

**ADDENDUM TWO
QUESTIONS and ANSWERS**

Date: November 30, 2015

To: All Bidders

From: Jennifer Crouse/Michelle Thompson, Buyer
AS Materiel State Purchasing

RE: Addendum for Request for Proposal Number 5142 Z1
to be opened December 29, 2015 at 2:00 p.m. Central Time

Questions and Answers

Following are the questions submitted and answers provided for the above mentioned Request for Proposal. The questions and answers are to be considered as part of the Request for Proposal. It is the Bidder's responsibility to check the State Purchasing Bureau website for all addenda or amendments.

Question Number	RFP Section Reference	RFP Page Number	Question	State Response
1.			Please confirm that there is no requirement to submit a Letter of Intent to Bid.	No. There is no requirement to submit a "Letter of Intent to Bid."
2.	Section II Subsection G	Page 7	The RFP states "To facilitate the proposal evaluation process, one (1) original of the entire proposal should be submitted." Please confirm that no additional copies or electronic copies are required.	No additional copies or electronic copies are required.
3.	Section II Subsection G	Page 7	The RFP states that "the Technical and Cost Proposals shall be packaged separately (loose-leaf binders are preferred)." Does this mean you want two separate binders, or is a single binder with separators sufficient?	Per section II. G. Submission of Proposals, "The Technical and Cost Proposals should be packaged separately."
4.	Section III Subsection F, #4	Page 16	The RFP states "The Contractor shall furnish the State, with their proposal response, a certificate of insurance coverage complying with the above requirements to the attention of the Buyer at 402-471-2089 (fax)." Please confirm whether the certificate of insurance coverage should be submitted as part of the proposal response and/or faxed separately to the attention of the Buyer? If it should be faxed separately to the attention of the Buyer, please confirm the deadline for faxing this information.	The awarded bidder will be required to supply a compliant Certificate of Insurance prior to contract execution. Bidders are not required to fax the Certificate of Insurance prior to the RFP opening date. Bidders may submit their Certificate of Insurance with the RFP response.
5.	Section III Subsection T	Page 21	Will NPERS consider making this provision mutual, so that NPERS pay the Contractor in the event the State is not the prevailing party?	No, by law the State cannot agree to indemnify the Contractor for attorney fees/court costs.
6.	Section III Subsection Y	Page 24	The RFP states in #2 that "The State, in its sole discretion, may terminate the contract for any reason upon thirty (30) calendar day's written notice to the Contractor." Please clarify who would be included by the term "the State" that would have authority to terminate this Contract.	Notice to terminate the contract would be sent from the Department of Administrative Services State Purchasing.

Question Number	RFP Section Reference	RFP Page Number	Question	State Response
7.	Section III Subsection UU	Page 35	Will NPERS consider making this provision mutual, so that NPERS will hold the Contractor harmless?	No, by law the State cannot agree to indemnify the contractor. The Contractor's protections are found in the State Tort Claims Act Statute 81-8,210.
8.	Section III Subsection XX	Page 36	When does NPERS want a copy of the Disaster Recovery/Back Up Plan? Prior to the awarding of the bid, or upon execution of a contract?	NPERS requires a copy of the Disaster Recovery/Back Up Plan to be submitted with the proposal response. Refer to section IV. I. 12..
9.	D.12	45	Please provide the plan documents for all plans? Is NPERS interested in prototype plan documents?	<p>The Deferred Compensation Plan document can be found at: http://npers.ne.gov/SelfService/public/howto/handbooks/DCPPlanoc.pdf For all other retirement plans, Nebraska statute serve as the plan documents. They are as follows:</p> <p>County Employees Retirement Act §§23-2301 – 23-2334</p> <p>State Employees Retirement Act §§84-1301 – 84-1333</p> <p>Patrol Drop Plan §81-2041</p> <p>Deferred Compensation Plan §§84-1504 – 84-1513</p> <p>No, NPERS is not interested in Prototype plan documents.</p>
10.	Attachment C	1-4	Please provide file layouts and the expected timing for the NPRIS interface files and for the State Street files. Please provide data definitions as well as field level definitions for each file.	<p>Attachment F NPRIS Record Keeper Interfaces provides the information requested for the interface between Nebraska Public Retirement Information System (NPRIS) and the record keeper. Attachment F describes the interfaces as they currently exist.</p> <p>Also see Attachment G for the County Contribution Interfaces.</p> <p>NPERS does not have information about the State Street files.</p>

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11.	I.15 & 16	51 & 52	How are files currently being transmitted between NPERS and the recordkeeper? How customized are the files today? Would the plan be amenable to using an industry recognized SPARK file format?	<p>The files are transmitted via secure FTP. The FTP site is hosted by the record keeper.</p> <p>Regarding the customization of the files, see the answer to question 10.</p> <p>The information provided in Attachment F and G describes how the interface files work today with the current record keeper. NPERS will consider using a new file format such as SPARK if the new file format can be implemented at no cost to the State and the new format can support all of the required record keeping interface functions in the Nebraska Public Retirement Information System (NPRIS) and the procedures used by NPERS. NPERS will consider the input of the record keeper when determining the appropriate format and content of the interface files, but NPERS will make the final determination on the format and content of the interface files.</p>
12.	Attachment B	1-43	Are all entities reported on one file or are separate files created for State and County employers?	State, County and DCP are separate retirement plans and separate reporting is required.
13.	1.m	42	Can participants make changes to their accounts strictly with the recordkeeper or can they make changes directly with NPERS as well?	Depending on the type of change to be made, the participant can make changes with both the record keeper and NPERS. (example: allocation changes can be made on-line through the record keeper website, beneficiary changes are made through NPERS)
14.	3	43	Please describe the roles of State Street and the record keeper i.e.) which party strikes the NAVs, issues the payments and does the tax reporting.	<p>State Street reports the investment account market values to the record keeper. The record keeper then calculates the daily unit price for each investment option.</p> <p>The record keeper issues payments to the participants except for those that annuitize upon retirement. The payments for those that annuitize are processed monthly at NPERS.</p> <p>The record keeper processes all tax reporting for distributions that the record keeper issues.</p>

