrangements:**

**a. Without proprietary investments**

**i. Pro rata**

Our required revenue is 0.135% annually on all assets. This assumes no proprietary funds.

Please refer to the attached pricing summary for a full list of pricing scenarios and assumptions.

**ii. Per capita**

Our required revenue is \$112 per participant annually. This assumes no proprietary funds.

Please refer to the attached pricing summary for a full list of pricing scenarios and assumptions.

**iii. Bundled**

All price quotes include bundled recordkeeping and administration.

**b. With proprietary investments (Stable Value and/or Target Date Funds; please specify)**

**i. Pro rata**

Our required revenue is 0.075% annually on all assets. This assumes the Lincoln Stable Value Account is included in the fund line-up and a like-fund mapping strategy.

Please refer to the attached pricing summary for a full list of pricing scenarios and assumptions.

**ii. Per capita**

Our required revenue is \$60 per participant annually. This assumes the Lincoln Stable Value Account is included in the fund line-up and a like-fund mapping strategy.

Please refer to the attached pricing summary for a full list of pricing scenarios and assumptions.

**iii. Bundled**

All price quotes include bundled recordkeeping and administration.

**7. Do you provide fee guarantees/fee reviews? If so, how many years?**

Yes. Fees are guaranteed for three years and are reviewed annually following the guarantee period.

**8. Expenses: Please list the associated costs with any and all services not included in the required revenue stated above. For example:**

**a. Trustee Services**

**457(b) and 401(a) plans**

Trustee fees are included in our price quote.

**Retirement Health Savings plan**

Trustee fees are included in the price quote.

**Defined Benefit plan**

Lincoln does not support trustee-only services. However, we have a strategic third-party relationship with BPAS, and can refer trustee services to them. We welcome the opportunity to



discuss our comprehensive defined benefit plan administration and additional services that are available for the Town's existing defined benefit plan and any new plan.

**b. Generating and distributing QDIA notices**

Not included.

**c. Investment advice**

\$0

**d. Payroll deferral percentage tracking**

\$0

**e. Loan maintenance**

\$25 annually

**f. Loan origination fee**

\$75 annually

**g. In-service, non-hardship withdrawals**

\$25

**h. Hardship- like distribution**

\$0

**i. Terminated distributions**

\$40

**j. Hardship approval**

\$0

**k. QDRO processing**

\$500 – includes qualification and processing

**l. QDRO qualification**

See above

**m. Return of excess contributions**

\$0

**n. Minimum required distributions**

\$0

**o. Ad hoc plan level reports**





\$0

**p. Sending checks/wires/ACH debits**

\$0

**q. New Enrollments**

\$0

**r. Enrollment kits mailed to plan sponsor**

\$0

**s. Enrollment kits mailed to participant**

Not applicable. Enrollment materials are provided to eligible employees during group or one-on-one meetings.

**t. Enrollment posters, payroll stuffers, flyers**

\$0

**u. Comprehensive enrollment outsourcing**

\$0

**9. Please address any differences in cost and/or services should the Plan use a prototype or individually designed plan document.**

If the Town uses our plan document, Lincoln will support restatements and amendments, regardless of the reason. There is no additional fee. If an outside plan document is used, restatements and amendments must be completed by the plan's legal counsel or by the outside vendor responsible for preparing the document.



Corebridge's Response to the Town of Berlin

Fiducient Advisors recognizes your firm may participate in our proprietary vendor (RPAG) database that contains a large number of responses to standard questions that we review as part of our RFP analysis. Please contact us if you do not participate in this database. If you currently outsource recordkeeping services, please provide the recordkeeper that you utilize in the body of the Questionnaire. In addition to those questions, please provide responses to the following questions:

**1. Conversion & Implementation****a. Are the start-up/conversion costs?**

No.

**b. Please outline any and all contract termination fees and/or charges at both the plan level and participant level.**

There is no termination fee at the end of the five-year service agreement term or if the Town of Berlin ends the contractual arrangement due to an uncured material default.

**c. What amount of lead-time does your firm need before the effective date of a record-keeping conversion?**

The average timeframe for processing a conversion from beginning to a go-live date is 12 weeks.

**d. What is the number of days needed after receipt of conversion files to "go live"?**

Approximately 5 business days.

**2. Administrative Services****a. What is the average caseload of the Team/Relationship Manager?**

On average, Relationship Managers have a caseload of 10-12 clients.

**b. Can the Town of Berlin expect a visit or contact from account staff? If yes, how frequently?**

Yes. As often as needed.

**c. Please describe how many municipal clients you currently support for defined contribution recordkeeping services.**

We provide recordkeeping services to approximately 900 municipal clients.

**3. Technology****a. Please describe your guarantee with respect to participant cyber fraud.**

In the event assets are taken from participant accounts through unauthorized access and through no fault of their own, Corebridge will restore the value. Please visit our online security center for details around our Account Protection Responsibility commitment to participants. <https://www.corebridgefinancial.com/rs/aig-security-center/account-protection>

Participants can purchase IncomEdge® through a transfer from qualifying plan assets, with a minimum single deposit of \$20,000 or more (\$1,000,000 and above requires prior approval by Corebridge Financial).

At the time of purchase, participants select the following options, which will determine the amount of their future income payments:

- Payment start date (at least 13 months and up to 30 years from the purchase date)
- Payment type and frequency
- Death benefit
- Payment increase (if desired)

A deferred income annuity permanently converts the participant's single premium purchase to a guaranteed income stream for the participant's future. This will enable participants to know, years in advance, exactly what their income stream from IncomEdge® will be, assisting them in planning more effectively for their retirement.

**d. Does the platform offer Managed Accounts? If yes, please describe key features.**

Yes. Guided Portfolio Services (GPS) is Corebridge Financial's comprehensive participant retirement readiness solution offering two separate service options - Portfolio Advisor, those 'do it yourself' participants, and Portfolio Manager, the 'we do it for you' option.

GPS delivers objective investment advice, including a personalized savings rate, retirement age, investment portfolio, and recommended glide path to each participant enrolled in the program. Recommendations are powered by independent financial expert Morningstar Investment Management LLC and are based on each participant's total financial portfolio. Advice is generated by analyzing assets with Corebridge Financial, along with any retirement benefits (e.g., Social Security, pension), outside assets, expected future contributions, and cash flows that will be used to fund income in retirement.

GPS helps answer questions like:

- Am I on track with my retirement goals?
- How much do I need to invest?
- What kind of investments do I need?
- What should I invest in?

Several aspects of Guided Portfolio Services (GPS) set it apart from the competition:

- GPS is comprehensive. It goes beyond simply offering advice. It recommends a personalized savings rate and retirement age for a holistic view of the participant's goals.
- Fundamental to GPS is the wealth forecast which shows the participant the probability of meeting their retirement income goals including their annual retirement income. GPS forecast uses hundreds of simulations to predict how wealth might grow in different economic and investment performance environments.
- GPS includes in-person service from our financial professionals at no additional cost

There are no charges to the plan or plan sponsor for making the GPS program available.



Portfolio Manager fees for participants holding an aggregate balance of less than \$5,000 across all GPS accounts are waived. Enrolling in GPS Portfolio Manager without incurring advisory fees could help your participants' accounts grow.

GPS Portfolio Advisor is delivered online with assistance available over the phone via our GPS Support Team. Which of the seven GPS model portfolios will be recommended for the participant's plan assets is determined via a methodology developed and maintained by Morningstar Investment Management LLC (MIM). MIM also provides the fund-specific allocations for the seven model portfolios based on what investment options are available in the plan.

For participants not enrolled in our GPS program, our financial professionals offer point-in-time investment advice through our Retirement Pathfinder tool. Utilizing the investment allocation model within it, we provide guidance, education, and advice to participants in building an investment portfolio with the funds available within the plan. The advice also extends to rollovers into and out of the plan.

**b. What is the fee, per day, for additional education days (the town currently offers 6 educational days per year)?**

\$450 per financial professional per day.

**c. Can you offer topical onsite and/or virtual education sessions including financial wellness topics? Please provide a summary of education materials/topics available.**

Yes.

Corebridge's engaging employee meetings include the following:

- Key plan provisions and features
- Investment options
- Contribution Impact
- Plan services
- Website and online tools
- Holistic planning
- Financial Wellness Series

Our financial professionals offer employees any or all the following workshops. This group of courses can be delivered as a complete overview of financial planning in a one-, two-, or four-hour session, or in 45-minute segments on each topic.

The following is a list of topic-specific workshops from our library:

- Your Life in Retirement
- Social Security and Your Retirement
- Retirement Income Strategies
- Your Retirement Plan at Work
- Retirement Strategies for Women
- Planning for Financial Security
- Millennials and Retirement
- Retirement Pathfinder®
- Conquering Student Loan Debt
- Elder Care

- Investment Planning
- Tax Planning
- Retirement Planning
- Estate Planning
- Long-term Care

**d. Does your participant website offer account aggregation functionality?**

Yes.

**e. Please provide participant and plan sponsor website demonstration links.**

FutureFIT Participant Website

URL: <https://www.corebridgefinancial.com/rs/demo>

Username: AIGRSUser\_7081

Password: Pass1@word

SponsorFIT Plan Sponsor Website

URL: <https://demo-sponsorfit.valic.com>

Username: AIGRS\_826

Password: Pass1word

**f. Please provide a sample participant statement.**

Please refer to the attached Sample Participant Statement.

**6. Please provide plan pricing information under the following arrangements:**

**a. Without proprietary investments**

- i. **Pro rata**
- ii. **Per capita**
- iii. **Bundled**

Corebridge is pleased to offer the Town of Berlin our open architecture mutual fund platform at an annual fee of 0.05% (5 basis points) calculated on all participant assets, excluding any outstanding loans. As an alternative to the asset-based fee, we are offering \$68 annually per unique participant.

Our fee is based on the following assumptions:

- Any reimbursements received from the mutual fund companies will be returned directly to participant accounts based on the actual funds they held during the quarter
- Corebridge is the exclusive provider for the two 401(a) and two 457(b) plans under a five-year Service Provider Agreement
- All existing plan assets (currently estimated at \$58.9 million, less fixed assets that transfer at the end of the 12-month put) are transferred to Corebridge at the plan sponsor's direction at the beginning of the Service Provider Agreement term, and all future contributions (currently estimated at \$3.9 million annually) are automatically re-directed to us
- We assume 383 unique participants across the plans

Returns are generated through investments that are highly constrained by considerations of safety, liquidity, and diversification. Guarantees are backed by the claims-paying ability of The Variable Annuity Life Insurance Company (VALIC). VALIC has received strong financial strength ratings from independent ratings agencies, reflecting its financial stability and its ability to meet its obligations to its policy holders and others.

You receive our commitment to a guaranteed minimum interest rate at the time we issue your contract. We set an annual minimum crediting rate at the beginning of each January and may declare a current crediting rate periodically—no more frequently than every 90 days—that is the same as or higher than your annual crediting rate.

Each of these interest rates is credited on a daily basis at an annual effective rate. The product credits interest under a portfolio interest crediting method in which all deposits receive the same crediting rate regardless of date of deposit.

- Current March 2023 crediting rate 2.75%
- Guaranteed minimum interest rate for the life of the fixed annuity contract 0.25%

Provisions for the Fixed-Interest Option:

- There are no participant level withdrawal restrictions. There is an industry standard equity wash provision as follows: A participant can make transfers out of the Fixed-Interest Option to non-competing investment options at any time, or indirectly to a "competing option" subject to a 90-day equity wash provision. A competing option includes any other fixed, stable value, money market, or short-term bond fund; a mutual fund/brokerage window; or other provider's fund line-up available to plan participants. Another provider's product or platform will be treated as a competing option unless there is an agreement with the receiving provider to apply equity wash restrictions to transfers they receive.
- In the case of plan sponsor-directed or induced transfers from the Fixed-Interest Option to another investment option under the plan, the Fixed-Interest Option may be surrendered for the Accumulation Value, subject to a 12-month written notice of suspension of the contract from the plan sponsor, as described in the annuity contract. The company will declare a new rate of interest guaranteed for the ensuing twelve months. The rate is guaranteed to be no less than the lifetime minimum interest rate set forth in the contract.

VALIC reserves the right to limit the amount of incoming transfers in any year to a specified percentage of the accumulated assets in the contract as of the end of the previous calendar year.

Policies and practices for determining current crediting rates are subject to change prospectively but remain subject to the applicable lifetime guaranteed rate(s).

All guarantees are backed by the claims-paying ability of The Variable Annuity Life Insurance Company.

**7. Do you provide fee guarantees/fee reviews? If so, how many years?**

Yes, the recordkeeping fee is guaranteed for the life of the Service Provider Agreement.



**j. Hardship approval**

No fee.

**k. QDRO processing**

No fee.

**l. QDRO qualification**

No fee.

**m. Return of excess contributions**

No fee.

**n. Minimum required distributions**

No fee.

