

Item Number	Question	SERS Response
1	Please confirm the time the proposal is to be received at the Issuing Office (the RFP Calendar of Events does not list a specific time while the PA eMarketplace website lists 04/16/18 by 12:00 a.m.)	Responses are due no later than 4:00 PM on the closing date of the solicitation. The posting on eMarketplace has been updated to include this information.
2	Within Appendix L-1, there are several questions (A19, A33, B33, B57, C12, and F3) that state "...[See 457(b) Plan Additional Materials Requested]". We are unable to find a section or other documentation that references "457(b) Plan Additional Materials Requested". Please provide direction as to where this additional detail can be found.	The following 457(b) Plan Additional Materials should be included: - Sample of a recordkeeping services contract, as well as other documentation that would be typically be used to enter into a relationship with your firm (trust agreement, etc.) - Samples of items that you would agree to as part of a contract for plan administration services clearly specifying any penalty compensation - Samples of standard participant-level statements and documents (including quarterly and annual statements) - A recent SSAE 18 auditor's report on internal controls (SOC 1, Level 2 and SOC 2, Level 2, if available preferred) - Standard monthly and quarterly reporting package that you would provide the Board as well as the medium(s) used - Sample draft transition plan (non-incumbent providers)
3	Within Appendix L-2, there are several questions (A19, B23, B56, C12, and F3) that state "...[See 401(a) Plan Additional Materials Requested]"; we are unable to find a section or other documentation that references "401(a) Plan Additional Materials Requested". Please provide direction as to where this additional detail can be found.	The following 401(a) Plan Additional Materials should be included: - Sample of a recordkeeping services contract, as well as other documentation that would be typically be used to enter into a relationship with your firm (trust agreement, etc.) - Samples of items that you would agree to as part of a contract for plan administration services clearly specifying any penalty compensation - Samples of standard participant-level statements and documents (including quarterly and annual statements) - A recent SSAE 18 auditor's report on internal controls (SOC 1, Level 2 and SOC 2, Level 2, if available preferred) - Standard monthly and quarterly reporting package that you would provide the Board as well as the medium(s) used - Sample draft implementation plan
4	Are you amenable to some non-member facing/back office work being done offshore, or does everything need to be done onshore?	The Board is open to some non-member facing/back office work being done offshore. Any areas where offshore associates are expected to be utilized should be fully documented, with expected duties listed, within the appropriate areas of the Offeror's proposal.
5	Section B, item #22 of the RFP describes the offeror shall provide periodic review and revision of the 457(b) and 401(a) Plans as requested by the Board. Please describe the services requested whether they be audit or regulatory.	Periodic review of the 457(b) and 401(a) Plans refers to reviewing and presenting relevant plan statistics, such as participant counts, asset levels, changes in deferral rates, and transaction volumes and their associated trends in a format as mutually agreed upon with the Board. It is not suggested that this particular item be of an audit or regulatory nature.
6	Is there one election that applies to the investment of future contributions or is it split between employee and employer money sources? Similarly, are transfers/reallocations between investment options split between employee and employer money sources?	For the 401(a) Plan, participants will make one election for the investment of future contributions that will apply to all money types in the participant's account. Transfers/reallocations between investment options will be completed pro-rata across money types.
7	How likely are you to make Investment Advice/ Managed Accounts available to members of the new 401(a) plan to help address increasing challenges of retirement readiness? What barriers would prevent you from making this help available to members?	The Board views Investment Advice / Managed Accounts as a potential avenue for assisting participants with achieving retirement readiness and is open to including them in the 401(a) Plan. Proposals should not assume any usage of managed accounts in the 401(a), and to the extent that they are offered, it is expected that participants would participate on an opt-in basis only.
8	Please confirm the number of users in the 457(b) plan for investment guidance, advice and managed accounts. For managed accounts users, please confirm the assets under advisement.	There are 11,867 participants in managed accounts as of 12/31/2017, and \$194,150,322.85 in assets under advisement.
9	Please confirm if a Self-Directed Brokerage Window should be assumed as required versus optional for the new 401(a) plan.	The successful Offeror should be able to provide access to a Self-Directed Brokerage Window if requested by the Board.
10	Please confirm the number of Self-Directed Brokerage Window accounts represented by the \$113,366,023 balance in the 457(b) plan.	There are 2,506 participants invested in the Self-Directed Brokerage Account as of 12/31/2017. The amount invested in the Self-Directed Brokerage Account by participants as of 12/31/2017 is \$118,160,827.

11	Do all employees have a telephone number that can be provided to the Offeror?	For the 457(b) Plan, participants are asked to provide a phone number and email address once they sign up. Phone number and email address are not provided on the payroll file. The status of participant demographic information included on the payroll file for the 401(a) Plan has not yet been determined.