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15.	D.3	44	How is the cash balance fund valued? Via an interest rate declared in advance or unitized? If unitized, which party determines the unit value? Under what circumstances are dividends created?	<p>The Cash Balance plans are valued on a per share basis. The crediting rate is based on the Midterm AFR (Applicable Federal Rate) provided to the record keeper by NPERS on a quarterly basis. The daily crediting rate is then calculated by the record keeper and credited to the members account.</p> <p>Dividends are granted based on the annual actuarial study. If the study determines favorable investment returns have created a surplus, the Public Employees Retirement Board (PERB) may choose to issue a dividend to plan members. In order to be eligible for the dividend, a Cash Balance member must have maintained an account balance as of December 31 of the valuation year to which the dividend is issued.</p>
16.	D.3	44	Can distributions from the cash balance fund be made and settled daily? If not, please describe the process and the timing.	Distribution from the cash balance fund shall be processed on the day NPERS sends the request, which may be daily.
17.	D.8	45	How is the ERBF fund valued and which entity does that?	The record keeper is responsible for valuing and accounting for the ERBF funds before a participant retires. An annual actuarial valuation determines funding needs of the ERBF funds. NPERS disburses the member benefit when they qualify.
18.	D.5	45	Would the recordkeeper have any involvement in providing annuity quotes or processing payments from the ERBF?	No, NPERS is responsible for providing the annuity and processing payments if the member is eligible to receive the ERBF benefit. The record keeper is responsible for moving the money.

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19.	D.8	45	Please provide a sample of the information provided to the actuaries.	Due to the sensitive nature of the data NPERS can not provide actual data. These are the fields that need to be provided, include but not limited to: Plan, CB/DC, SSN, Name, Benf Code (Beneficiary Code), Acct Type, SpecI Stat (Special Status), Birthdate, Gender, Hire Date, Plan Entry Date, Alt Vest Date (Alternate Vesting Date), Prior Comp (Prior Compensations), EE CB Bal (Employee portion Cash Balance), ER CB Bal (Employer portion Cash Balance), EE DC Bal (Employee Defined Contribution Balance), ER DC Bal (Employer Defined Contribution Balance), Total Bal (Total Balance), PY EE CNTR (Employee Contributions), PY ER CNTR (Employer Contributions), Status, Status Description, Term Date (Termination Date), Term Code (Termination Code).

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20.	1.1	53	How many payroll submissions are there? What mediums are used and what are the frequencies? Is there a standardized payroll file format or does each payroll center remit a different layout and method?	<p>Currently payroll data and contribution data comes in three (3) ways for the counties. 1) Can be manually input by the employer or the record keeper. 2) Can come in an electronic format. 3) Most of the counties report through a MIPS system on an AS400. There are many payroll submissions each month coming from a variety of payroll periods and from each employer entity. The State submits all contribution data electronically.</p> <p>There are 109 employers transmitting payroll information in the County Plan. These may have more than one payroll transmittal per month.</p> <p>The State payroll is processed centrally for all agencies through the Department of Administrative Services. There is normally four (4) payroll periods each month for the State Plan that would have contributions submitted to the record keeper. These would include one monthly payroll, two bi-weekly payrolls and one end-of-month file. Two months of each year there would be three (3) bi-weekly payrolls</p> <p>The DROP payments and data are submitted once per month from NPERS.</p> <p>The DCP contributions are submitted with the payrolls mentioned above. DCP is primarily made up of State employees however there are 6 employers from the County plan that are authorized to be part of the DCP plan.</p>

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21.	1.b	42	If a participant terminates employment from one employer and is rehired by another state agency, county or by the state, does that trigger a qualifying event for taking a plan distribution?	<p>If the participant terminates employment with one state agency and is rehired by another state agency this is not a qualifying event for taking a plan distribution because the participant will remain in the same plan.</p> <p>If the participant terminates employment with one county and is rehired by another county this is not a qualifying event for taking a plan distribution because the participant will remain in the same plan.</p> <p>If the participant terminates employment with a state agency and is rehired as a county employee this is a qualifying event for a plan distribution. Likewise, if the participant terminates employment with a county and is rehired by a state agency this too would qualify for a plan distribution. The distribution would not be mandatory however.</p>
22.	A	41	Does the State Patrol determine participant eligibility for the DROP plan?	Yes, the State Patrol establishes preliminary eligibility with final determination made by NPERS.
23.	1.p	53	Please describe the current vesting schedules. Are there different vesting schedules for different plans? Please explain the credited service process and details around how it is determined.	Both State and County participants are vested after 3 years of service. They may apply for vesting credit using past service in other governmental plans. The member must apply for vesting credit within 180 days of hire. Eligibility is determined by NPERS.