**o. Ad hoc plan level reports**

No fee.

**p. Sending checks/wires/ACH debits**

Included in Corebridge's required revenue.

**q. New Enrollments**

No fee.

**r. Enrollment kits mailed to plan sponsor**

Enrollment materials are made available electronically, there is no additional fee.

**s. Enrollment kits mailed to participant**

Enrollment materials are made available electronically, there is no additional fee.

**t. Enrollment posters, payroll stuffers, flyers**

Enrollment materials are electronic, there is no additional fee.

**u. Comprehensive enrollment outsourcing**

No fee.

**9. Please address any differences in cost and/or services should the Plan use a prototype or individually designed plan document.**

No differences in cost.

### **Part III: Questionnaire**

#### **1. Conversion & Implementation**

**a. Are the start-up/conversion costs?**

No.

**b. Please outline any and all contract termination fees and/or charges at both the plan level and participant level.**

As the incumbent, if MissionSquare is retained as the Town's sole provider, no contract termination fees and/or charges will be issued at the plan or participant level. However, some mutual funds may be subject to redemption fees on assets held in the fund less than a period of time defined in the prospectus. These policies are designed to protect long-term investors in these funds. Please consult the current fund prospectus for a summary of trading restrictions.

MissionSquare retains full discretion to release employer-initiated MissionSquare PLUS Fund withdrawals in an orderly manner over a period of up to 12 months from the date MissionSquare receives written notification from the employer that it is initiating withdrawals from the MissionSquare PLUS Fund, regardless of whether the market-to-book value ratio of the MissionSquare PLUS Fund is above or below 100%. This restriction on employer withdrawals from the MissionSquare PLUS Fund does not apply to participant-directed withdrawals from the Fund. In the case of an employer-initiated total withdrawal, participant transfers of MissionSquare PLUS Fund assets to other investment options will be restricted, and participants will not be able to make additional investments in the PLUS Fund during this 12-month period. The MissionSquare PLUS Fund remains benefit-responsive to participants eligible to take participant-directed withdrawals from the Fund. Transfers to another provider will be restricted if an employer elects to replace the MissionSquare PLUS Fund.

**c. What amount of lead-time does your firm need before the effective date of a record-keeping conversion?**

As the incumbent, if MissionSquare is retained as the Town's sole provider, there will be no recordkeeping conversion.

**d. What is the number of days needed after receipt of conversion files to "go live"?**

As the incumbent, if MissionSquare is retained as the Town's sole provider, there will be no conversion files that need to be sent or received.

#### **2. Administrative Services**

**a. What is the average caseload of the Team/Relationship Manager?**

The average number of clients for a Relationship Manager is approximately 10.

- b. **Can the Town of Berlin expect a visit or contact from account staff? If yes, how frequently?**

Yes. Your Relationship Manager Kevin Ryan will continue to visit at least quarterly, or more if needed. Your Retirement Plans Specialist Peter Crowe will visit 8 to 10 days annually and provide virtual individual and group meetings based on your participants' needs and goals.

- c. **Please describe how many municipal clients you currently support for defined contribution recordkeeping services.**

As of December 31, 2022, MissionSquare Retirement was supporting a total of 2,659 municipal clients.

**3. Technology**

- a. **Please describe your guarantee with respect to participant cyber fraud.**

We want participants to be confident that their retirement investments are safe and secure.

Among the tools MissionSquare has put in place to help achieve this goal is the **MissionSquare Security Guarantee**. Under this guarantee, MissionSquare will reimburse participants for losses from their MissionSquare accounts that are the result of unauthorized activity through no fault of their own. All MissionSquare-administered accounts are covered under the guarantee.<sup>6</sup>

**Use of Credit and Identity Monitoring Services**

Upon a determination that an incident or breach of Personally Identifiable Information has occurred, MissionSquare will make all reasonable efforts to assist covered individuals with protection against the risk of unauthorized use of their identity. Credit monitoring services offer significant help. MissionSquare will contact the participant and offer credit and identity monitoring services and pay all reasonable costs in connection with such services. We will also determine the appropriate period of time that credit and identity monitoring services will be provided. As a general rule, we offer credit monitoring services for a period of one year but would consider alternatives (shorter or longer), depending on the circumstances of a specific event. Experian Consumer Services may be used to provide such services.

<sup>6</sup> The guarantee does not cover other accounts that are owned by participants and held at other institutions, unauthorized activity by an employer or plan sponsor representative with access to the participant's account, or their own fraudulent acts and omissions. If a participant intentionally or negligently grants authority to or shares their MissionSquare account information or access credentials with any other persons or entities, their activity will be considered authorized by the participant and therefore not covered by the guarantee. If the participant has a claim, we will ask for their cooperation with our investigation and we may ask them to take certain actions such as filing a police report or providing an affidavit. The guarantee does not cover legal expenses, taxes, or lost opportunity costs. MissionSquare will determine the amount and form of any reimbursement provided under the guarantee in its sole discretion. MissionSquare reserves the right to modify or withdraw this guarantee at any time.



#### 4. Investment Options

- a. **Does the platform offer Self-Directed Brokerage Accounts? If so, what is the annual cost to participants?**

Yes. MissionSquare offers a self-directed brokerage account program, MissionSquare Brokerage, that provides participants with access to additional investment options, including more than 13,000 mutual funds, as well as ETFs and individual securities such as stocks and bonds. Brokerage services are provided by TD Ameritrade<sup>7</sup>, a registered broker-dealer and member of FINRA/SIPC.

##### **MissionSquare Charges**

MissionSquare assesses a one-time \$50 setup fee when a participant's MissionSquare Brokerage account is established and a \$50 annual maintenance fee. These fees are deducted directly from the participant's core account at MissionSquare.

##### **TD Ameritrade Fees/Charges<sup>8</sup>**

For a complete list of fees and charges, please refer to the *TD Ameritrade Commissions and Service Fees* document included in the **Appendix**. If TD Ameritrade changes its fees, the new fee schedule would be used. All TD Ameritrade fees and charges are deducted directly from a participant's brokerage account.<sup>9</sup>

- b. **Does the platform accommodate custom target date funds? If so, what is the cost associated with this?**

Yes. The MissionSquare Retirement Custom Asset Allocation Service gives participants the ability to invest their assets in a diversified fashion in one of several allocations defined by the plan sponsor, including custom target-date funds. MissionSquare can administer custom allocations established by the plan sponsor and maintained on our system based on written instructions provided from the plan sponsor or its designated investment adviser. MissionSquare serves as administrator and does not provide recommendations, model descriptions, or advice for this service.

There is no cost for this service.

<sup>7</sup> MissionSquare Retirement and TD Ameritrade are separate, unaffiliated companies and not responsible for each other's services or policies. Brokerage services are provided by TD Ameritrade, Inc. a registered broker-dealer and member of FINRA/SIPC. TD Ameritrade is a trademark jointly owned by TD Ameritrade IP Company, Inc. and the Toronto-Dominion Bank. Used with permission.

<sup>8</sup> TD Ameritrade receives remuneration from fund companies participating in its no-load, no-transaction-fee program for recordkeeping and shareholders services, and other administrative services. The amount of remuneration for these services is based in part on the amount of investments in such funds by TD Ameritrade clients. No-transaction-fee funds have other fees and expenses that apply to a continued investment in the fund and are described in the prospectus.

Investors should carefully consider the investment objectives, risks, charges, and expenses of any mutual fund or ETFs before investing. Other fees and expenses do apply to a continued investment in the funds. Fund families may impose redemption fees in addition to the fees described above. To obtain a prospectus which contains this and other important information, please visit [www.tdameritraderetirement.com](http://www.tdameritraderetirement.com) or call a TD Ameritrade representative at 866-766-4015. Please read the prospectus carefully before investing.

<sup>9</sup> MissionSquare and TD Ameritrade are separate, unaffiliated companies and not responsible for each other's services or policies. Brokerage services are provided by TD Ameritrade, Inc. member of FINRA/SIPC. TD Ameritrade is a trademark jointly owned by TD Ameritrade IP Company, Inc. and the Toronto-Dominion Bank. All rights reserved. Used with permission.

**Custom Asset Allocation Service Features**

- Participants select a single custom allocation for 100% of their account balance via MissionSquare's website. Once a participant selects an allocation, they are not permitted to initiate fund-to-fund transfers or contribution allocation changes until the participant provides instruction to cease using the asset allocation service.
- Quarterly statements report on assets and performance of the allocation's component funds. The statement also indicates the name of the asset allocation being employed by the participant. Personalized performance is provided on participant statements for the prior quarter and year-to-date based on account holdings during that time.
- Participant accounts are rebalanced every 90 days to the allocation selected by the participant and defined by the plan sponsor.
- Allocations may include funds that: a) are available in the plan's core lineup, b) are offered by the plan for use in the allocation only, c) are not prohibited by fund rules to participate in the allocations, and d) are not considered competing based on their allocation weighting to the stable value fund administered by MissionSquare for the plan.
- A participant may discontinue the service at any time. A participant leaving the allocation service may rejoin after 90 days.
- By using the allocation service, participants agree to the terms and conditions which include a quarterly rebalance of their assets. Participants will receive confirmations for transactions executed to rebalance their assets. A participant can change to another allocation offered by the plan after 90 days.

**c. Does the platform offer income products? If yes, please describe key features.**

Yes. The following two options allow participants to invest in a guaranteed retirement income fund and/or annuity:

**MissionSquare Retirement IncomeAdvantage Fund**

MissionSquare makes available the MissionSquare Retirement IncomeAdvantage Fund (the Fund)<sup>10</sup>, through VantageTrust that provides investors with a guaranteed lifetime income benefit. The Fund's guarantees are made available through a group

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<sup>10</sup> Prudential Retirement Insurance and Annuity Company (Prudential), CA COA #08003, Hartford, CT. Neither Prudential nor MissionSquare Retirement guarantees the investment performance or return on contributions to Prudential's Separate Account. You should carefully consider the objectives, risks, charges, expenses, and underlying guarantee features before purchasing this product. Prudential may increase the Guarantee Fee in the future, from 1.00% up to a maximum of 1.50%. Like all variable investments, this Fund may lose value. Availability and terms may vary by jurisdiction. Annuity contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Guarantees are based on Prudential's claims-paying ability. This annuity is issued under Contract form # GA-2020-TGWB4-0805-RC. MissionSquare Retirement provides recordkeeping services to your Plan and its affiliate is the investment manager of the underlying Prudential separate account. Prudential or its affiliates may compensate MissionSquare Retirement or its affiliates for providing these and related administrative services in connection with the Fund. Variable annuities are suitable for long-term investing, particularly retirement savings. ©2022 Prudential, the Prudential logo, and the Rock symbol and Bring Your Challenges are service marks of the Prudential Insurance Company of America, Newark, NJ, and its related entities, registered in many jurisdictions worldwide. Note: Participants who are interested in the MissionSquare Retirement IncomeAdvantage Fund must first receive and read the MissionSquare Retirement IncomeAdvantage Fund Important Considerations document, before investing.



variable annuity contract issued by Prudential Retirement Insurance and Annuity Company (Prudential).

Key features of the Fund include:

- **Guaranteed Lifetime Income with Upside Potential.** The ability to receive guaranteed lifetime withdrawals from the Fund that can never decrease as a result of market downturns but can increase if the stock and bond markets perform well.
- **Flexibility and Control.** Full access to the market value of the Fund at any time with no restrictions or withdrawal penalties.
- **Straightforward Fee Structure.** Fees that are clearly communicated and typically lower than most participants could obtain on their own outside of an employer-sponsored plan.

**Income for Life Program**

MissionSquare's Income for Life program<sup>11</sup> offers a convenient and objective method to purchase immediate annuities, with competitive, institutional pricing, from selected insurance companies with which MissionSquare partners. Based on information provided by the participant or beneficiary, a MissionSquare Plan Services Representative generates an individual annuity quote/benefit illustration. This information, along with an annuity enrollment kit, is mailed to the participant or beneficiary. Upon participant/beneficiary return of employer-approved enrollment forms, funds are wired to the annuity provider and a confirmation of the annuity purchase is mailed to the participant or beneficiary. The annuity provider then sends a welcome letter, customer service information, and an annuity certificate to the participant or beneficiary.

The annuity provider then begins making annuity payments to the participant at the agreed-upon frequency.

Participating insurance companies compensate MissionSquare for providing administrative services in support of the Income for Life Annuity program. The fee is at an annual rate of 80 basis points (0.80%) of the purchase amount of the annuity for a period of five years.

d. **Does the platform offer Managed Accounts? If yes, please describe key features.**

Yes. **Managed Accounts**, provided through our **Guided Pathways**<sup>®12</sup> program, provides an individually designed portfolio based on the employee's goals and

<sup>11</sup> Annuities are insurance products available through companies not affiliated with MissionSquare Retirement. Please consult "Income for Life Annuity Program: Immediate Annuities for Retirement Income," prior to purchasing an annuity. (800) 669-7400.