12	How do you typically communicate to your members? Please describe how successful communication via print versus email or other electronics has been.	SERS typically communicates to participants through an annual postcard campaign along with other communications which target all eligible participants. These communications typically provide Plan Features and Highlights, as well as Active Choice fliers for inclusion with SERS new member packets. The incumbent has representatives at various locations throughout the state, provides 30 minute lunch and learn seminars based on approved list, and participates in benefit fairs held by state. The incumbent also provides custom messaging on the website, assists with National Retirement Security Week, works with SERS looks/messaging, and provides targeted communications. The relative success of different communication methods has not been determined. The Board is open to suggestions from Offerors on how to best communicate with 401(a) Plan participants.
13	Is there a preference for communications materials—electronic “green” default whenever possible or mailings?	The Board is considering switching to offering online statements and communications with an ability to opt out to receive hard copy materials. Pricing proposals should assume that hard copy communication materials are provided with an option for participants to opt-in for electronic receipt.
14	What current or prior benefit communication strategies have been effective with participants? What strategies have not been as effective?	The Board has not been able to measure the effectiveness of communication strategies to date.
15	What does your wish list include for Communication and Education services to support your retirement plans?	All requested services are detailed in III-3.a. Work Plan C – 457(b) Deferred Compensation – Marketing and Communications Services and III-3.a. Work Plan C – 401(a) Defined Contribution – Communication and Reporting Services
16	With regards to the scope of supporting the plan choice for the new 401(a) plan, please confirm the minimum required scope versus what should be considered optional. For example, should the support in the proposed fees include a brochure, video, interactive online modeler or some combination?	Please refer to III-3.a. Work Plan C – 401(a) Defined Contribution – Communication and Reporting Services task items, particularly task item 20. An Offeror's provision of differentiated communications services with disclosed costs may be used as an assessment factor.
17	Please confirm what group or groups the Offeror will partner with in the design of branding and communications strategy.	The successful Offeror will partner with the Commonwealth's Communications Department.
18	How would you like to see technology support your future vision when it comes to communicating and engaging your populations?	The Board believes that technology plays in integral part in engaging with certain participant populations. However, the Plans are expected to serve a wide variety of participants, and thus expects that a variety of engagement strategies will remain essential. Please also see response to question 13 above.
19	Are you able to share recent focus group or survey data that will help understand your unique audiences?	There is no focus group or survey data available at this time.
20	In our experience, onsite account representatives who are supporting a participant advice solution need a series 7 and 65 or 66 license. Would this licensing structure meet your needs?	Current requirements are detailed in III-3.a. Work Plan A – 457(b) Deferred Compensation – Organizational Experience and Client Service, task item number 14 and III-3.a. Work Plan A – 401(a) Defined Contribution – Organizational Experience and Client Service, task number 14. An Offeror's response to technical questions with regard to affirmation of scope should explicitly detail any variations to services provided and articulate a reasonable basis and/or rationale.
21	Are you expecting the regional manager for the onsite account representatives to be 100% dedicated to this plan?	Current requirements are detailed in III-3.a. Work Plan A – 457(b) Deferred Compensation – Organizational Experience and Client Service, task number 14 and III-3.a. Work Plan A – 401(a) Defined Contribution – Organizational Experience and Client Service, task number 14. An Offeror's response to technical questions with regard to affirmation of scope should explicitly detail any variations to services provided and articulate a reasonable basis and/or rationale.
22	Please confirm the members who will be subject to the fixed per participant per year fee. Is it all participants with a balance or some alternate definition? If an alternate definition is used, please provide the details.	It is expected that participants without a balance would not be subject to the fixed per participant fee.
23	Please confirm the breakdown for the 457 plan between active employees with a balance and retired/terminated/alternate payees with a balance.	Please see the statistics on page 55 of the RFP under "PLAN INFORMATION –457(b)"

24	Please confirm the preferred format for responding to Part III-6.a Objections and Additions to Standard Contract Terms and Conditions. Should a redline version of the Contract Terms and Conditions be provided for any requested modifications or is a summary of some kind preferred?	A comprehensive redline is requested in addition to a summary of changes, if any.
25	In an effort to create synergy and to help reduce expenses, would the Commonwealth accept a proposal to have one dedicated team and a local office provide educational resources for the 457, 401(a), and possibly even the ACT 5 plans if a single vendor is selected? a) If not, what is the desired number of representatives for the 401(a) Lot 2? "... an experienced team of dedicated account personnel be assigned exclusively to the 401(a) Plan consistent with the specific requirements and factors attendant with the creation of a new public DC plan..."	Pricing proposals should consider Lots separately. The Board reserves the right to review such potential synergies, equitably allocated at a later phase of the evaluation.
26	For the 401(a) plan (Lot 2), it states that "...all other costs are borne by the participants of the 401(a) Plan, with the exception of implementation costs, which are to be borne by the Commonwealth of Pennsylvania." Could the Commonwealth provide a definition for what would be considered implementation costs?	The Board has not explicitly defined implementation costs but expects them to be reasonable and analogous with the costs of implementing the 401(a) Plan. The Offeror should clearly express which costs are considered implementation costs within the cost proposal.