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24.	1.c	52	Please describe the expected process for tracking late payrolls and assessing penalties.	<p>The desired process would be for the record keeper to alert NPERS, based on a provided payroll schedule, when contributions are late. NPERS would determine if penalties should be assessed. NPERS would collect the late fee. The record keeper would collect the amount that would be credited to the member's account.</p> <p>Penalties may be assessed if the contribution is 10 calendar days past due of the pay date. Penalties may include a \$25 late fee and/or amounts to make the account value what it should have been had the contribution been received in a timely manner. The employers are assessed these penalties. NPERS and the employers establish contribution due dates on an annual basis.</p>
25.	1.a	52	Is the Record Keeper responsible for determining eligibility for all plans?	No, NPERS is responsible for determining eligibility for all plans but does utilize record keeper data.
26.	RR	33	Is the Record Keeper responsible for monitoring/tracking the 180 day limit for vesting credit eligibility?	No, NPERS is responsible for monitoring based on records (some records are provided by the record keeper). Determination of vesting is an NPERS responsibility but does use record keeper data.
27.	1.c	42	What administration responsibilities does the Record Keeper have for determining that all contributions have ceased?	This responsibility belongs with NPERS.
28.	D.14	46	What administration responsibilities does the record keeper have with respect to the 120 day elapsed rule upon rehire?	This responsibility for eligibility of this rule belongs with NPERS. NPERS will base its determination in part on data from the record keeper.
29.	2.a	47	Allowable Distribution Options: Annuity Purchase What are the Record Keeper's responsibilities for annuity quotes, actual annuity purchases, monthly payments and reporting to the State?	Quotes, calculations, monthly payments and tax reporting of annuities for the State and County plans are the responsibility of NPERS. DCP annuities are the responsibility of NPERS and an outside vendor.
30.	3.a	47	Could the State provide a list and sample reports received from the current Record Keeper?	See Attachment B for samples reports.

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31.	D	44	Could the State provide a summary of administration responsibilities expected of the Record Keeper for the DROP plan that differ from the other retirement plans?	Administration of the DROP is very much like the administration of the DC and DCP plans. Participants have account balances with the same investment options as these plans. The real differences in these plans come from eligibility and the source of contributions. These differences fall under the responsibility of NPERS.
32.	K	8	Business located in a designated enterprise zone – confirm if this is being met today and how?	No.
33.	F.1-4	14-16	Insurance Requirements, confirm current insurance requirements are being met today.	Yes.
34.	1.n	42	Please explain the requirements to interface with the NPRIS & MIPS systems. What is the expected transactional flow between the recordkeeper and these systems?	Please see Question 10.
35.	D.10	45	Please provide the most recent copy of the year-end annual demographic report described in this requirement.	The NPERS 2014 Annual Plan Review can be found at: http://npers.ne.gov/SelfService/public/howto/publications/LegisReports/Ameritas2014.pdf
36.	D.18	46	Can you provide the total assets/participants in the non-interest bearing account today?	<p>The following is as of October 31, 2015:</p> <p>Assets State: \$541,914 County: \$263,739</p> <p>Participants: State: 102 County: 85</p> <p>This is a fund that is normally used to hold accounts that should be paid out so policy is to try and keep this account at a minimum.</p>

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37.	K.3	56	Please provide process & transactional flows with definitions and role clarity for the trades done through the custodial bank.	Currently, the record keeper sends a report with all participant activity in each investment option to NPERS custodial bank. The record keeper is required to provide the daily participant activity to the custodial bank by 6:30 am central time on the next business day. The custodial bank is then responsible for completing the actual trades with the fund managers. As part of the trading process, the custodial bank places trades with each investment manager for each investment option; including individual funds and four (4) premixed funds. For the four (4) premixed funds, the custodial bank must calculate what the trade will be in each of the underlying funds that make up the four (4) premixed funds. To calculate the trades to the underlying funds, the custodial bank uses a fixed asset allocation approved by the Nebraska Investment Council for each premixed fund.
38.	D.18	46	Please provide information for the current fund being used as a non-interest bearing option.	<p>The non-interest bearing fund is used for participants that have already taken a refund or payout of their account but for some reason, perhaps late contributions or a late dividend posting, money was added to the account after the initial payout. This is not an investment option for the participant. This is a fund that is normally used to hold accounts that should be paid out so policy is to try and keep this account at a minimum.</p> <p>Please see question 36 for additional information.</p>
39.	A	41	This section refers to the Annual Report with membership information. In the Annual Report on page 15 there is a reference to the Deferred Compensation plan with Hartford. Is that plan in scope for this RFP?	No, the deferred compensation plan with Hartford (Mass Mutual) is an old, closed DCP plan that is not within the scope of this RFP.

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40.	A	41	Please provide annual contributions for each plan for 2012, 2013, & 2014.	<p>Annual Contributions:</p> <p>2014 State CB \$68,059,628 2014 County CB \$25,955,814 2014 State DC \$18,378,712 2014 County DC \$6,217,964 2014 DROP \$2,974,975 2014 DCP \$13,047,563</p> <p>2013 State CB \$64,256,371 2013 County CB \$24,378,645 2013 State DC \$18,723,898 2013 County DC \$7,121,930 2013 DROP \$2,818,289 2013 DCP \$12,341,639</p> <p>2012 State CB \$53,374,540 2012 County CB \$21,437,630 2012 State DC \$27,391,493 2012 County DC \$8,757,175 2012 DROP \$2,088,369 2012 DCP \$11,633,667</p>

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41.	A	41	Please provide annual distributions for each plan for 2012, 2013, & 2014.	<p>Annual Distributions:</p> <p>2014 State CB \$73,527,209 2014 County CB \$17,750,010 2014 State DC \$27,162,465 2014 County DC \$7,490,008 2014 DROP \$3,410,486 2014 DCP 12,528,500</p> <p>2013 State CB \$64,841,779 2013 County CB \$15,139,071 2013 State DC \$32,998,197 2013 County DC \$8,794,431 2013 DROP \$2,449,948 2013 DCP \$12,325,217</p> <p>2012 State CB \$46,687,002 2012 County CB \$14,483,630 2012 State DC \$35,923,599 2012 County DC \$6,959,837 2012 DROP \$950,023 2012 DCP \$8,706,322</p>
42.	A	41	Do any of the plans allow participants to take out a loan? If so, please provide the current number of outstanding loans as well as the total number of loans initiated in 2014.	No, participants are not allowed to take out loans from the plans.