<sup>12</sup> Investment advice and analysis tools are offered to participants through MissionSquare, a federally registered investment advisor. Investment advice is the result of methodologies developed, maintained, and overseen by Morningstar Investment Management LLC, a federally registered investment advisor, and wholly owned subsidiary of Morningstar, Inc., which is not affiliated with MissionSquare. All rights reserved. Morningstar Investment Management LLC and the Morningstar logo are trademarks or service marks of Morningstar, Inc.



savings capacity. Although only retirement plan assets will be managed, other assets or sources of retirement income (i.e., spousal assets, defined benefit pensions, retail brokerage accounts, etc.) can be considered for the purpose of determining the appropriate allocation for the retirement plan account. Portfolios are constructed from the investment options available in the plan.

On an ongoing basis, MissionSquare assumes the discretionary management of the employee's retirement plans investments and will contact employees annually to inform them of their account status and obtain updated information that may impact their retirement investing goals and the allocation of their investment assets.

At any time, employees may elect to opt out of Managed Accounts and go back to managing their own accounts.

Our Managed Accounts service helps your employees transition from building up their savings to drawing them down. When they reach retirement, Managed Accounts will automatically adjust the advice provided to assist them with their retirement income planning, with the goal of making their assets last throughout retirement. It provides personalized projections, at an aggregate level and detailed by each source of retirement income (e.g., MissionSquare accounts, Social Security, pensions, outside accounts), designed to help them make their retirement income last over their life expectancy.

If offered by the plan and appropriate for the individual employee, employees who are nearing retirement or who are retired may receive a recommendation to invest a portion of their MissionSquare retirement plan assets in the MissionSquare Retirement IncomeAdvantage Fund, through VantageTrust that provides for guaranteed lifetime income.<sup>13</sup>

**e. Does the platform offer Health Savings Accounts? If yes, please describe key features.**

Yes. MissionSquare Retirement Health Savings (RHS) plan is our employer-sponsored health benefit savings vehicle that allows employees to accumulate

<sup>13</sup> Prudential Retirement Insurance and Annuity Company (Prudential), CA COA #08003, Hartford, CT. Neither Prudential nor MissionSquare Retirement guarantees the investment performance or return on contributions to Prudential's Separate Account. You should carefully consider the objectives, risks, charges, expenses, and underlying guarantee features before purchasing this product. Prudential may increase the Guarantee Fee in the future, from 1.00% up to a maximum of 1.50%. Like all variable investments, this Fund may lose value. Availability and terms may vary by jurisdiction. Annuity contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Guarantees are based on Prudential's claims-paying ability. This annuity is issued under Contract form # GA-2020-TGWB4-0805-RC. MissionSquare Retirement provides recordkeeping services to your Plan and its affiliate is the investment manager of the underlying Prudential separate account. Prudential or its affiliates may compensate MissionSquare Retirement or its affiliates for providing these and related administrative services in connection with the Fund. Variable annuities are suitable for long-term investing, particularly retirement savings. ©2022 Prudential, the Prudential logo, and the Rock symbol and Bring Your Challenges are service marks of the Prudential Insurance Company of America, Newark, NJ, and its related entities, registered in many jurisdictions worldwide. Note: Participants who are interested in the MissionSquare Retirement IncomeAdvantage Fund must first receive and read the MissionSquare Retirement IncomeAdvantage Fund Important Considerations document, before investing.

assets to pay for qualified medical expenses (e.g., health insurance, co-pays, prescription expenses, etc.) at retirement on a tax-free basis.

RHS is similar to other MissionSquare products such as 401 and 457 plans in that it allows an employee to invest dollars, through employer contributions, on a pre-tax basis for financial needs during retirement (or when otherwise eligible). RHS offers a number of benefits, including tax-deferred accumulation of earnings and, because account assets are used to pay for tax-qualified medical benefits for participants, their spouses and/or eligible dependents, the additional benefit of tax-free withdrawals.

**Key Features of RHS**

The following are key features of MissionSquare's RHS program:

- The RHS program allows for flexibility in plan design to meet employer/employee needs.
- Employers may make tax-free contributions to an employee account.
- The employer may require mandatory, pre-tax employee contributions from compensation or from accrued sick, vacation, and other leave.
- All earnings grow tax-deferred, and withdrawals used to pay for qualified medical benefits for participants, their spouses, and/or eligible dependents are tax-free.
- Plan assets remaining at the time of the employee's death can continue to be used for qualified medical expenses by the employee's surviving spouse and/or eligible dependents.

Please note that supplemental services such as investment advice services, self-directed brokerage services, loans, financial plans, and QDROs<sup>14</sup> are not applicable to RHS.

**f. How many investment options are available on the proposed platform?**

In addition to our broad family of proprietary collective investment trusts, the MissionSquare Funds, MissionSquare makes available a mutual fund platform through our third-party mutual fund settlement and clearing agent. Through this platform, we have access to approximately 700 fund families and over 20,000 funds/share classes. Should you desire a fund not currently on our platform, and that fund is currently open and available to retirement plans, we will work with the fund family to add the fund to our platform. There may be additional costs for investments not traded via NSCC.

**g. Does the Town have discretion over the investment options available?**

Yes. However, enhanced pricing is offered if the Town makes available one or more of the MissionSquare Funds. Please see **Question 6** for details.

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<sup>14</sup> Typically, MissionSquare will not recognize requests for assignment of all or part of a participant's RHS account under a domestic relations or other court order. However, we do ask the employer or participant to contact MissionSquare's QDRO Specialist should such an order be presented.



## 5. Participant Services

- a. If “point-in-time” investment advice is offered to plan participants, is it in-house or via a third party? Describe your process, mode and scope of advice. Please include fees for this service and your fee quote.

The point-in-time Fund Advice service is provided through our Guided Pathways® service. This is independent of our Managed Accounts service.

MissionSquare offers investment advisory and planning services through our Guided Pathways® service<sup>1</sup>. Employees have access to the services over the phone, through a dedicated and credentialed team, or directly through our website.

As the starting point for our Guided Pathways® service, participants receive a personalized retirement savings plan. The plan provides a wealth forecast developed from a participant's personal information including external assets, such as pensions, Social Security, and other sources of income streams and wealth. Based on this wealth forecast, participants receive recommendations on how much to save, when they can successfully retire, and when to start taking Social Security benefits. They can also see how changing certain factors impacts their retirement goals.

Building on the retirement savings plan, two services are available that allow participants to choose the level of investment advice and account management that best meets their needs and preferences<sup>15</sup>:

- **Fund Advice** is an advisory service that provides participants with a point-in-time, fund-specific investment portfolio recommendation from the funds available within your plan. The recommendations are generated by Morningstar Investment Management, LLC (Morningstar), a third-party independent financial expert, and delivered by MissionSquare. The service is non-discretionary, so participants remain responsible for implementing any investment changes and monitoring their account.
- **Managed Accounts** offers a higher level of advisory service than Fund Advice. Participants benefit from ongoing discretionary professional management of their MissionSquare-administered retirement accounts, with the objective of helping them reach their retirement goals. At any time, participants may elect to opt out of Managed Accounts and manage their own accounts.

### Managed Accounts Service Overview

If the participant selects Managed Accounts, Morningstar designates the fund-specific investment portfolio it determines is most appropriate for the participant based on their financial situation, investment time horizon, sustainable retirement income, and other relevant factors. MissionSquare then allocates the assets of the participant's account in accordance with Morningstar's selected portfolio.

On an ongoing basis, MissionSquare assumes the discretionary management of the participant's MissionSquare-administered retirement plan investments. Typically, on

<sup>15</sup> Managed Accounts and Fund Advice are fee-based services.



a quarterly basis, or as participants notify us of changes in their personal or financial information, Morningstar will re-examine the participant's investment portfolio and determine whether to rebalance the funds within the existing portfolio or reallocate to a different portfolio.

Managed Accounts will help participants transition from building up their savings to drawing them down, automatically adjusting the advice provided to assist them with their retirement income planning, with the goal of making their assets last throughout retirement.

If offered by the plan and appropriate for the individual employee, employees who are nearing retirement or who are retired may receive a recommendation to invest a portion of their MissionSquare retirement plan assets in the MissionSquare Retirement IncomeAdvantage Fund, a fund of VantageTrust that provides for guaranteed lifetime income.<sup>16</sup>

Participants using Managed Accounts are charged an additional asset-based fee based on the following schedule<sup>17</sup>:

Participant Account Balance	Annual Fee
First \$100,000	0.50%
Next \$200,000	0.40%
Next \$200,000	0.30%
Over \$500,000	0.20%

**b. What is the fee, per day, for additional education days (the town currently offers 6 educational days per year)?**

On-site days are included with the fee structure and assumes six days per year.

<sup>16</sup> Prudential Retirement Insurance and Annuity Company (Prudential), CA COA #08003, Hartford, CT. Neither Prudential nor MissionSquare Retirement guarantees the investment performance or return on contributions to Prudential's Separate Account. You should carefully consider the objectives, risks, charges, expenses, and underlying guarantee features before purchasing this product. Prudential may increase the Guarantee Fee in the future, from 1.00% up to a maximum of 1.50%. Like all variable investments, this Fund may lose value. Availability and terms may vary by jurisdiction. Annuity contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Guarantees are based on Prudential's claims-paying ability. This annuity is issued under Contract form # GA-2020-TGWB4-0805-RC. MissionSquare Retirement provides recordkeeping services to your Plan and its affiliate is the investment manager of the underlying Prudential separate account. Prudential or its affiliates may compensate MissionSquare Retirement or its affiliates for providing these and related administrative services in connection with the Fund. Variable annuities are suitable for long-term investing, particularly retirement savings. ©2022 Prudential, the Prudential logo, and the Rock symbol and Bring Your Challenges are service marks of the Prudential Insurance Company of America, Newark, NJ, and its related entities, registered in many jurisdictions worldwide. Note: Participants who are interested in the MissionSquare Retirement IncomeAdvantage Fund must first receive and read the MissionSquare Retirement IncomeAdvantage Fund Important Considerations document, before investing.

<sup>17</sup> Underlying mutual fund expenses and plan administration fees still apply. Please consult the applicable disclosure materials for a description of these fees and expenses.

**c. Can you offer topical onsite and/or virtual education sessions including financial wellness topics? Please provide a summary of education materials/topics available.**

Yes. We recognize that participants have different communication and learning styles. Our approach is tailored to meet the needs of those who prefer in-person communication, as well as those who prefer to speak with a representative on the phone or manage their account(s) solely online or through our fully transactional mobile app.

**One-on-one Meetings and Group Seminars**

Your Retirement Plans Specialist will be available for on-demand, one-on-one financial wellness meetings and consultations with participants and will also provide customized group seminars. Knowledgeable on a wide range of topics, they'll provide information on general plan questions, retirement readiness, and more.

Depending on participants' needs, they can facilitate introducing participants to other representatives, such as of our CERTIFIED FINANCIAL PLANNER™ professionals or Financial Consultants, who can help with in-depth financial planning and investing needs.

**Financial Planning Services and Webinars**

We offer financial planning educational services provided by our CERTIFIED FINANCIAL PLANNER™ professionals. Our CFP® professionals conduct in-depth webinars on essential financial management skills and retirement basics, and they also provide one-on-one financial planning meetings and written financial plans. Our financial planning services are complimentary, however, there are eligibility requirements based on participants' account balances. Our webinars, led by CFP® professionals, are complimentary for all participants.

**2023 Webinars**

- An Introduction to Annuities
- College Funding: Investing in Your Child's Future
- Effective Estate Planning: Protecting Your Assets for the Future
- Financial Planning Basics: How to Set and Achieve Your Goals
- How Health Can Affect Your Wealth
- Making Every Dollar Count: Tips for Smart Spending
- Making the Most of Social Security: Retirement Income Enhancing Strategies
- Maximizing Your Investments: Ensuring Your Retirement is on Track
- Maximizing Your Retirement Through Tax Planning
- Navigating the Next Chapter: Preparing for Your Retirement
- Planning for the Future: The Fundamentals of Retirement Investing
- Quarterly Economic Overview
- Retirement 101: A Comprehensive Overview



- Retirement Income Planning: Tips to Help Make Your Money Last
- Roth IRA: A Flexible and Tax-Efficient Way to Save for Retirement
- Saving for College: Tips and Strategies
- Social Security: Understanding Your Retirement Options
- Taking Estate Planning to the Next Level
- The Importance of Long-Term Care Planning in Retirement
- The Medicare Puzzle: Understanding Your Medicare Options
- 10 Questions for a Successful Retirement: A Guide for the Retiree
- Women and Money: Preparing for future finances

### **Personalized Digital Content**

Our **Financial Wellness Center**, available to all participants from within their account, features over 100 videos, charts, interactive calculators, articles, gamification, and resources on a range of topics from credit card debt and budget management to investing and retirement planning basics. The tool provides suggested content based on participants' personal and account data. As participants update their information, topic recommendations change accordingly.

