

# Recordkeeper Request for Information

March 31, 2023

## Washoe County DC Plans

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This document is intended for comparative purposes only and is not to replace information contained in the submitted proposals. In the event of a discrepancy, the submitted proposals will prevail. The proposals in the document are not binding.



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**Purpose**

Plan participants bear the costs and investment risks associated with defined contribution plans, yet can control neither vendor pricing nor the investment options made available on the fund menu. Because plan sponsors are responsible for how their retirement plans are managed on behalf of their employees, the U.S. Department of Labor (“DOL”) has determined that employers act in a fiduciary role. As outlined in the Employee Retirement Income Security Act of 1974 (“ERISA”), fiduciaries are expected to act in the best interest of plan participants and their beneficiaries. ERISA not only sets these standards but acts as a resource for employers while providing protection for employees.

AndCo Consulting, in concert with our clients, performs these benchmarks periodically to ensure plan expenses remain reasonable and in line with services received. We released a blind Request for Information (RFI) for estimates to share relative market pricing and best practices. The responses to the RFI in the Comparative Fee Analysis provides an analysis of the Washoe County current fees compared to other bids that we received from four other recordkeepers.



**Plan Details**

|  | 457(b)              | 401(a)             |
|--|---------------------|--------------------|
| <b>Total Plan Assets</b>               | <b>\$87,104,011</b> | <b>\$7,368,931</b> |
| Total assets for active balances       | \$123,335,788       | \$7,610,267        |
| Total assets for terminated balances   | \$11,615,545        | \$601,611          |
| Total annual contributions YTD (2022)  | \$10,862,127        | \$578,145          |
| 2021                                   | \$9,978,191         | \$558,046          |
| 2020                                   | \$5,660,424         | \$348,546          |
| 2019                                   | N/A                 | N/A                |
| 2018                                   | \$14,161,032        | \$950,677          |
| Total annual distributions YTD (2022)  | \$11,601,563        | \$343,489          |
| 2021                                   | \$11,054,248        | \$1,784,410        |
| 2020                                   | \$8,302,948         | \$307,815          |
| 2019                                   | N/A                 | N/A                |
| 2018                                   |                     |                    |
| <br><b>Total Plan Participants</b>     |                     |                    |
| Total actives with a balance           | 2044                | 83                 |
| Total terminated with a balance        | 1772                | 101                |
| Contributing (2022) # of Participants  | 2060                | 92                 |
| 2021                                   | 1826                | 96                 |
| 2020                                   | 1695                | 97                 |
| 2019                                   | 1455                | 94                 |
| 2018                                   | N/A                 | N/A                |
| Distributions (2022) # of Participants | 425                 | 27                 |
| 2021                                   | 403                 | 26                 |
| 2020                                   | 323                 | 19                 |
| 2019                                   | 360                 | 21                 |
| 2018                                   | N/A                 | N/A                |





|  |               |               |
|--|---------------|---------------|
|  | <b>457(b)</b> | <b>401(a)</b> |
|--|---------------|---------------|

**Loan Assets (included in Plan assets)**

|   |             |           |
|---|-------------|-----------|
| Total loan assets outstanding (\$)        | \$2,113,938 | \$134,814 |
| Total # of new loans in the current year: | 87          | 1         |
| Total # of loans outstanding              | 304         | 15        |

**Unique investment options / products  
 (Assets included in total plan assets  
 above)**

|  |   |   |
|--|---|---|
| General Account/ Fixed Account Name:   | Voya Fixed Account - 457/401  | Voya Fixed Account - 457/401  |
| Total Assets (\$):   | \$74,747,249  | \$4,762,288   |
| Applicable Exit Provisions: Puts, 5 Year Payout, Market Value Adjustment, etc. | Employer Directed Withdrawals<br>On full or partial surrenders initiated by the plan sponsor, a two way Market Value Adjustment (MVA) will be applied to the Fixed Account portion of each participant's account unless the plan elects to have the surrendered amount paid out, with interest, over a period of 60 months. | Employer Directed Withdrawals<br>On full or partial surrenders initiated by the plan sponsor, a two way Market Value Adjustment (MVA) will be applied to the Fixed Account portion of each participant's account unless the plan elects to have the surrendered amount paid out, with interest, over a period of 60 months. |
| If exit provision has been initiated:  | No  | No  |
| Current crediting rate:  | 2.00%   | 2.00%   |

**Managed Account Services:**

|                    |     |     |
|--------------------|-----|-----|
| Total Assets (\$)  | N/A | N/A |
| Total Participants | N/A | N/A |

**Self Directed Brokerage Accounts:**

|                    |     |     |
|--------------------|-----|-----|
| Total Assets (\$)  | N/A | N/A |
| Total Participants | N/A | N/A |