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43.	I	4	Please provide the current service agreement (contract) between NPERS and Ameritas. What are the current fees that Ameritas charges NPERS to run the plan? Are those fees explicitly charged to participants?	<p>The fees are explicitly charged to the participants. The current fees are:</p> <p>DC member \$1.77/member/month CB member \$1.52/member/month DCP & DROP member \$1.42/member/month</p> <p>Distribution fees are \$50 on distributions over \$200, \$35 on distributions over \$35 and distributions of less than \$100 do not have a fee. There is no distribution fee on partial distributions. A participant's account has to go to zero to incur a distribution fee.</p> <p>The link to the current contract is:</p> <p>https://statecontracts.nebraska.gov/Search/SearchDocuments?A=h%2FYyhdBqHeJe5HJQs64jcQ%3D%3D&D=cu%2FcCnhODkCCG1EDIMHv5g%3D%3D&DN=dKN354%2FrinFEBWooHnWgrg%3D%3D&N=u%2FHertukCaw9XZ1QdfOWOB407UuMO%2FRD%2BnP%2BRplbm4%3D&DT=WLK8FM4tjFO81XLHoaAJTQ%3D%D&V=itP5sZWf2n%2BhKjRK1n4r2%2BA%2FiJS0Swxnd0SkM6uY1X7BS%2FLf%2FTAoZIH5YJcrX8bE</p>
44.	C	62	It was mentioned that a cost proposal was attached, but we could not find the referenced attachment. Can you please provide the Cost Proposal form?	Please see Addendum ONE.
45.	B	41	Your current project requirements do not include participant education. Please provide an overview of your current participant education model.	NPERS staff provides participant education through participant seminars, written documents and one-on-one visits. Participant education is not in the scope of this RFP. On occasion the record keeper will need to answer questions from a member, as requested by NPERS.
46.	B	41	Does your current recordkeeper provide any participant education services or is this outsourced to another vendor?	The current record keeper is providing some general education via the website, however this is not a requirement of the RFP and is provided by NPERS. Please see question 45 for additional information.

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47.	B	41	<p>If participant education is outsourced to another vendor, please indicate the following:</p> <ul style="list-style-type: none"> -Number of representatives dedicated to providing participant education -Total number of individual and group meetings conducted by year for three years. -Cost for providing education services -Whether vendor is contractually prohibited from selling product outside of what is available in the plan. -If the firm conducting participant education provides office space or if meetings are held at state locations. 	Please see Question 45.
48.	K	8	Please indicate whether your current vendor is meeting the requirements for the preference related to Neb. Rev. Stat. 73-107	The current vendor does not have resident disabled veteran preference.
49.	T	21	Attorney's Fees: Please provide additional detail and clarity as to what would constitute and initiate this provision.	An example of what would initiate this term is if the State would be forced to take the Contractor to court to enforce the contract.
50.	Acronym List And Expenses totals.xlsx	1	Are the three DB plans referenced in scope for this RFP as we do not see these listed in the Expenses totals spreadsheet?	The three DB plans administered by NPERS for School, Judges and Patrol are not within the scope for this record keeping RFP.
51.	Acronym List	2	Is the ERBF a fund within one or more of the plans that are part of this RFP or is this a standalone plan or account?	The ERBF assets are accounted for separately from the other plans. The funds do not belong to the member until the member retires and it is determined that the member is eligible to receive the ERBF benefit. There is an ERBF fund for the State plan and an ERBF fund for the County plan with separate breakdowns for the counties that still have members eligible for the ERBF benefit. Separate data is sent to the plan actuaries for an annual valuation of the funding needs for these plans. This data would be sent from the record keeper through NPERS.

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52.	Section IV, Subsection J, Question 1a	52	Please provide the eligibility rules for each plan for which the bidder would be expected to provide eligibility determination for.	Final eligibility determination is provided by NPERS, however the record keeper's assistance is sometimes needed to identify ineligible participants. Eligibility requirements can be found in the plan handbooks: http://npers.ne.gov/SelfService/public/howto/publications/
53.	Section IV, Subsection J, Question 1c	52	Please provide additional information regarding the penalties that could be associated with late contributions. Who would be assessed these penalties? Who establishes the contribution due dates?	See Question 24.
54.	Attachment C	Page 2 of 4	Please confirm that NPRIS administers all participant requests for benefits under all of the plans and does not utilize services of the vendor to answer participant questions and generate forms used to process such benefit payments.	NPERS does administer participant requests for forms and for benefits under all the plans.
55.	Section IV, Subsection A	41	What is the ratio of participants that receive account statements electronically versus paper?	Currently approximately 5% of statements are delivered in an electronic format.
56.	Section IV, Subsection A	41	How many loan requests were processed in the previous 12 months? 3 year history?	See Question 42.

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57.	Section IV, Subsection A	41	How many distributions, not including loans, were processed in the previous 12 months? 3 year history?	<p>See Question 42.</p> <p>Distributions include lump sum payouts, rollovers, and systematic withdrawals. The number of distributions for the last three (3) years is as follows:</p> <p>2014 State 3,150 County 1,867 DCP 977 DROP 14</p> <p>2013 State 2,931 County 1,255 DCP 972 DROP 12</p> <p>2012 State 2,918 County 1,139 DCP 883 DROP 5</p>
58.	Section IV, Subsection A	41	In the previous 12 months, how many participants requested a distribution or loan check to be sent via overnight mail? 3 year history?	<p>See Question 42.</p> <p>Distributions sent via overnight mail are only done in very special circumstances on a minimal scale. NPERS does not have data to provide this information. If a refund check is sent by overnight service the member's account pays for the service prior to actual distribution being made.</p>