Online dynamic **calculators** allow participants to visualize the result of certain financial behaviors before they act. For example, they can see how tax benefits help them save in a retirement account using the Paycheck Calculator or see how saving more could affect their retirement outcome with the Savings Boost Calculator. Our retirement readiness tool Am I on Track? helps participants determine if they are on target to meet their retirement goals.

Our online **participant newsletter**, RealizeRetirement®, discusses financial topics of interest, investment performance, market trends, new plan features and services, regulatory developments, and other areas. Versions are produced to target early, mid-, and late career/retirees. Strategic digital marketing **campaigns** are also targeted to participants who would benefit most from each financial topic, from our investment advisory program, Guided Pathways® Advisory Services, to distribution options once participants approach RMD age.

### **Online and Mobile Tools**

Our **main website** and **participant website** contain over 2,000 educational resources, from publications and calculators to videos and articles targeting all participant ages, career stages, and levels of financial knowledge. In addition to numerous account transactions participants can perform on the participant website, we regularly post information on plan updates, new tools, and events, such as National Retirement Security Month.

Our fully transactional **mobile app** allows participants to easily manage their account and view educational resources from the convenience of their mobile devices. They can perform certain transactions and view fund balances, personal performance information, year-to-date account activity, brief messages as applicable, and more.



### **HTML Emails, eflyers, and Presentations**

Our presentations and flyers are tailored to meet the specific needs of the plan and its participants by including the plan's name, meeting dates and times, and the name of the Retirement Plans Specialist who will conduct participant meetings.

We will work with you to select eflyers/HTML emails, and presentations from our extensive library of communications to share with your participants. These materials will highlight topics relevant to your participants and the plan.

**d. Does your participant website offer account aggregation functionality?**

Yes. Our Account Aggregation service allows participants to link outside accounts to automatically include those balances in their overall portfolio view; the information is then used in our financial wellness tools and assessments to help participants make more informed decisions while navigating toward a secure retirement. External accounts that can be linked through the service include credit card, checking, savings, brokerage, defined benefit plans, and retirement accounts to assist with budgeting and goal planning.

**e. Please provide participant and plan sponsor website demonstration links.**

#### **Participant Website:**

Here are instructions for setting up your individual participant demo account:

1. Go to this website: <https://retirement.financialtrans.com/msq/verify-identity/?flow=register>
2. Enter your Demo SSN and DOB
  - Your demo SSN: 999999352
  - Your demo DOB: 04031972
3. Go through the process of setting up your user ID and password. Be sure to remember your credentials!
4. You will need to input your cell phone number for the one-time passcode option. Do not use the email option for the one-time passcode.
5. You can log back into your account any time at <https://www.missionsq.org/>

#### **Plan Sponsor Website:**

Here are instructions for setting up your individual plan sponsor demo account:

1. Go to this website: <https://retirement.financialtrans.com/msq-sponsor/>
2. Enter your User ID and Password:
  - User ID: EMPUD5ED
  - Password: contact

3. Go through the process of updating your password. Be sure to remember your credentials!
4. You can log back into your account any time at <https://www.missionsq.org/>
5. When you log in, type in "Mission" in the "Plan Name" field and click search to select the MissionSquare Demo Plan Sponsor.

**Mobile Application:**

Download the MissionSquare Retirement app from the App Store or Google Play.

1. Use the credentials for the participant website to log into the mobile app.

**f. Please provide a sample participant statement.**

The sample participant statement has been added to the **Appendix**.

**6. Please provide plan pricing information under the following arrangements:**

**a. Without proprietary investments**

- i. **Pro rata: 0.10%**
- ii. **Per capita: \$95 per account.**
- iii. **Bundled: Not proposed.**

See Notes and Assumptions below for more information.

**b. With proprietary investments (Stable Value and/or Target Date Funds; please specify)**

Under these options, MissionSquare is proposing a 60-day fee holiday, meaning for the first 60 days of the new contract MissionSquare will not assess the recordkeeping fees below.

**i. Pro rata: 0.045% with R10 PLUS Fund, or:**

**0.030% with R10 PLUS Fund and R10 Target Date Funds**

This is based on the Town making available 1) the MissionSquare PLUS Fund as the sole stable value fund administered by MissionSquare Retirement, and 2) the MissionSquare Retirement Target Funds as the sole suite of target-date funds administered by MissionSquare Retirement.

Please see Notes and Assumptions below for more information.



ii. **Per capita: \$44 per account with R10 PLUS Fund or,**

**\$30 per account with R10 PLUS Fund and R10 MSQ Target Date funds.**

This is based on the Town making available 1) the MissionSquare PLUS Fund as the sole stable value fund administered by MissionSquare Retirement, and 2) the MissionSquare Retirement Target Funds as the sole suite of target-date funds administered by MissionSquare Retirement.

Please see Notes and Assumptions below for more information.

iii. **Bundled: Not proposed.**

Notes and Assumptions:

MissionSquare Retirement continues to serve as sole provider.

Our fees are based upon adoption of our model plan document and assume the plan sponsor will utilize the secure plan sponsor website to submit contributions electronically on a consistent basis. If there are system enhancements required for features in an individually designed document, a cost estimate will be provided.

MissionSquare assesses no back-end charges or financial market value adjustments of any kind. Funds may assess redemption fees for assets that have been invested for less than a period of time defined in the fund prospectus or disclosure documents.

MissionSquare retains full discretion to release employer-initiated MissionSquare PLUS Fund withdrawals in an orderly manner over a period of up to 12 months from the date MissionSquare receives written notification from the employer that it is initiating withdrawals from the MissionSquare PLUS Fund, regardless of whether the market to book value ratio of the MissionSquare PLUS Fund is above or below 100%. This restriction on employer withdrawals from the MissionSquare PLUS Fund does not apply to participant directed withdrawals from the Fund. In the case of an employer-initiated total withdrawal, participant transfers of MissionSquare PLUS Fund assets to other investment options will be restricted and participants will not be able to make additional investments in the PLUS Fund during this twelve-month period. The MissionSquare PLUS Fund remains benefit responsive to participants eligible to take participant-directed withdrawals from the Fund. Transfers to another provider will be restricted if an employer elects to replace the MissionSquare PLUS Fund.

Disclosure of fund expenses and revenue received by MissionSquare is provided in the **Appendix**.

7. **Do you provide fee guarantees/fee reviews? If so, how many years?**

MissionSquare will not unilaterally increase its plan administration fees for the term of the contract. Fees for supplemental services are subject to change with appropriate notification.



8. **Expenses: Please list the associated costs with any and all services not included in the required revenue stated above. For example:**
- a. **Trustee Services**
  - b. **Generating and distributing QDIA notices**
  - c. **Investment advice**
  - d. **Payroll deferral percentage tracking**
  - e. **Loan maintenance**
  - f. **Loan origination fee**
  - g. **In-service, non-hardship withdrawals**
  - h. **Hardship- like distribution**
  - i. **Terminated distributions**
  - j. **Hardship approval**
  - k. **QDRO processing**
  - l. **QDRO qualification**
  - m. **Return of excess contributions**
  - n. **Minimum required distributions**
  - o. **Ad hoc plan level reports**
  - p. **Sending checks/wires/ACH debits**
  - q. **New Enrollments**
  - r. **Enrollment kits mailed to plan sponsor**
  - s. **Enrollment kits mailed to participant**
  - t. **Enrollment posters, payroll stuffers, flyers**
  - u. **Comprehensive enrollment outsourcing**

The following supplemental service fees<sup>18</sup> apply exclusively to the participants who choose to use these services:

### Investment Advice Services

Fees<sup>19</sup> for investment advice through our **Guided Pathways® Advisory Services<sup>20</sup> Managed Accounts** service are:

Participant Account Balance	Annual Fee
First \$100,000	0.50%
Next \$200,000	0.40%
Next \$200,000	0.30%
Over \$500,000	0.20%

### Financial Planning Services

MissionSquare is pleased to offer complimentary financial plans and consultations with a CERTIFIED FINANCIAL PLANNER™ professional to eligible participants. Financial planning webinars, conducted by CFP® professionals, and retirement readiness consultations with a MissionSquare Financial Consultant are available to all participants.

### MissionSquare Brokerage

#### MissionSquare Charges

MissionSquare assesses a one-time \$50 setup fee when a participant's MissionSquare Brokerage account is established and a \$50 annual maintenance fee. These fees are deducted directly from the participant's core account at MissionSquare.

#### TD Ameritrade Fees/Charges<sup>21</sup>

For a complete list of fees and charges, please refer to the *TD Ameritrade Commissions and Service Fees* document included in the **Appendix**. If TD Ameritrade changes its fees,

<sup>18</sup> Fees for supplemental services are subject to change with appropriate notification.

<sup>19</sup> Underlying mutual fund expenses and plan administration fees still apply. Please consult the applicable disclosure materials for a description of these fees and expenses.

<sup>20</sup> Investment advice and analysis tools are offered to participants through MissionSquare Retirement, a federally registered investment advisor. Investment advice is the result of methodologies developed, maintained, and overseen by the Independent Financial Expert, Morningstar Investment Management LLC. Morningstar Investment Management LLC is a registered investment advisor and subsidiary of Morningstar, Inc. Morningstar, Inc. and Morningstar Investment Management LLC are not affiliated with MissionSquare Retirement. All rights reserved. The Morningstar name and logo are registered marks of Morningstar, Inc.

<sup>21</sup> TD Ameritrade receives remuneration from fund companies participating in its no-load, no-transaction-fee program for recordkeeping and shareholders services, and other administrative services. The amount of remuneration for these services is based in part on the amount of investments in such funds by TD Ameritrade clients. No-transaction-fee funds have other fees and expenses that apply to a continued investment in the fund and are described in the prospectus.

Investors should carefully consider the investment objectives, risks, charges, and expenses of any mutual fund or ETFs before investing. Other fees and expenses do apply to a continued investment in the funds. Fund families may impose redemption fees in addition to the fees described above. To obtain a prospectus which contains this and other important information, please visit [www.tdameritraderetirement.com](http://www.tdameritraderetirement.com) or call a TD Ameritrade representative at 866-766-4015. Please read the prospectus carefully before investing.

the new fee schedule would be used. All TD Ameritrade fees and charges are deducted directly from a participant's brokerage account.<sup>22</sup>

#### **Loans**

- **Setup fee** – \$75 origination fee for loan applications, re-amortizations, and re-financings. This is a one-time expense.
- **Annual fee** – \$50 annual fee for outstanding loans.
- **ACH reject fee** – \$20 for each occurrence of an ACH return due to insufficient bank funds, invalid bank account, or account closed.

#### **Wire Transfer Fees**

A \$15 participant fee will apply for each outgoing wire transfer requested by a participant. Should our processing bank increase the wire fees during the contract period, the increased fee will be charged to the participant accordingly. There is no charge for incoming wire transfers.

#### **QDRO Processing Fees**

\$250 per divorce.

#### **Programming Costs**

Any systems programming for services not identified in the scope of services or that have not been proposed in this proposal is available at a cost of \$175 per hour for programming, testing, and project oversight.

**9. Please address any differences in cost and/or services should the Plan use a prototype or individually designed plan document.**

There would be no impact on cost should the Town choose to use a prototype plan. Clients using an individually designed plan document are responsible for maintaining a compliant document.

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<sup>22</sup> MissionSquare and TD Ameritrade are separate, unaffiliated companies and not responsible for each other's services or policies. Brokerage services are provided by TD Ameritrade, Inc. member of FINRA/SIPC TD Ameritrade is a trademark jointly owned by TD Ameritrade IP Company, Inc. and the Toronto-Dominion Bank. All rights reserved. Used with permission.



## Part III: Questionnaire

Fiducient Advisors recognizes your firm may participate in our proprietary vendor (RPAG) database that contains a large number of responses to standard questions that we review as part of our RFP analysis. Please contact us if you do not participate in this database. If you currently outsource recordkeeping services, please provide the recordkeeper that you utilize in the body of the Questionnaire. In addition to those questions, please provide responses to the following questions:

### 1. Conversion & Implementation

#### a. Are the start-up/conversion costs?

Conversion costs are included in overall fees.

#### b. Please outline any and all contract termination fees and/or charges at both the plan level and participant level.

We have no contract termination fees; however, we do request a 90-day written notice prior to terminating the contract.

#### c. What amount of lead-time does your firm need before the effective date of a record-keeping conversion?

To help ensure a smooth transition we prefer to begin the plan conversion process 90 to 120 days prior to asset transfer.

#### d. What is the number of days needed after receipt of conversion files to "go live"?

Plan conversions are normally completed within five business days following receipt of complete and final records from the prior vendor.

Upon receipt of the final records from the prior recordkeeper, we conduct a thorough reconciliation, including a balance of participant records, the previous recordkeeper's fund-level balances, and the fund balances provided by the fund houses and trustee. We provide our reconciled data to the plan for review and approval before opening the plan.