27	For the 401(a) plan (Lot 2), the participants could benefit from greater flexibility with timing of payments and potentially lower overall recordkeeping costs if the recordkeeper issued the payments instead of the Treasury department. Would the Commonwealth be open to alternative proposals as it relates to the issuance of benefit payments for the 401(a) plan?	No. The Board is not open to any alternative proposals.
28	For the 401(a) plan (Lot 2), is the expectation that all forfeitures will be detailed by each employer group? Or would the Commonwealth accept the forfeitures be detailed at the plan level only?	Forfeitures need to be returned to each individual employer or used to offset future contributions by that individual employer.
29	For the 401(a) plan (Lot 2), has the Commonwealth created a plan document or are you looking to use the vendor's document services?	The 401(a) Plan Document is currently being developed. The successful Offeror will not be required to assist in the initial creation of the 401(a) Plan Document, though they may be asked to assist in the review and revision of the 401(a) Plan Document as needed. (See III-3.a. Work Plan B – 401(a) Defined Contribution – Trust, Custodial, Recordkeeping, and Administration Services, task number 23)
30	For the 401(a) plan (Lot 2), does the Commonwealth have a preference on the target date approach? For example, is there a preference for active or passive management? Is there a preference for methodology (to vs. through retirement)? Is the Commonwealth seeking a specific glide path (aggressive/moderate/conservative)?	The Board intends to review and evaluate target date funds for the 401(a) plan in 2018. Specifics such as active vs. passive, to vs. through, and glide path risk preferences will be determined at a later date.

31	<p>Referencing "LOT 2-401(a) PLAN TECHNICAL SUBMITTAL III-1.a. Statement of Work Defined Contribution – Trust, Custodial, Recordkeeping, and Administration Services" of the RFP:</p> <p>RFP states that response material should indicate an understanding of Board requirements, familiarity and successful performance with similar requirements, and the presence of creative and/or innovative solutions to specific enumerated requirements and known areas of challenges (specifically the successful establishment of a newly created 401(a) plan and the requirement to process all distributions for the 401(a) Plan through the Pennsylvania Treasury).</p> <p>If the proposer can demonstrate efficiencies and benefits to the Plan Sponsor and Plan Participants from the proposer making the benefit disbursements directly, and in light of the 401(a) plan being a start-up, can the direct approach form part of our response?</p>	See response to Question 27 above.
32	Can you please provide the number of employer payroll interfaces there are?	There are 102 agencies that have employees who would participate in the 401(a) plan. 65 of these agencies are included within one payroll area which covers approximately 80% of the employees. This would be one payroll interface file. The remaining 37 are independent agencies, 4 of which are larger and would provide an interface file. The remaining 33 would enter their information directly into the TPAs website.
33	Which Small Diverse Business/Small Business is currently being used to meet the participation requirement and what service do they provide?	The Board does not directly contract with any Small Diverse Business/Small Business for TPA services. A full list of currently qualified and registered suppliers is available at: http://www.dgs.internet.state.pa.us/suppliersearch
34	Would the Commonwealth wish to continue the relationship with this SDB/SB?	See response to Question 33 above.
35	Does the Commonwealth currently offer managed accounts?	Yes, the Board offers 457(b) Plan participants a managed accounts service through Advised Assets Group, LLC ("AAG"), a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.
36	Please confirm if the Commonwealth's white label funds are two tier (comprised of mutual funds) or three tier (comprised of other white label funds)?	With regards to the 457(b) Plan, the majority of core investment menu options (e.g. U.S. Large Company Stock Index Fund) are single-manager white label funds comprised of a passive commingled fund. The exception is the Stable Value Fund, which is a separate account managed by Invesco and is comprised of multiple commingled funds and separate accounts. The Profile Funds are asset allocation blends of the underlying core investment menu options, meaning these are not unitized. Participants see all of the underlying allocations on their account statements. The 401(a) Plan investment menu has not been developed yet.
37	Does BNY Mellon strike the NAV for the Commonwealth's white label funds?	No. The NAVs are provided by the managers.
38	Does BNY Mellon cut participant checks or just hold Plan assets?	The Treasury Department issues payments. BNY Mellon holds the plan assets for the stable value separate accounts.
39	Please provide an example of the annual participant statement?	Participants in the 457(b) Plan are not currently provided an annual statement. (They are provided with four quarterly statements.) The Board is looking to develop a best practice for providing an annual statement and Offerors are expected to provide their own innovative solution to the Board.
40	How much does the Commonwealth have budgeted for implementation costs for the 401(a)?	The amount budgeted is not necessary for Offerors to submit a reasonable and informed cost proposal for implementation costs.