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59.	Section IV, Subsection A	41	What are the current monthly and annual participant call volumes?	<p>There were 3,860 calls to the record keeper's voice response system during 2014. The monthly range was a high of 357 calls in December 2014 and a low of 238 calls in November 2014.</p> <p>Information regarding volume voice response statistics can be found in the Ameritas Annual Plan Review:</p> <p>http://npers.ne.gov/SelfService/public/howto/publications/LegisReports/Ameritas2014.pdf</p>
60.	Section IV, Subsection A	41	<p>10. Does the plan currently offer financial advice and managed account services?</p> <ul style="list-style-type: none"> • a. If yes, who is the current advice provider (ie: Financial Engines, Morningstar, etc.)? • b. If yes, what is the total amount of assets enrolled in the managed account service? • c. Would the plan be open to advice/managed accounts as part of this RFP? • d. What are the total current assets for participants 50+ years of age? 	<p>The plan does not offer financial advice or managed account services. This is not part of this RFP. Financial advice and managed account services may be addressed as other services that may be offered in the bidder's response to section IV. K. 5 of the RFP.</p> <p>The total current assets for participants 50+ years of age is \$1,872,974,846.</p>
61.	Section IV, Subsection A	41	What is the current number of employees who are eligible to enroll in the plan, but have not done so?	<p>Participation in the State and County plans is mandatory. Rules for the DROP plan participation allow for a maximum of 5 years of participation. NPERS estimates that approximately 75% of eligible Patrol participants enter the DROP plan for some period of time up to the 5 years. DCP participation is approximately 3,300 members. This is between 10-15% of those eligible to join the plan.</p>
62.	Section IV, Subsection A	41	How many employee onsite education days are required?	See Question 45.

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63.	Section IV, Subsection A	41	Does the plan currently offer Self-Directed Brokerage Account? If yes, what is the current number of participants and assets enrolled?	No, the Defined Contribution, DROP and Deferred Compensation plans have 13 investment options that the participant may choose to invest their funds. The money managers are hired by the Nebraska Investment Council. Please see question #91 and question #92 for details of participants and assets in these plans.
64.	Section IV, Subsection A	41	Please provide the fund line up with fund names, tickers, and total current assets?	The State is unable to answer this question with the limited information as provided.
65.	Section IV, Subsection A	41	Would the plan be open to a proposed fund line up, or should the existing fund line up stay intact?	The State is unable to answer this question with the limited information as provided.
66.	Section IV, Subsection A	41	Can a proposer bid on only the Nebraska State DC plans, Nebraska County DC plan and the Nebraska 457 or is NPERS requiring a proposal for all 6 plans priced together?	No, the RFP is for record keeping of the DC and Cash Balance plans along with the Patrol DROP, the Deferred Compensation Plan and the ERBF funds. NPERS is looking for a Contractor that will be the record keeper for all of the plans. The defined benefit plans that NPERS administers for School, Judges, and Patrol employees are not included in this RFP.
67.	Section IV, Subsection A	41	Is the current record-keeper providing any education for the plan? If so, what is the arrangement, and is the current arrangement meeting the needs of the plan.	Please see Question 46.
68.	Section IV, Subsection A	41	How many individual and group meetings were conducted last year?	The record keeper does not meet with participants individually or in groups. The record keeper and NPERS do meet in person once a month for a planning/update type of meeting to discuss projects.
69.	General	N/A	Please provide the number of unique Social Security numbers for the State's Plans.	The last census of member participation as of 12/31/2014 included approximately 36,600 members as a total for all the plans.
70.	General	N/A	What is the current fee assessed by the State's recordkeeper?	Please see Question 43.
71.	General	N/A	Please provide Plan Documents for the 457, Defined Contribution, Cash Balance and DROP Plans.	See Question 9.
72.	General	N/A	What are the on-site education and communication service requirements for the State's RFP?	Please see Question 45.

<u>Question Number</u>	<u>RFP Section Reference</u>	<u>RFP Page Number</u>	<u>Question</u>	<u>State Response</u>
73.	General	N/A	What are the current number of days, workshops and meetings offered by the current recordkeeper as well as the State? Is the State satisfied with this current level of service?	Please see Question 46.
74.	General	N/A	Please provide the number of financial and non-financial transactions for the past three years.	Information regarding volume of contributions, distributions, website visits and voice response statistics can be found in the Ameritas Annual Plan Review: http://npers.ne.gov/SelfService/public/howto/publications/LegisReports/Ameritas2014.pdf
75.	General	N/A	Please provide annual call volumes for the past three years.	Calls to the record keeper voice response system were: 2014 3,860 2013 4,620 2012 4,440
76.	General	N/A	Are loans, self-directed brokerage and managed account services available for participants?	Loans from the participant accounts are not allowed in these plans. Self-directed and managed account services are not available.
77.	General	N/A	Please provide a comprehensive list of the types of custom communication and education materials required to be created by the recordkeeper.	Please see Question 45. There may be some participant statement customization or correspondence that NPERS will require from time to time. NPERS does require the record keeper to provide an annual report in written form and presented to the PERB.

Question Number	RFP Section Reference	RFP Page Number	Question	State Response
78.	General	N/a	Please confirm the key locations and their respective employee counts across the state.	<p>The following answer is on the basis that the question is asking about the sources of employee contributions.</p> <p>The State plan and Patrol DROP have employees located across Nebraska, however the payroll is centrally located in Lincoln, NE with the Department of Administrative Services. There are several payroll periods (pay dates). Contributions are submitted to the record keeper after each of these pay dates. As of December 2014 there were 22,877 members in the State plan and 48 members in the DROP plan. Contributions for DROP are submitted through NPERS on a monthly basis.</p> <p>The County Plan includes 109 employers across the State of Nebraska (generally located in the county seats). Each employer submits contributions for their employees as well as payroll and demographic data. They may have more than one pay period per month as well that contributions would be submitted for. As of December 2014 there were 10,432 members in the County Plan.</p> <p>The DCP plan is comprised primarily of State Employees. There are 6 employers from the County plan that are authorized to contribute to the DCP plan. These contributions would be submitted along with the employers' regular retirement contributions. As of December 2014 there were 3,258 participants in the DCP plan.</p>
79.	C. Business Requirements	43	Question #4 states that cost estimates must be prepared and delivered within 3 business days from the request. Section L states that estimates must be submitted within fourteen (14) days from the request. Please clarify the number of days for this requirement.	In summary, section IV. C. 4. refers to PROPOSED legislation and MAY create a new plan or plan changes. Section IV. L. refers to ENACTED legislation that DID create a new plan or plan changes. section IV. C. 4. is referring to a rough estimate that may be required and section IV. L. is referring to a hard number that will be used for the actual cost.