### 2. Administrative Services

#### a. What is the average caseload of the Team/Relationship Manager?

We average approximately 10 clients per relationship manager at any given time for clients of a similar size. Actual caseload depends on workload, geographic location, plan size and complexity.

#### b. Can the Town of Berlin expect a visit or contact from account staff? If yes, how frequently?

Yes. Your relationship manager will meet with you three to four times annually to provide a business plan status report and investment reporting.

Your relationship manager will serve as the Town's primary contact and is responsible for your overall satisfaction with your plan and partnership with Empower. In addition to facilitating your plan's day-to-day needs and coordinating with Empower personnel, your relationship manager is responsible for:

- Developing an extensive annual business plan for the Town that details measurable goals and delineates specific service, education, and compliance initiatives
- Handling communication and marketing
- Identifying opportunities for growth
- Client satisfaction and retention

**c. Please describe how many municipal clients you currently support for defined contribution recordkeeping services.**

As of December 31, 2022, we support approximately 2,387 defined contribution municipal clients on our platform.

### **3. Technology**

**a. Please describe your guarantee with respect to participant cyber fraud.**

We not only stand behind the security of participant accounts, we guarantee it. Our Empower Security Guarantee affirms our promise to restore account losses resulting from any unauthorized transactions that occur through no fault of the participant. Information regarding the Empower Security Guarantee appears on the pre-login area of the participant website so that participants are aware of the commitment and how it works.

To learn more, please see [Empower Security Guarantee](#).<sup>11</sup>

### **4. Investment Options**

**a. Does the platform offer Self-Directed Brokerage Accounts? If so, what is the annual cost to participants?**

Yes. We offer enhanced brokerage account services through Empower Brokerage. Empower Brokerage provides an integrated and seamless online user experience, anytime online access to brokerage account information, robust research and market data tools and competitive trading fees.

Empower Brokerage utilizes the Pershing LLC trading platform, a financial services market leader with global insights into industry trends, regulatory changes, and best practices, as well as shifts in investor sentiment and expectations, as the clearing broker-dealer.

Participants receive the following benefits with an Empower Brokerage account:

- A seamless and cohesive experience online, over the phone, and in communication material
- Flexible market data and research tools
- Repositories and landing pages that serve as mini-centers of information
- Competitive trading fees
- Access to more than 300 mutual fund families with more than 17,600 mutual funds, of which approximately 4,400 have no load and no transaction fees (NTF)
- Retirement statements with brokerage balances included

You receive the following benefits with Empower Brokerage:

- Proactive plan investment restrictions and controls
- A wide array of investment choices
- Low-cost brokerage solution

The annual recordkeeping fee for the Empower Brokerage is \$50 per user, per plan and is assessed on a quarterly basis only to those participants who utilize the service.

The Self-directed Brokerage Account (SDBA) is intended for knowledgeable investors who understand the risks associated with the SDBA.

The SDBA is intended for knowledgeable investors who understand the risks associated with the SDBA.

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<sup>11</sup> [participant.empower-retirement.com/participant/#/articles/securityGuarantee](https://participant.empower-retirement.com/participant/#/articles/securityGuarantee)



**b. Does the platform accommodate custom target date funds? If so, what is the cost associated with this?**

Yes. Our asset allocation model solution combines the investment advisory and asset allocation expertise of Morningstar Investment Management LLC with functionality that allows customized fund selection by plan sponsors, and their selected financial advisors, who understand the unique needs of their participants.

Additionally, the asset allocation model solution offers financial advisors the option to create their own asset class mix for a glide path or risk template. This can include:

- Choosing the asset categories for the plan.
- Determining the percentage assigned to each asset category.
- Designing how the glide path will change over time to get more conservative as plan participants approach retirement age.

We offer two options: non-unitized and unitized as described below.

### **Non-unitized**

We provide an online interface the advisor uses to create asset allocation models. The interface provides an easy step-by-step approach to customizing models for plan sponsors. The steps are as follows:

- Enter glide path characteristics.
- Assign assets category percentages to the glide path.
- Assign fund allocation percentages for the glide path.
- Create the model.
- Review the model.
- Accept and submit the model.

Our asset allocation model performance solution is based on getting daily values from Morningstar Investment Management (including return plus capital gains and dividends) and calculating the change in those values and the weighted average of each fund in the model.

The fee for advisor-based non-unitized models is \$750 per year. We reserve the right to offer special incentives to reduce overall plan fees if Empower funds or Putnam funds are included in a plan's investment lineup.

If a plan sponsor is interested in partnering with Morningstar Investment Management related to non-unitized models, a fee of \$750 per year plus three basis points (bps) on model assets will be applied.

### **Unitized**

After market close, we receive the net asset values (NAVs) from the fund houses. After the NAVs are entered into our system, the system summarizes participant transactions and creates a net buy/sell trade ticket for each fund. The trade tickets are sent to the fund houses in a variety of methods the same evening, and settlement occurs the following business day. We also calculate the daily unit values for the custom profile funds.

A fund manager is responsible for making decisions related to any portfolio of investments (often a mutual fund, pension fund or insurance fund) in accordance with the stated goals of the fund. We can calculate the daily NAV for separate accounts in a similar manner to the methodology used for mutual fund NAVs. We do so by valuing the underlying securities using one of our pricing services. Daily cash flow is taken into account and the value of the portfolio is rolled up and divided by the outstanding shares. Income and expenses are typically included in the NAV.

The annual fee for unitized custom fund of funds is \$5,000, per model. These fees are generally accrued within the NAV.

**c. Does the platform offer income products? If yes, please describe key features.**

We currently do not offer in-plan annuities or a guaranteed retirement income product.

We offer the Empower Fixed Account (EFA) as a guaranteed investment product, which includes what we believe are the positive features from other stable value and/or guaranteed products. EFA is designed for participants who desire a stable rate of return guaranteed by a highly rated insurance company such as Empower Annuity Insurance Company of America (EAICA). This fund will generally invest in longer-term investments providing a higher return. The EFA provides a declared fixed stated rate and guarantees principal and interest.

**d. Does the platform offer Managed Accounts? If yes, please describe key features.**

Yes. Going beyond a participant's age, My Total Retirement provides a customized retirement strategy using a wide range of factors available from our recordkeeping platform. For participants who choose to enroll in My Total Retirement, Empower Advisory Services will:

- Generate an individualized retirement plan taking into consideration a participant's current account balance, savings rate, investment option selection, and personal Social Security estimate.
- Assume portfolio management responsibility on behalf of the participant.
- Monitor, rebalance, and reallocate the portfolio quarterly and annually to adjust for market performance and personal information updates.
- Generate personalized account-level savings targets by applying contribution limits and assumptions about the long-term advantages of investing in various account types. Regardless of whether the participant can save within the recommended range, they will receive account-specific savings targets based on the yearly savings amount entered.
- Provide one-on-one access to specially trained investment adviser representatives.
- Provide access to Smart Withdrawal™ which generates a personalized, tax-efficient retirement withdrawal strategy from retirement age (or current age, if already retired) through the participant's life expectancy.

My Total Retirement participants are given the opportunity to review their assigned portfolio. During the review, participants can correct or add any information such as holdings in outside defined contribution assets or a pension. Information corrections or additions can be submitted via hard copy, through the website, or by contacting the service center.

Participants always have the option to opt-out of the service at any time, if desired.

There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.

**e. Does the platform offer Health Savings Accounts? If yes, please describe key features.**

Yes. Empower Health Savings Account<sup>SM</sup> (Empower HSA), introduced in 2017, offers employers and participants an integrated, end-to-end health and wealth solution designed to help employees plan for future health care expenses as part of a comprehensive retirement planning experience. Participants receive communication and education as well as have access to robust decision support tools, and employers are offered streamlined administration.

**f. How many investment options are available on the proposed platform?**

Our clients have access to more than 18,900 investment options for plan inclusion, including traditional mutual funds, collective investment trusts and separately managed investment accounts.

**g. Does the Town have discretion over the investment options available?**

Yes.



### 5. Participant Services

- a. **If “point-in-time” investment advice is offered to plan participants, is it in-house or via a third party? Describe your process, mode and scope of advice. Please include fees for this service and your fee quote.**

Our point-in-time investment advice is provided internally. We believe advice is essential. That's why we're committed to providing financial advice in the best interest of each individual.

Our mission is to empower financial freedom for all — and we know advice can make a significant impact in achieving that goal. We also know that the desire for professional financial advice is on the rise, especially as recent periods of market volatility and uncertainty have caused people to reconsider their long-term financial needs and goals. Research shows that:

- **People want advice.** 90% say they want a personalized financial plan that adjusts to meet their needs.<sup>12</sup>
- **They want it now.** More than half of retirement savers say they plan to seek advice in 2021.<sup>1</sup>
- **And they expect it.** 42% of employees believe their workplace should provide resources to help manage finances.<sup>13</sup>

That's why Empower offers fiduciary advice options that can work for everyone. We provide advice to the people who want it, when they want it, via the channels they prefer.

Participants can access quick, point-in-time check-ins to discuss a particular transaction or situation. They can receive ongoing, comprehensive advice as part of a program that offers personalized planning, proactive engagement, and one-on-one coaching. And, whatever their needs at a given time, they can always access advice how they want to: digitally, over the phone, or in certain cases, through virtual or in-person one-on-one meetings with a financial professional.

#### **Best-interest Advice**

Retirement plan providers may differ on how they define advice itself. At Empower, advice will always meet a fiduciary standard — that is, our advice will always be in the best interest of the individual. And we believe any recommendations should be free of conflict — no influence from other lines of business or product cross-selling considerations.

Our representatives provide personalized recommendations based on the needs of the individual. And they are prepared to offer fiduciary advice on all types of retirement assets and can provide guidance on a variety of topics, such as:

- Savings rates and investment allocation
- Distributions, with a focus on stay-in-plan
- Financial wellness (budgeting, debt management, etc.)
- Income optimization for those nearing retirement

We place such a strong emphasis on advice and guidance because we know it can help people achieve their long-term financial goals. Whichever services you and your participants choose to engage with, our specialized financial professionals are prepared to offer personalized, individual advice and guidance in every participant's best interest.

Online advice and RSG point-in-time advice are both available and do not incur additional fees.

- b. **What is the fee, per day, for additional education days (the town currently offers 6 educational days per year)?**

Additional education days are available at \$500 per day.

<sup>12</sup> Post-2020 employer piece: Retirement Plans in a Post COVID World

<sup>13</sup> 'State of the pandemic: How government retirement plans are tackling COVID-19'. Empower Institute. 2020

**c. Can you offer topical onsite and/or virtual education sessions including financial wellness topics? Please provide a summary of education materials/topics available.**

Yes. We will provide the Town's employees with education and planning meetings as described below.

## Group Meetings

We believe one of the most effective ways to communicate with employees is to conduct regularly scheduled meetings to orient new employees with the plan. By providing a foundation of knowledge relative to the program, group meetings help make it more likely that employees will fully understand and take advantage of the benefit provided by the plan. Group meetings last approximately one hour and cover the following topics:

- The rules applicable to the plan
- The key provisions of the plan's program
- The investment options and advisory services, if available
- How to determine affordability concerning plan participation, if applicable
- Discussion of plan services such as the website (education and planning tools), mobile app, interactive voice response system, education seminars
- Instructions on how to sign up for the plan

## Education Seminars

Our education program is designed to be delivered in a classroom environment and supplemented with interactive educational services and tools on our website. The following table provides a listing of the available seminars.

Enroll	
• Enrollment/plan overview	• Transition
Education	
• Connect with your future (Empower and resources available)	• Investing in your retirement account
• Myths about retirement plans	• The Empower Personalized Experience
• Market volatility	• Protecting your retirement account online
• Achieving financial fitness	• Options for job changers and retirees
• Pursuing financial freedom (financial wellness)	• Advanced investing
• Boost your savings	• Taking charge of your money (budgeting)
• Financial wellness for everyone	• Roth options
	•
Specific Audiences	
• Retirement planning for women	• Young investors
• Estate planning for the LGBTQ+ community	• Retirement planning for people with disabilities and their caregivers
Retiree Outreach	
• Retirement readiness	• Healthcare expenses

We currently offer 17 digital learning presentations that can be made available to participants at no additional cost to the plan. These are brief, high-level videos designed to help explain and connect key concepts and themes associated with plan participation and overall financial wellness. Upon request, these videos are delivered to plan sponsors as web URLs, allowing the plan to distribute them via email to plan participants or to post on their company intranet.