Question Number	RFP Section Reference	RFP Page Number	Question	State Response
80.	D. Plan Requirements	44	Is the Equal Retirement Benefit Fund a single investment option, or a portfolio made up of multiple investments managed by the Plan's investment manager? Please provide additional information on recordkeeping functions and calculations expected of the recordkeeper.	<p>The ERBF is a portfolio managed by the investment manager. The ERBF assets are accounted for separately from the other plans. There is an ERBF fund for the State plan and an ERBF fund for the County plan with separate breakdowns for the counties that still have members eligible for the ERBF benefit. Separate data is sent to the plan actuaries for an annual valuation of the funding needs for these plans annually.</p> <p>The record keeper is responsible for valuing and accounting for the ERBF funds before a participant retires.</p> <p>NPERS is responsible for providing the annuity and processing payments if the member is eligible to receive ERBF money.</p>
81.	D. Plan Requirements	44	Please clarify what constitutes a "refund," and what is required of the recordkeeper in fulfilling a "repayment of refunds?"	A refund is the payment of a members account when eligible. This may be paid out as a lump sum to the member or a rollover company. It can also be paid as systematic withdrawals. The record keeper will be responsible for distributing the funds according to the direction of NPERS. The record keeper will maintain the members account records to reflect these distributions. Some Required Minimum Distributions (RMD's) are paid by the record keeper annually.
82.	E. Technical Requirements	46	Is the Plan open to changing the existing interface file layouts as described in Attachment C, or is the recordkeeper required to conform to the Plan's existing file layouts?	The record keeper will be required to conform to the Plan's existing file layouts.
83.	G. Implementation and Transition Period	49	Can you provide further details on the Plan's expectations for a "successful test conversion" 3 months ahead of contract implementation?	A successful test conversion would include a loading of all member data as of a starting date. It also, would include the demonstration that file transfers and other transactions would be working to the point that a parallel run with the current record keeper data would be able to take place with identical results.
84.	IV	41	Why is the State looking to consolidate all retirement plans under one record-keeper?	This is not a new consolidation for the State.
85.	IV	41	Is there an opportunity to bid on the plans individually?	Please see Question 66.

Question Number	RFP Section Reference	RFP Page Number	Question	State Response																																				
86.	IV	41	Is the State working with a Consultant for the analysis and vendor selection process?	No.																																				
87.	IV	41	Does the DROP have a structured plan document in place?	Nebraska statute serves as the plan document for DROP. This can be found in Patrol DROP Plan §81-2041.																																				
88.	B	62	The RFP requires vendor submissions to have Technical and Cost Proposals. Is there a specific form or questionnaire that needs to be completed for the Cost Proposal portion?	See Addendum One																																				
89.	IV	41	Who is the current record-keeper(s) for each of the plans?	Ameritas.																																				
90.	IV	41	If loans are allowed and on which plans? If so can you provide the number of loans and the balance in loans that are outstanding?	Please see Question 42.																																				
91.	IV	41	Please provide asset amounts breakdown by fund and asset class for each plan?	<p>The following asset amounts for each fund and asset class are as of September 2015</p> <table border="1"> <thead> <tr> <th></th> <th>State ERBF</th> <th>County ERBF</th> </tr> </thead> <tbody> <tr> <td>S&P 500 Stock Index</td> <td>\$207,792</td> <td>\$140,245</td> </tr> <tr> <td>Small Co Stock</td> <td>\$51,948</td> <td>\$35,061</td> </tr> <tr> <td>International Stock</td> <td>\$77,922</td> <td>\$52,592</td> </tr> <tr> <td>Bond Market</td> <td>\$181,818</td> <td>\$122,715</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th></th> <th>State DCP</th> <th>Patrol DROP</th> </tr> </thead> <tbody> <tr> <td>Stable Fund</td> <td>\$30,600,440</td> <td>\$1,833,999</td> </tr> <tr> <td>Money Market</td> <td>\$1,797,819</td> <td>\$156,880</td> </tr> <tr> <td>S&P 500 Stock</td> <td>\$36,606,305</td> <td>\$709,925</td> </tr> <tr> <td>Small Co Stock</td> <td>\$14,939,478</td> <td>\$340,470</td> </tr> <tr> <td>International Stock</td> <td>\$10,486,223</td> <td>\$243,045</td> </tr> <tr> <td>Bond Market</td> <td>\$6,226,961</td> <td>\$436,150</td> </tr> </tbody> </table>		State ERBF	County ERBF	S&P 500 Stock Index	\$207,792	\$140,245	Small Co Stock	\$51,948	\$35,061	International Stock	\$77,922	\$52,592	Bond Market	\$181,818	\$122,715		State DCP	Patrol DROP	Stable Fund	\$30,600,440	\$1,833,999	Money Market	\$1,797,819	\$156,880	S&P 500 Stock	\$36,606,305	\$709,925	Small Co Stock	\$14,939,478	\$340,470	International Stock	\$10,486,223	\$243,045	Bond Market	\$6,226,961	\$436,150
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Question Number	RFP Section Reference	RFP Page Number	Question	State Response		
				Lg Co Growth	\$11,219,630	\$674,021
				Lg Co Value	\$11,304,567	\$451,431
				Conservative Pre-mix	\$5,743,147	\$828,484
				Aggressive Pre-mix	\$6,646,727	\$183,538
				Moderate Pre-mix	\$16,117,063	\$753,097
				Investor Select	\$8,886,764	\$409,236
				Age-based Conservative	\$3,646,880	
				Age-based Aggressive	\$277,581	
				Age based Moderate	\$1,819,114	\$205,170
					State Retire	County Retire
				Stable Fund	\$71,365,976	\$20,467,020
				Money Market	\$3,172,368	\$1,383,936
				S&P 500 Stock	\$87,634,433	\$24,653,105
				Small Co Stock	\$26,325,465	\$6,614,918
				International Stock	\$14,629,698	\$3,045,783
				Bond Market	\$8,069,707	\$1,180,387
				Lg Co Growth	\$27,482,792	\$6,336,203
				Lg Co Value	\$20,355,545	\$4,018,160
				Conservative Pre-mix	\$13,676,087	\$6,002,930
				Aggressive Pre-mix	\$52,138,954	\$17,414,749
				Moderate Pre-mix	\$261,259,261	\$88,487,405
				Investor Select	\$6,110,720	\$1,349,827
				Age-based Conservative	\$3,519,931	\$613,912
				Age-based Aggressive	\$345,758	\$99,998
				Age based Moderate	\$3,060,613	\$613,547
				Cash Balance	\$1,091,574,073	\$356,892,088
				Non Interest Bearing	\$2,915,276	\$1,062,439