For a demonstration of our online education topics, please use the following link:

[Investing in your retirement account<sup>14</sup>](https://www.brainshark.com/1/player/empower?fb=0&r3f1=&custom=investinginyourretirement)

<sup>14</sup> <https://www.brainshark.com/1/player/empower?fb=0&r3f1=&custom=investinginyourretirement>



**d. Does your participant website offer account aggregation functionality?**

Yes. Participants will have access to an integrated account aggregation tool. With the aggregation functionality, participants can view aggregate account information for all retirement plans provided by Empower and data from all their income sources including savings and investment accounts. Spending and debt can be incorporated as well, providing employees with a snapshot of their entire financial picture.

Participants opting to not use the integrated tool have the option to manually input outside assets (e.g., IRAs, plan assets held at a previous employer, contributions to a spouse's retirement plan, etc.). When the information is saved, the input values are included in the projected retirement income figures. The saved input values will remain unchanged until the participant manually updates the information.

**Empower HSA Integration**

The Empower participant experience automatically populates with the participant data we have on file (balance, age, income, savings, etc.) and includes Empower HSA balances – providing participants with their own projected monthly retirement income view. Participants can see where they stand now and the actionable next steps that may help them better reach their retirement goals.

In addition to the Empower participant experience, Empower HSA can integrate with various healthcare vendors, capturing basic indicative data during enrollment including date of birth, HSA status (individual or family) and current utilization.

We also provide individuals with access to online support tools and phone representatives to help them make informed saving and investing decisions with their Empower HSA and optimize their benefits.

**e. Please provide participant and plan sponsor website demonstration links.**

With our enhanced participant experience, we are providing a highly personalized, comprehensive savings experience that offers a three-dimensional view of an employee's entire financial picture. We invite you to view our video featuring a tour of the [Empower personalized experience](#).<sup>15</sup> Alternatively, the video is available upon logging into our demo website.

Use the following information to access our demo website to explore interactive demos and video previews.

Website Demo	
Web address	<a href="https://www.empowerretirementdemo.com">https://www.empowerretirementdemo.com</a>
Username	town-of-berlin
Password	Password!123
Expiration	September 2, 2023

**f. Please provide a sample participant statement.**

Refer to Exhibit A for a Sample Participant Statement.

**6. Please provide plan pricing information under the following arrangements:**

**Defined Contribution Plan**

**a. Without proprietary investments**

- i. **Pro rata:** 0.12%
- ii. **Per capita:** \$108 per participant
- iii. **Bundled:** 0.12%

<sup>15</sup> <https://empower.wistia.com/medias/34zbawyz7>

**b. With proprietary investments (Stable Value and/or Target Date Funds; please specify)**

- i. **Pro rata:** 0.08%
- ii. **Per capita:** \$70 per participant
- iii. **Bundled:** 0.08%

Pricing assuming use of our affiliated stable value offerings are included below. We have provided two scenarios.

Fund Name	Annual Rate	Revenue Requirement
Prudential Guaranteed Income Fund (GIF) 3.30%	Annual rate as of 1/01/23 is 3.30%. This rate is updated quarterly.	0.08% of plan assets or \$70 per participant if offered.
Prudential Guaranteed Income Fund (GIF) 3.00%	Annual rate as of 1/01/23 is 3.00%. This rate is updated quarterly.	0.07% of plan assets or \$63 per participant if offered.

Empower's revenue requirement if variable assets map to our affiliated target date fund series would provide a 0.02% pricing credit, which could be applied to any of the above scenarios. If the Township were to offer an opt-in managed accounts program through MyTotalRetirement, any of our scenarios above would reduce by 0.01%.

**RHS Plan:**

**a. Without proprietary investments**

- i. **Pro rata:** 0.60%
- ii. **Per capita:** \$6 per member per month (\$72 annually)
- iii. **Bundled:** 0.60%

\$2,000 set-up fee and then annually charged thereafter.

Although we are not bidding on services requested in the RFP for the Town's defined benefit (DB) plan, Empower, if chosen as the provider for the defined contribution plans, will integrate the DB plan into our participant experience through our TRSFlex feature. The TRSFlex feature provides this integrated account information via the personalized participant experience on the participant website and mobile app, our interactive voice response system, our service center and on participant statements.

**7. Do you provide fee guarantees/fee reviews? If so, how many years?**

We guarantee the fees detailed in our proposal for up to 5 years, provided that Empower may initiate a fee change if there are material changes to the plan or services, or to neutralize increases in Empower's costs of doing business. After 5 years, we'll evaluate plan asset size, participant balances and available services to help ensure that the fee structure is appropriate and properly reflect plan financials, demographics, and services.

**8. Expenses: Please list the associated costs with any and all services not included in the required revenue stated above. For example:**

Empower offers innovative financial services solutions in plan administration and design, enrollment services, recordkeeping, communications and education programs, technology-based tools, and resources such as plan sponsor and participant websites, and investment options to our clients. Our size and scale allow us to offer a wide range of services to help participants pursue a better financial future and help plan sponsors provide a competitive benefits package with minimal administrative burden.

**a. Trustee Services**

Included



## b. Generating and distributing QDIA notices

While many of our government clients follow the qualified default investment alternative (QDIA) designation, they are not required to send annual participant notices. Therefore, we have not included that cost in our price. However, should the Town choose to send annual notices to participants, the annual cost is \$2 per notice and can be paid by the plan or participant.

## c. Investment advice

The annual cost of this service is detailed below.

- Online Advice (no fee)
- My Total Retirement (tiered pricing fee dependent on the participant's account balance as detailed below)

Participant Account Balance	My Total Retirement Fee	
	Opt-in*	Opt-out**
Amounts under \$100,000	0.50%	0.45%
Next \$150,000, up to \$250,000	0.40%	0.35%
Next \$150,000, up to \$400,000	0.30%	0.25%
Amounts over \$400,000	0.20%	0.15%

\* With the Opt-In feature, eligible employees must elect to be enrolled in the My Total Retirement service.

\*\* With the Opt-Out feature, eligible employees are automatically enrolled in the My Total Retirement service. Participants can choose not to be enrolled in the service.

## d. Payroll deferral percentage tracking

Included

## e. Loan maintenance

\$50, charged in quarterly installments

## f. Loan origination fee

\$95 per loan

## g. In-service, non-hardship withdrawals

Per lump-sum distribution (complete or partial): \$50

Periodic payments/installments: \$50 for setup; \$25 for annual maintenance

## h. Hardship- like distribution

\$50 to disburse

## i. Terminated distributions

Separation from service/retirement/plan terminations: \$75

Small balance force-outs (de minimus): \$25

## j. Hardship approval

Not applicable.

## k. QDRO processing

\$400 per QDRO per plan, debited from participant accounts and paid to QDRO Consultants.

## l. QDRO qualification

Included in above

**m. Return of excess contributions**

Included

**n. Minimum required distributions**

Included

**o. Ad hoc plan level reports**

Included

**p. Sending checks/wires/ACH debits**

We offer participants the following optional methods of delivery for a fee:

- One-time ACH distributions: \$15
- Overnight or express delivery: the then-current fee, which is currently \$40

These fees are subject to change at the discretion of Empower.

**q. New Enrollments**

Included

**r. Enrollment kits mailed to plan sponsor**

Included

**s. Enrollment kits mailed to participant**

Not applicable

**t. Enrollment posters, payroll stuffers, flyers**

Included

**u. Comprehensive enrollment outsourcing**

Included

In addition to the broad scope of services and features included in our required revenue and addressed in the this response above, the following chart offers a sample listing of the additional features, transactions and services that incur additional fees as they currently apply. We disclose all fees as part of our notice delivery services and finalize fees in partnership with you within contracts and plan documentation. We are happy to discuss fees in further detail.

Participant Services and Fees	
Unforeseeable Emergency Withdrawals	\$50 to disburse
Empower Brokerage	\$50 annually, per participant; charged to participant accounts in quarterly installments. Transaction fees apply. The self-directed brokerage account (SDBA) is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments contained in the SDBA.
Optional Distribution Delivery Methods	We offer participants the following optional methods of delivery for a fee: <ul style="list-style-type: none"> <li>• One-time ACH distributions: \$15</li> <li>• Overnight or express delivery: the then-current fee, which is currently \$40</li> </ul> These fees are subject to change at the discretion of Empower.



Participant Services and Fees	
Comprehensive Financial Planning	<p>If the plan elects to include our comprehensive financial planning services available through the RSG, a participant may access these services on a subscription or a one-time basis. There are no plan-level fees to include this service for participants. Participants are charged based on the service they select.</p> <ul style="list-style-type: none"> <li>Subscription: one-time fee of \$299 plus a \$29 monthly fee. If the participant is enrolled in the managed account service, the fees reduce to \$199 one and \$15 monthly</li> <li>One-time: one-time fee of \$499. If the participant is enrolled in the managed account service, the fee reduces to \$399. The participant can upgrade to the subscription service for no additional charge for the first three months. The monthly fee will apply after the first three months.</li> </ul> <p>Alternatively, the plan may elect to pay for the services. We would be happy to discuss this fee model in more detail upon request.</p>

**9. Please address any differences in cost and/or services should the Plan use a prototype or individually designed plan document.**

We can provide an FIS/Relius plan document for 457(b) plan document services. There is no IRS pre-approved 457(b) document since the IRS pre-approved plan program is limited to 401(a), 403(b) and 401(k) plans.

In addition, we can provide document amendments required due to changes in applicable laws and regulations. We can also make changes to standard elections in the plan document at your request, as long as the proposed change does not jeopardize the tax qualification of the plan.

Amendments are typically prepared at no cost to the plan.

## Disclosures

### FOR PLAN SPONSOR OR FINANCIAL PROFESSIONAL USE ONLY.

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The proposed fee schedule is valid for a period of 90 days but it is subject to revision if the information provided is inaccurate or changes or upon receipt of additional plan information. The proposed services and fees included in this proposal are based on the information currently provided to Empower and are subject to final negotiation by the parties involved. Services are performed by Empower pursuant to the Administrative Services Agreement with appropriate schedules to be added based on services selected. This proposal is not a contract to perform services. The final fee arrangement will be set forth in an agreement between Empower and the plan sponsor.

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*As of September 30, 2022. Information refers to all retirement business of Empower Annuity Insurance Company of America (EAICA) and its subsidiaries, including Empower Retirement, LLC; Empower Life & Annuity Insurance Company of New York (ELAINY); and Empower Annuity Insurance Company (EAIC) marketed under the Empower brand. EAICA's consolidated total assets under administration (AUA) were \$1,240.5B. AUA is a non-GAAP measure and does not reflect the financial stability or strength of a company. EAICA's statutory assets total \$76.1B and liabilities total \$73.0B. ELAINY's statutory assets total \$7.0B and liabilities total \$6.7B. EAIC's statutory assets total \$80.7B and liabilities total \$79.6B.*

*On August 1, 2022, Empower announced that it is changing the names of various companies within its corporate group to align the names with the Empower brand. For more information regarding the name changes, please visit [www.empower.com/name-change](http://www.empower.com/name-change).*

The Empower Institute is a research group within Empower Retirement, LLC.

My Financial Path includes products made available by Empower Retirement, LLC and third-party providers outside the benefits provided under your retirement account.

Point-in-time advice provided by an Empower representative may help account owners with reviewing investment options, consolidating outside retirement accounts and rollovers, and providing retirement investment advice and education related to financial goals.

Retirement Plan Advisors act as Empower Advisory Group, LLC, investment adviser representatives when providing investment counseling or recommendations and as Empower Financial Services, Inc. registered representatives when executing transactions.

Empower Advisory Services refers to the advisory services offered by Empower Advisory Group, LLC, such as My Total Retirement and Online Advice. EAG uses Morningstar Investment Management LLC to provide subadvisory services. EAG and Morningstar Investment Management are unaffiliated registered investment advisers. Morningstar Investment Management is a subsidiary of Morningstar, Inc. EAG is a subsidiary of Empower Annuity Insurance Company of America. Morningstar is a registered trademark of Morningstar, Inc. ©2022 Morningstar, Inc. Future results are not guaranteed by EAG, Morningstar Investment Management or any other party.

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The Empower Investments Fixed Account fund is a general account group annuity contract or funding agreement issued by Empower Annuity Insurance Company of America, Corporate Headquarters: Greenwood Village, CO; or, in New York, by Empower Life & Annuity Insurance Company of New York, Home Office: New York, NY.

The fund guarantees principal and credited interest for eligible participant-initiated withdrawals and transfers. Guarantees are subject to the terms and conditions of the contract and the claims-paying ability of the insurer. Depending on the terms of the contract, there may also be investment risks associated with certain plan sponsor actions, including, but not limited to, a termination of the contract that could result in a negative market value adjustment to the proceeds paid to the plan sponsor or an extended payment period.

The Custom Stable Value Fund, Stable Asset Fund, Guaranteed Government Fund are guaranteed separate account group annuity contracts issued by Empower Annuity Insurance Company of America, Corporate Headquarters: Greenwood Village, CO; or, in New York, by Empower Life & Annuity Insurance Company of New York, Home Office: New York, NY.



The fund guarantees principal and credited interest for eligible participant-initiated withdrawals and transfers. Guarantees are subject to the terms and conditions of the contract and the claims-paying ability of the insurer. Guaranteed separate account products have interest rate, inflation and credit risks associated with the underlying assets owned by the fund. Depending on the terms of the contract, investment risks associated with certain plan sponsor actions may include, but are not limited to, termination of the contract, mass layoffs or plan termination that could result in payment of proceeds to the plan sponsor of the lesser of the fund's market value and principal plus credited interest.

The Empower collective investment trusts (CITs) are established and maintained by trustee Empower Trust Company, LLC and managed by its affiliate, Empower Capital Management, LLC. CITs are not mutual funds and are exempt from SEC registration and applicable securities laws of any state or other jurisdiction. Designed for and exclusively sold to qualified retirement plans and their participants and other eligible trusts, CITs are not available to individual retail investors. See the applicable CIT disclosure documents for more information.

The Empower collective investment trusts (CITs) are established and maintained by trustee Empower Trust Company, LLC and managed by its affiliate, Empower Capital Management, LLC. CITs are not mutual funds and are exempt from SEC registration and applicable securities laws of any state or other jurisdiction. Designed for and exclusively sold to qualified retirement plans and their participants and other eligible trusts, CITs are not available to individual retail investors. The Empower Trust Stable Value AND/OR Empower Trust Pooled Stable Value Fund are stable value collective investment trusts. Participants of plans that are eligible participating trusts invested in the CIT are guaranteed principal and credited interest for certain eligible "benefit responsive" participant-initiated withdrawals and transfers by means of a "wrap" insurance contract issued to the CIT by Empower Annuity Insurance Company of America, Corporate Headquarters: Greenwood Village, CO, which provides the guarantee. The strength of the guarantee is dependent on the financial strength of EAIC. The underlying CIT investments are subject to interest rate, inflation and credit risks. The wrap contract limits its coverage of impaired securities of the CIT. Depending on the terms of the wrap contract, book value coverage is not provided for certain plan sponsor actions, including, but not limited to, termination of participation in the CIT by the plan, mass layoffs or plan termination that could result in payment of proceeds to the plan sponsor of the lesser of the fund's market value and principal plus credited interest. For more information, refer to the Participation Agreement and Disclosure Memorandum and other governing documents associated with the CIT.

Empower Annuity Insurance Company of America (EAIC) receives payments from some investment fund families through the Empowering Fund Partnership Program ("EFPP"). Under the EFPP, fund families receive several services based on the EFPP tier in which they participate. These services are provided directly to fund families and include: (i) consideration for inclusion in Empower products developed for some segments of the retirement and IRA market, (ii) inclusion on the Empower Select investment platform, which is available in the small plan recordkeeping market, (iii) a waiver of the connectivity fee described below, (iv) enhanced marketing opportunities, (v) additional reporting capabilities, (vi) collaboration in thought leadership opportunities, (vii) access to meetings with Empower leadership, Empower staff, and the third party advisory and brokerage firms through whom Empower distributes its services, and (viii) access to conferences put on by Empower. The yearly fees for EFPP participation are \$1,000,000 for tier 1 and \$500,000 for tier 2. These fees do not vary based on an Empower client's use of the funds offered by the fund family.

EAIC also receives payments from fund families through a connectivity program (the "Connectivity Program"). The Connectivity Program charges fund families for the cost of administering funds on Empower investment platforms, and for building and maintaining data connections between Empower and the fund family. In 2022, the Connectivity Program generally charges \$1,000 per investment fund used on recordkeeping and IRA investment platforms. Beginning in May 2019, if a retirement plan starts receiving recordkeeping services through Empower's small plan recordkeeping segment, and the plan has a fund from a fund family that does not participate in the Connectivity Program or the EFPP, then Empower will assess a separate annual investment access fee of \$1,000 to the plan. Depending on plan selection of the non-participating fund family, the investment access fee charge may be more or less than the fees received under the Connectivity Program from the fund family. For more details regarding our fund partner program please refer to the following: <https://docs.empower-retirement.com/advisor/Empowering-Fund-Partnership-Disclosure.pdf>

Millennium Trust is an independent provider of administrative and IRA custody services and is not affiliated with Empower Retirement, LLC and its affiliates.

Computershare provides service regarding equity-based compensation plans and is not affiliated with Empower Retirement, LLC and its affiliates.

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RO# - 2315547 0722



# A Proposal to the Town of Berlin

## 1. Conversion & Implementation

### a. Are there start-up/conversion costs?

There are no start-up or conversion costs.

### b. Please outline any and all contract termination fees and/or charges at both the plan level and participant level.

There are no fees or charges at the plan level or participant level.

### c. What amount of lead-time does your firm need before the effective date of a record-keeping conversion?

Voya would need 18 weeks for a recordkeeping conversion. Please refer to Appendix A for a sample timeline.

### d. What is the number of days needed after receipt of conversion files to “go live”?

After the receipt of conversion files, the total length of the blackout period will depend on the quality of the files provided by the prior recordkeeper. Our experience indicates this is generally 3 – 5 days.

## 2. Administrative Services

### a. What is the average caseload of the Team/Relationship Manager?

The average number of clients managed by our relationship managers for plans of this size is 25, but since plans require different levels of attention based upon participants, assets and services, the number of plans will vary.

### b. Can the Town of Berlin expect a visit or contact from account staff? If yes, how frequently?

Yes. Voya's relationship manager will visit the Town of Berlin annually.

### c. Please describe how many municipal clients you currently support for defined contribution recordkeeping services.

As of December 31, 2022, Voya supports 947 municipal clients.

## 3. Technology

### a. Please describe your guarantee with respect to participant cyber fraud.

Voya provides a S.A.F.E.® (Secure Accounts for Everyone) Guarantee to existing account holders.

If any assets are taken from a participant's retirement plan account or Voya administered Individual Retirement Account\* due to unauthorized activity and after a full and thorough investigation it is determined that such unauthorized activity was committed through no fault of the participant or the employer, then Voya will restore the value of the participant's

# A Proposal to the Town of Berlin

account.

\*The Voya S.A.F.E.® Guarantee does not apply to any accounts that are "held away" by a third party (i.e., where Voya does not provide recordkeeping services and/or administrative services on our system).

Please refer to Appendix B for a brochure describing Voya's S.A.F.E. Guarantee.

## 4. Investment Options

### a. Does the platform offer Self-Directed Brokerage Accounts? If so, what is the annual cost to participants?

Yes. Voya offers self-directed brokerage services through Schwab Personal Choice Retirement Account® (PCRA.)

Participants who elect a Schwab PCRA brokerage account will pay a \$50 annual fee, charged to the core account investment options annually on November 1, or the next available business day the New York Stock Exchange is open. Additionally, participants will be responsible for all applicable brokerage account transaction fees.

Please refer to Appendix C for current transaction fees for the Schwab PCRA.

### b. Does the platform accommodate custom target date funds? If so, what is the cost associated with this?

Yes. Voya can also offer, at no additional cost to the plan, the Asset Allocation Made Easier model portfolio tool -- a powerful tool that allows you to create model portfolios using the investment options you select for the plan.

Your advisor chooses to create target date based investment models using funds offered in the plan (excluding company stock and SDBA):

- Advisor may choose to create up to four unique target date suites of model portfolios, with each suite allowing up to 20 individual model portfolios
- Working with you, your advisor decides on which funds to include in each model (there is no limit to the number of funds in each model).
- You may include funds in the model portfolio that are not available to all plan participants.
- Your advisor sets the allocations and the rebalance schedule.
- Allocation changes are made the next business day
- Changes are subject to normal fund trading restrictions (e.g., frequent trading, equity wash)
- Your advisor provides their own "advice" material for participant use regarding the models created
- Newly eligible employees can select a model during online enrollment. Existing participants can select a model online in either the Participant Website or mobile application or by contacting the Voya Customer Contact Center and speaking with a CSA.
- Investment allocations must be 100% to the selected model



## A Proposal to the Town of Berlin

- All changes to enrolled participant accounts are controlled by your advisor until the participant opts out of the service, or the participant takes active control of their account

Easily accessed from Voya's proprietary Voya for Professionals Website, the Asset Allocation Made Easier tool gives your investment advisors the ability to:

- Build model portfolios from which participants can choose
- Adjust models as necessary
- Rebalance across all portfolios
- Change rebalance schedules as needed

### How Does Asset Allocation Made Easier work?

- Your investment advisor signs an advisor agreement (Form ADV) with you
- Working with you, your advisor decides on what types of portfolios to offer plan participants
- Your advisor chooses to create up to eight risk-based investment models using funds offered in the plan (excluding company stock and SDBA):

- |                         |                    |
|-------------------------|--------------------|
| ➔ Ultra Conservative    | ➔ Moderate Growth  |
| ➔ Conservative          | ➔ Growth           |
| ➔ Moderate Conservative | ➔ Aggressive       |
| ➔ Moderate              | ➔ Ultra Aggressive |

### c. Does the platform offer income products? If yes, please describe key features.

Yes. The Voya Lifetime Income Protection Program provides various age-based target date asset allocation models, or "portfolios", each of which includes a Glide Path through which amounts are automatically allocated between the following investments:

- Target date collective trust funds (the "Funds"), which we sometimes refer to as the "Non-Guaranteed" portion of the Program; and
- Multiple variable annuity contracts (individually a "Contract" and collectively the "Contracts"), each issued by a different insurer, which we sometimes refer to as the "Guaranteed" portion of the Program. The Contracts provide a Minimum Guaranteed Withdrawal Benefit ("MGWB"), which provides for guaranteed lifetime income in retirement.

Approximately 17 years from the portfolio's target date, the portfolio's Glide Path begins to periodically allocate a portion of the participant's assets and any new contributions and transfers between the Funds and the Contracts and the participant's MGWB base is established. The MGWB base is the amount used to calculate the guaranteed annual income amount to be received by the participant each year in retirement. Over time the percentage allocated to the Contracts increases, until five years before the portfolio's target date, when 100% of the participant's portfolio assets are allocated to the Contracts and factored into the MGWB.

The Voya Lifetime Income Protection Program offers the following key features:

- **Guaranteed Income for Life** - In-plan target date asset allocation program features automatic and diversified investment selection along with a stream of lifetime income guaranteed by multiple insurers.



## A Proposal to the Town of Berlin

- **Upside Potential, Downside Income Protection** - Potential income benefit growth from market gains and income benefit protection against market losses through a minimum guaranteed withdrawal benefit.
- **Multi-Insurer Model** – An income benefit backed by highly-regarded insurers helps participants diversify risk and receive competitive payouts.
- **Blended, Multi-Manager Target Date Investment Platform** - Potential for broad diversification featuring active and passive strategies from several well-known fund companies.

**d. Does the platform offer Managed Accounts? If yes, please describe key features.**

Yes. Voya's managed account service, Voya Retirement Advisors (VRA), powered by Morningstar incorporates a participants' personal information and uses their fund selection and asset allocation expertise to create individual, diversified retirement portfolios from the investment options available in the plan.

Morningstar Investment Management, VRA's independent financial expert, reviews the participants' portfolios quarterly and rebalances each account as necessary. Participants have a professional investment manager to implement a completely customized strategy for their retirement accounts and to continue to monitor it. VRA serves as the discretionary investment manager, providing fund selection, asset allocation strategy, fundamental portfolio engineering, ongoing monitoring, and rebalancing. As a result, VRA assumes fiduciary responsibility with respect to the investment advice it provides to participants.

VRA considers all relevant plan rules and fund restrictions and adjusts its fund recommendations if the participant provides information about outside assets, preferences to exclude particular funds, or other personal data.

Participant enrollment is designed to be as easy to manage as the service itself and can take place through several different channels. VRA provides an online personalized strategy to each eligible participant and may conduct group enrollment meetings along with providing a comprehensive communications campaign. The personalized strategy outlines the employee's current situation and compares it to the recommended retirement strategy. During the enrollment meetings, participants are given an overview of the program. Participants can enroll directly via the program web site, as part of their enrollment into the plan or at any time by speaking with a VRA investment advisor representative.

**e. Does the platform offer Health Savings Accounts? If yes, please describe key features.**

Yes. In addition to HRA's, we offer leading HSA administration capabilities, which make it easier for participants to save and spend out of their accounts, and easier for plan sponsors to manage the accounts. Voya administers HRA/ HSA/FSA and additional health account lines of coverage. We leverage Wex Health Cloud as our technology partner (Wex is the leading back-end administrator of HRA's, HSAs and FSAs on the market). It's worth noting that all points of engagement and interaction for both employers and employees is with Voya – from customer service, implementation, ongoing account management, custom reporting, and compliance, clients and employees enjoy an industry-leading service delivery model.