<u>Question Number</u>	<u>RFP Section Reference</u>	<u>RFP Page Number</u>	<u>Question</u>	<u>State Response</u>																					
92.	IV	41	Please provide plan details on the total number of unique participants with an account balance between the plans as well as those actively contributing or terminated for each plan?	<table> <thead> <tr> <th></th> <th><u>Active</u></th> <th><u>Inactive</u></th> </tr> </thead> <tbody> <tr> <td>State DC</td> <td>2,872</td> <td>1,535</td> </tr> <tr> <td>State CB</td> <td>12,898</td> <td>5,572</td> </tr> <tr> <td>County DC</td> <td>1,203</td> <td>688</td> </tr> <tr> <td>County CB</td> <td>6,350</td> <td>2,191</td> </tr> <tr> <td>DROP</td> <td>48</td> <td></td> </tr> <tr> <td>DCP</td> <td>2,637</td> <td>621</td> </tr> </tbody> </table>		<u>Active</u>	<u>Inactive</u>	State DC	2,872	1,535	State CB	12,898	5,572	County DC	1,203	688	County CB	6,350	2,191	DROP	48		DCP	2,637	621
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93.	IV	41	Can you please provide the annual contributions and distributions for both plans?	Please see questions 40 and 41.																					
94.	IV	41	Can you provide a breakdown of the number of unforeseeable emergencies, QDROs, and distribution checks processed in 2014 for each plan?	<p>For 2014:</p> <p>State Plan (DC & CB) QDRO – 15 Distribution Checks – Annuities to NPERS, Lump Sums & Rollovers – 3,135 Forfeiture deferrals – 1,210</p> <p>County Plan (DC & CB) QDRO – 5 Distribution Checks – Annuities to NPERS, Lump Sums & Rollovers – 1,862 Forfeiture deferrals – 447</p> <p>Deferred Comp Plan (DCP) Emergency Withdrawal – 1 Distribution Checks – Annuities to provider, Lump Sums & Rollovers – 976</p>																					
95.	IV	41	Please provide the number of education representatives that are utilized today for each plan?	Please see Question 45.																					

Question Number	RFP Section Reference	RFP Page Number	Question	State Response
96.	IV	41	Can you please provide details about your stable value product (general account, separate account, pooled fund, etc.) and product information?	The Stable Value option for participants is managed by T. Rowe Price. Prior to August 2015, the stable value product was a separate account. During the month of August 2015, the majority of the assets were transitioned into a pooled fund also managed by T. Rowe Price. After December 2015, the account will be entirely invested in a T. Rowe Price pooled stable value fund excluding cash.
97.	IV	41	What is the current fixed account rate?	The 1 year return on the Stable Value option was 1.5% as of 6/30/2015. We do not yet have finalized performance information for 9/30/2015. The performance information reported through 6/30/2015 was on the separate account, as referenced in question 96.
98.	IV	41	<p>Are there any contract restrictions if you were to terminate their current contracts?</p> <p><input type="checkbox"/> Is there any contingent deferred sales charge (CDSC)? If so what percentage and dollar amount (or schedule)?</p> <p><input type="checkbox"/> Are there any restrictions on the transition of the Stable Value/Fixed Account assets:</p> <ul style="list-style-type: none"> o CDSC - % and/or \$ o Spread payout option – termination payments over a period of time (example, 5 payments over 5 years)? o Market Value Adjustment contractual formula or market value payout? If so, what is the current market value adjustment % and/or \$? o 12-month Put or other delay of distribution of book value of participant assets 	After December 2015, the stable value option will be wholly invested in a pooled fund and will not hold any other assets other than cash equivalents. As an investor in the pooled fund, NPERS is bound by the withdrawal restrictions as outlined in the Stable Value Common Trust Fund documents. There is at least either 12-months' or 30-months' advance written notice, as applicable, required for withdrawals that are not related to certain participant-directed benefit payments or permitted participant-directed investment elections.
99.	Section IV Subsection B	41-43	Do the plans currently allow loans?	Please see Question 42.