# A Proposal to the Town of Berlin

Voya makes it easier to save:

- Voya's offering is integrated into the retirement platform, allowing for planning with the myOrangeMoney tool and other proprietary calculators to plan contributions and investing
- Voya is a leader in investment management and makes it easy for a consumer to save with minimal investments fees.
- Voya has competitive features and functionality (e.g., auto sweep and auto rebalance)

Voya makes it easier to spend:

- Voya offers the full range of HRA, HSA, FSA and Commuter Benefits accounts on one platform
- Consumers can use a single, smart debit card across all accounts
- All functionality is available via a user-friendly mobile application
- Voya has leading auto-substantiation for FSAs

Voya makes it easier to manage:

- Voya is bringing its leading administration and investment support model to Health Savings and Spending Accounts, centered around a dedicated account manager
- Voya can "plug and play" with virtually any medical carrier

We also incorporate HRA's/HSAs into our digital experience. Voya HRA/HSA offering is integrated into the retirement platform, allowing for planning with the myOrangeMoney® tool and other proprietary calculators to plan contributions and investing.

Retirement plan participants with a Voya HRA/HSA account will see their balance within the website experience, with single sign-on access into the Voya HRA/HSA portal to check balances, submit reimbursements, upload receipts, and manage investments in their HRA/HSA. Additionally, Voya's suite of solutions includes FSA, Limited Purpose FSA, Dependent Care and Commuter Accounts all on the same platform.

**f. How many investment options are available on the proposed platform?**

Voya's proposal provides the Town of Berlin with access to an open architecture investment platform with over 15,000 investment options from more than 200 investment managers.

**g. Does the Town have discretion over the investment options available?**

Yes.

# A Proposal to the Town of Berlin

## 5. Participant Services

- a. **If “point-in-time” investment advice is offered to plan participants, is it in-house or via a third party? Describe your process, mode and scope of advice. Please include fees for this service and your fee quote.**

Participants may access VRA powered by Morningstar online or through VRA investment advisor representatives and may choose to receive point-in-time advice at no cost or enroll in professional management which charges a fee for ongoing account monitoring. Point-in-time advice is not an ongoing service and participants would not formally stop the program but simply discontinue using the service.

For participants that prefer professional management, they would enroll by clicking on “Get Advice”. They will then be directed to the VRA powered by Morningstar website, where they can follow the three-step process to elect the service. In addition, participants may enroll by speaking with a VRA investment advisor representative.

If participants would like to cancel the professional management service, they may do so at any time by speaking with a VRA investment advisor representative and making that request or by visiting [www.voyaretirementplans.com](http://www.voyaretirementplans.com) and clicking on “Get Advice”. They will then be directed to the Morningstar Retirement Manager website, where they will be able to cancel the service by clicking the “Switch Service” link at the top of any page and follow the instructions. Once they have opted-out of the service, fees will cease (with the final quarterly fee pro-rated) and VRA will discontinue monitoring the account.

There is no additional fee for this service.

- b. **What is the fee, per day, for additional education days (the town currently offers 6 educational days per year)?**

Fees for additional education days are \$1,000 per day for onsite and \$750 for virtual meetings. Voya’s proposal includes six (6) annual education days.

- c. **Can you offer topical onsite and/or virtual education sessions including financial wellness topics? Please provide a summary of education materials/topics available.**

Yes. Voya’s Financial Wellness Resource Center includes educational content on a range of topics, including protection of earnings and assets with different types of insurance, budgeting, credit scores, emergency savings, retirement, saving for other goals (e.g., college, house, car, personal), planning for people with special needs, managing debt, investing, life events and financial considerations at different life stages.

- d. **Does your participant website offer account aggregation functionality?**

Yes. To deliver on our belief that all Americans should have access to actionable financial and retirement planning and advice we offer a free online, holistic planning tool - Personal Financial Dashboard. The Personal Financial Dashboard allows employees the ability to organize all their accounts in one place, so they can see their complete financial picture and make smart money decisions. With this powerful tool, employees can use it to set goals, create budgets, track spending, review investments, and more, including:

- Organize, analyze and update all of their financial information;



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- Get a Personal Retirement Action Plan to work toward their goals;
- Set their financial priorities and track progress;
- Understand how their assets are allocated across all their accounts;
- Know what they're spending and where they're spending it;
- Identify ways to reduce debt and increase savings; and
- Access helpful online workshops and multi-media education.

Employees can enter as many accounts as they like – checking, savings, credit cards, mortgage, insurance, retirement, etc. The tool can update information automatically, so they always have a current view of their complete financial picture, or they can use it to simply view a snapshot in time. The Personal Financial Dashboard becomes the employee's own private financial space – there are no intrusive ads or emails. The tool uses advanced security features to keep their information safe.

This tool is accessed through the Participant Website and retirement specialists are available to answer participant questions as they use their Personal Financial Dashboard.

**e. Please provide participant and plan sponsor website demonstration links.**

**Participant Demonstration:**

Voya offers a navigational (aka click-through) Participant Website demonstration site. No user ID or password is required.

To enter the navigational website, copy and paste the web address into your internet browser address bar and hit enter. A welcome screen will appear. At the welcome screen simply click the Enter button under User Login.

<https://demos.voyacdn.com/tem>

Voya offers a navigational (click-through) Participant Website demo. No username or password is required. Access to the demo is available 24 hours a day, seven days a week.

**Plan Sponsor Demo**

Our online demonstration allows you to access a sample plan. Sample content has been pre-filled for demonstration purposes. No user ID or password is required.

<https://demos.voyacdn.com/sponsorwebdemoease>

Access to this demo is available 24-hours-a-day, seven-days-a-week.

**f. Please provide a sample participant statement.**

Please refer to Appendix D for a sample participant statement.

Voya

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### 6. Please provide plan pricing information under the following arrangements:

#### a. Without proprietary investments

##### i. Pro rata

Voya's pro rata fee, without proprietary investment options, is an asset-based fee of 0.16% (16 basis points) assessed on all assets. Fee applies to the Town of Berlin 401(a) Plan, Town of Berlin 457 Plan, Town of Berlin Robert Wolf Plan 457 Plan, Town of Berlin Police RHS Plan and the Town of Berlin Town Manager Pension Plan.

The fee for the Town of Berlin DB Plan is 0.09% (9 basis points) assessed on all assets.

##### ii. Per capita

Voya's per capita fee, without proprietary investment options, is an annual per account fee of \$131.

Fee applies to the Town of Berlin 401(a) Plan, Town of Berlin 457 Plan, Town of Berlin Robert Wolf Plan 457 Plan, Town of Berlin Police RHS Plan and the Town of Berlin Town Manager Pension Plan.

The fee for the Town of Berlin DB Plan is 0.09% (9 basis points) assessed on all assets. Please note that the DB Plan necessitates a pro-rata pricing structure.

Our fee quote is based on the following assumptions:

- Voya as the ongoing exclusive provider to the plans
- Assumes all assets (approximately \$59 million) transfer to Voya during the first contract year
- 735 participant accounts transfer to Voya upon contract commencement
- Six (6) annual onsite or virtual education days

##### iii. Bundled

Voya's offer is bundled and does not require the use of a TPA.

#### b. With proprietary investments (Stable Value and/or Target Date Funds; please specify)

Please note that the proprietary fee scenarios only apply to the Town of Berlin 401(a) Plan, Town of Berlin 457 Plan, Town of Berlin Robert Wolf Plan 457 Plan, Town of Berlin Police RHS Plan and the Town of Berlin Town Manager Pension Plan.

##### i. Pro rata

###### Stable Value

Voya's pro rata fee, assuming the use of the Voya Fixed Account 457/401-II as the plan's stability of principal option, is an asset-based fee of 0.07% (7 basis points) assessed on all assets. Fee applies to the Town of Berlin 401(a) Plan, Town of Berlin 457 Plan, Town of Berlin Robert Wolf Plan 457 Plan, Town of Berlin Police RHS Plan and the Town of Berlin Town Manager Pension Plan.

The Voya Fixed Account 457/401-II is a fixed interest investment option



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available through a group fixed annuity contract issued by Voya Retirement Insurance and Annuity Company (VRIAC). The Voya Fixed Account 457/401-II guarantees\* a minimum rate of interest, which, once credited, becomes a part of the principal and the investment grows through compound interest. All assets invested in this account, which are invested in VRIAC's general account, are credited with a portfolio rate.

The Voya Fixed Account 457/401-II will credit interest at a current credited rate of 2.25% for the initial contract term (assumed five years).

\*The current credited interest rate may change but is guaranteed not to be below either the minimum annual rate or the guaranteed minimum interest rate ("GMIR"). Any rate change initiated solely by Voya will be guaranteed to remain in effect until the last day of the three-month period measured from the first day of the month in which such change was made. The current rate for a plan's initial investment in the Voya Fixed Account 457/401-II may be in effect for less than a full three-month period. For 2023, the minimum annual rate is equal to the GMIR, which is 1.00%.

Special guidelines apply to the amount of assets that can be withdrawn from the Voya Fixed Account 457/401-II or transferred from the Voya Fixed Account 457/401-II to other investment options in this program. For complete details please refer to Appendix E for the Information Booklet which accompanies this proposal.

### Target Date Funds

Should the Town choose to map the assets currently invested in target date funds to Voya's Target Retirement Trust Series, Voya's pro rata fee would be reduced by 0.02% (2 basis points).

## ii. Per capita

### Stable Value

Voya's per capita fee, assuming the use of the Voya Fixed Account 457/401-II as the plan's stability of principal option, is an annual per account fee of \$56. Fee applies to the Town of Berlin 401(a) Plan, Town of Berlin 457 Plan, Town of Berlin Robert Wolf Plan 457 Plan, Town of Berlin Police RHS Plan and the Town of Berlin Town Manager Pension Plan.

The Voya Fixed Account 457/401-II is a fixed interest investment option available through a group fixed annuity contract issued by Voya Retirement Insurance and Annuity Company (VRIAC). The Voya Fixed Account 457/401-II guarantees\* a minimum rate of interest, which, once credited, becomes a part of the principal and the investment grows through compound interest. All assets invested in this account, which are invested in VRIAC's general account, are credited with a portfolio rate.

The Voya Fixed Account 457/401-II will credit interest at a current credited rate of 2.25% for the initial contract term (assumed five years).

\*The current credited interest rate may change but is guaranteed not to be below either the minimum annual rate or the guaranteed minimum interest rate ("GMIR"). Any rate change initiated solely by Voya will be guaranteed to remain in effect until the last day of the three-month period measured from the first day

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of the month in which such change was made. The current rate for a plan's initial investment in the Voya Fixed Account 457/401-II may be in effect for less than a full three-month period. For 2023, the minimum annual rate is equal to the GMIR, which is 1.00%.

Special guidelines apply to the amount of assets that can be withdrawn from the Voya Fixed Account 457/401-II or transferred from the Voya Fixed Account 457/401-II to other investment options in this program. For complete details please refer to the Information Booklet which accompanies this proposal.

### Target Date Funds

Should the Town choose to map the assets currently invested in target date funds to Voya's Target Retirement Trust Series, Voya's per capita fee would be reduced by \$17 per account.

### iii. Bundled

Voya's offer is bundled and does not require the use of a TPA.

### 7. Do you provide fee guarantees/fee reviews? If so, how many years?

Yes. Fees assessed by Voya are guaranteed for the initial contract term (assumed five (5) years) based on the information provided in the Request for Proposal (RFP) and plan design. If there are significant changes to the plan design or the information in the RFP is incorrect, the fees and services provided in this proposal may change.

### 8. Expenses: Please list the associated costs with any and all services not included in the required revenue stated above. For example:

- a. Trustee Services
- b. Generating and distributing QDIA notices
- c. Investment advice
- d. Payroll deferral percentage tracking
- e. Loan maintenance
- f. Loan origination fee
- g. In-service, non-hardship withdrawals
- h. Hardship- like distribution
- i. Terminated distributions
- j. Hardship approval
- k. QDRO processing
- l. QDRO qualification
- m. Return of excess contributions
- n. Minimum required distributions
- o. Ad hoc plan level reports
- p. Sending checks/wires/ACH debits
- q. New Enrollments
- r. Enrollment kits mailed to plan sponsor
- s. Enrollment kits mailed to participant
- t. Enrollment posters, payroll stuffers, flyers
- u. Comprehensive enrollment outsourcing



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All of the above services are included in our required revenue stated above, with the exception of the following:

- Loan initiation fee: \$75
- Loan maintenance fee: \$25
- Self-directed brokerage account (SDBA) fee (for those participants that elect the service): \$50
- Managed accounts fee (for those participants that elect the service): 0.50%
- Overnight mailing requests: \$50

**9. Please address any differences in cost and/or services should the Plan use a prototype or individually designed plan document.**

Voya can provide an IRS-approved plan document, which has been designed with flexibility in mind, to meet the needs of most plan sponsors. Our pre-approved documents have received an IRS Favorable Advisory Letter and are updated for all applicable federal law changes, including legislatively required amendments and restatements. We will assist the Town of Berlin in reviewing their current plan document to determine if their plan will fit on our pre-approved document