<u>Question Number</u>	<u>RFP Section Reference</u>	<u>RFP Page Number</u>	<u>Question</u>	<u>State Response</u>
100.	Section IV Subsection B	41-43	How many participant calls does the call center receive daily, monthly, and annually?	Daily data is not available. Please see Question 59.
101.	Section IV Subsection B	41-43	How many emails are received daily, monthly, and annually?	Actual email volume information is not available. Website activity broken out by month and type can be found on the Ameritas Annual Plan Review: http://npers.ne.gov/SelfService/public/howto/publications/LegisReports/Ameritas2014.pdf
102.	Section V Subsection 3.C	62	Subsection C states, " Please see attached cost proposal." Can the State please provide the referenced cost proposal?	Please see Addendum One.
103.	Form A	63	Please clarify where, in the final proposal response, Form A, Bidder Contact Sheet, should appear.	Form A, Bidder Contact Sheet should be included as a separate identified tab within the bidder's proposal response.
104.	Section IV Subsections C through K	43-57	Please clarify where, in the Corporate Overview section of the final proposal response, the response to these questions should appear. Is it after the requirements outlined in Section V, Subsection A-2, beginning on page 58?	The sections should be included as separate identified tabs within the bidder's proposal response. There is no such requirement for the order of sections.
105.	Attachment C Record Keeper Interface Files	2	Using November 2, 2015 as an example, what time of day can the Record Keeper expect to receive the "Investment Options (Daily Fund Election Changes / Transfers) 002-ELEC" file from NPRIS and what would the expected "Trade Date" be for the resulting transactions?	The file transfer jobs run at 3:35pm central time. Trades are entered directly into the system. Trades occur on the same day as the file transfer jobs.

<u>Question Number</u>	<u>RFP Section Reference</u>	<u>RFP Page Number</u>	<u>Question</u>	<u>State Response</u>
106.	Section IV Subsection A	41	<p>Please provide the number of unique participant accounts between;</p> <p>a. the State Defined Contribution plan and the State Cash Balance plan.</p> <p>b. the County Defined Contribution plan and the County Cash Balance plan.</p> <p>c. the NPERS Deferred Compensation plan to any State or County plan.</p>	<p>The following is data as of December 31, 2014:</p> <p>State Defined Contribution 4,407 members State Cash Balance 18,470 members</p> <p>County Defined Contribution 1,891 members County Cash Balance 8,541 members</p> <p>Deferred Compensation 3,258 members</p>

Question Number	RFP Section Reference	RFP Page Number	Question	State Response																																								
107.	Section IV Subsection A	41	<p data-bbox="562 285 1142 383">Please provide the December 31 total participant count for each plan for 2011 through 2014.</p> <table border="1" data-bbox="562 440 1073 1175"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> </tr> </thead> <tbody> <tr> <td>State Patrol DROP</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>State Employees (DC)</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>State Employees (CB)</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>County Employees (DC)</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>County Employees (CB)</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Deferred Compensation (NPERS)</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Deferred Compensation (MassMutual, if applicable)</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		2011	2012	2013	2014	State Patrol DROP					State Employees (DC)					State Employees (CB)					County Employees (DC)					County Employees (CB)					Deferred Compensation (NPERS)					Deferred Compensation (MassMutual, if applicable)					<p data-bbox="1171 277 2007 310">Participant count for each plan for 2011 through 2014 is as follows:</p> <p data-bbox="1171 342 1381 570"><u>2011</u> DROP 29 ST DC 6,470 ST CB 14,527 Co DC 2,586 Co CB 7,165 DCP 3,223</p> <p data-bbox="1171 610 1381 837"><u>2012</u> DROP 38 ST DC 4,889 ST CB 16,532 Co DC 2,108 Co CB 7,826 DCP 3,223</p> <p data-bbox="1171 878 1381 1105"><u>2013</u> DROP 49 ST DC 4,635 ST CB 17,541 Co DC 1,992 Co CB 8,196 DCP 3,221</p> <p data-bbox="1171 1146 1381 1373"><u>2014</u> DROP 48 ST DC 4,407 ST CB 18,470 Co DC 1,891 Co CB 8,541 DCP 3,258</p>
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108.	N/A	N/A	Please provide a copy of the Ameritas TPA contract.	Please see Question 43.
109.	Section III Subsection DD	26	Will the \$750,000 performance bond be applicable for this RFP?	The selected Contractor may be required to supply a performance bond.
110.	Section IV Subsection C	43	Please provide a recent sample cost estimate request made to the current TPA for record keeping and consulting services.	Please see Question 43.
111.	Section IV Subsection A	41	Please provide more details regarding the asset structure and processing of the Cash Balance plans.	<p>All member and employer contributions are held in a trust fund. This trust fund is invested by professional fund managers under the direction of the Nebraska Investment Council. Participants in the Cash Balance plans do not make investment choices for any part of their account balance. The rate of return for the cash balance accounts is not tied to investment performance. There is a guaranteed rate or return called the Interest Credit Rate. This is based on the federal mid-term rate plus 1.5%. When the federal mid-term rate falls below 3.5% members receive a minimum 5% compounded credit rate. The Interest Credit Rate is determined quarterly. The record keeper is responsible for crediting this Interest Credit Rate daily to the member accounts.</p> <p>Each year an actuarial study is conducted on the trust fund to determine the funded status. If this study finds that favorable investment returns and experience have created a surplus of funds the Public Employees Retirement Board (PERB) may choose to issue a dividend to plan members. Crediting this dividend according to the details laid out by the PERB is the responsibility of the record keeper.</p>
112.	Section IV Subsection A	41	Please provide more details regarding the structure and processing of the ERBF as it relates to participant-level recordkeeping and annuities.	Please see Question 80.

<u>Question Number</u>	<u>RFP Section Reference</u>	<u>RFP Page Number</u>	<u>Question</u>	<u>State Response</u>
113.	Section IV Subsection A	41	Who will provide the daily prices for the funds (all but the premixed funds)? Who would calculate the daily prices for the premixed funds?	Please see Question 37.
114.	Section IV Subsection B	41-43	How may payroll centers currently send in payroll files? Is the payroll processing centralized with the State?	Please see Question 20.

This addendum will become part of the proposal and should be acknowledged with the Request for Proposal.