**Comparative Fee Analysis**

|                              | <b>Corebridge</b>   | <b>Empower</b>   | <b>MissionSquare</b>   | <b>Nationwide</b>                               |   |
|------------------------------|---|--|--|---|---|
| <b>Plan Sponsor Services</b> |   |  |  |   |   |
| 1                            | Provide the total revenue required (in basis points) for recordkeeping, administration, education, and communication. (assume no revenue from investments). | 0.09% open arch<br>0.02% with fixed account                  | 0.114% open arch<br>0.0585% with fixed account   | 0.11% open arch<br>0.045% with fixed account    | 0.145% open arch<br>0.05% with fixed account    |
| 2                            | Provide the total revenue required (in \$ per head) for recordkeeping, administration, education, and communications. (assume no revenue from investments). | \$44.00 open arch<br>\$10.00 with fixed account              | \$69.00 open arch<br>\$35.00 with fixed account  | \$62.00 open arch<br>\$28.00 with fixed account | \$90.00 open arch<br>\$25.00 with fixed account |
| 3                            | Confirm your quoted pricing is not contingent on a vendor fund mapping strategy, reliance on proprietary funds and that your platform is open architecture. | Confirmed  | Confirmed  | Confirmed                                       | Confirmed                                       |
| 4                            | Provide the number of educational days excluding travel, included in your bid.  | 100 days annually  | 100  | 100   | 100 across all plans/participants               |
| 5                            | Provide the cost of each additional education day excluding travel.   | \$450 per each additional day                                | \$500.00   | Negotiated.                                     | no additional cost                              |
| 6                            | Trustee services fees:  | Included   | Included in overall fees   | \$0   | Included  |
| 7                            | Form 1099R or other tax reporting fees:   | Included   | Included in overall fees   | \$0   | Included  |
| 8                            | Contribution processing:  | Included   | Included in overall fees   | \$0   | Included  |
| 9                            | Plan document and SPD maintenance (including updates for regulatory changes):   | Plan document included<br>SPD is not applicable by plan type | We can provide document amendments required due to changes in applicable<br><i>More - see file</i> | \$0   | Included  |
| 10                           | Signature ready Form 5500 (and Form SSA):   | Not applicable by plan type                                  | N/A  | N/A   | Included  |
| 11                           | Summary annual report:  | Included   | N/A  | N/A   | Included  |
| 12                           | Annual audit package (including SAS 70):  | Not applicable by plan type                                  | N/A  | \$0   | Included  |
| 13                           | Webcast:  | Included   | Webinars and self-paced,   | \$0   | Included  |
| 14                           | Di Minimus Participant Distributions  | Included   | Included in overall fees   | \$0   | Included  |



Comparative Fee Analysis

Voya

Plan Sponsor Services

|    |   |  |
|----|---|--|
| 1  | Provide the total revenue required (in basis points) for recordkeeping, administration, education, and communication. (assume no revenue from investments). | 0.025% with fixed account  |
| 2  | Provide the total revenue required (in \$ per head) for recordkeeping, administration, education, and communications. (assume no revenue from investments). | \$11.00 with fixed account   |
| 3  | Confirm your quoted pricing is not contingent on a vendor fund mapping strategy, reliance on proprietary funds and that your platform is open architecture. | Confirmed with the exception of the Voya Fixed Account as the County's stability of principal investment option. |
| 4  | Provide the number of educational days excluding travel, included in your bid.  | Voya will provide a minimum of 90 meeting days annually<br><i>More - see file</i>                                |
| 5  | Provide the cost of each additional education day excluding travel.   | \$500 per day  |
| 6  | Trustee services fees:  | Included   |
| 7  | Form 1099R or other tax reporting fees:   | Included   |
| 8  | Contribution processing:  | Included   |
| 9  | Plan document and SPD maintenance (including updates for regulatory changes):   | N/A  |
| 10 | Signature ready Form 5500 (and Form SSA):   | N/A  |
| 11 | Summary annual report:  | Included   |
| 12 | Annual audit package (including SAS 70):  | Included   |
| 13 | Webcast:  | Included   |
| 14 | Di Minimus Participant Distributions  | Included   |



|   | Corebridge   | Empower   | MissionSquare                                    | Nationwide   |
|---|--|---|--|--|
| <b>Plan Participant Services</b>                |  |   |  |  |
| 1 In-service withdrawal payment:                | Included   | \$50  | \$0  | \$0 (\$25 Overnight Fee)   |
| 2 Distribution event payment:                   | Included   | \$50  | \$0  | \$0 (\$25 Overnight Fee)   |
| 3 QDRO Approval:                                | Included   | \$250   | Included in processing,<br>\$250 per divorce     | \$0  |
| 4 Hardship withdrawal:                          | Included   | Included  | \$0  | \$0 (\$25 Overnight Fee)   |
| 5 Wire transfer:                                | Included   | Not available   | \$15 outgoing                                    | \$0  |
| 6 Self Directed Brokerage Account Fees:         | \$50 annually  | \$50 annual fee per plan per<br>user and assessed<br>quarterly.   | \$50 setup,\$50 annual                           | Initiation Fee: \$50.00<br>Annual Admin Fee: \$50.00   |
| 7 Self Directed Brokerage Account Trading Fees: | Electronic \$0<br>Broker assisted \$25<br><i>More - see pricing file</i>   | <u>Empower SDB Fees</u>   | TD Ameritrade<br>Commissions and Service<br>Fees | Schwab may assess<br>additional fees based upon<br>the participant's trading<br>activity within their PCRA.<br>Loan Initiation Fee: \$50.00<br>Annual Loan Maintenance<br>Fee: \$50.00 |
| 8 Loan Origination:                             | \$50   | \$95  | \$75   | Loan Initiation Fee: \$50.00   |
| 9 Loan Maintenance:                             | \$30 if repaid via payroll dedu  | \$50  | \$50   | Annual Loan Maintenance<br>Fee: \$50.00  |
| 10 Managed Account Fee Structure:               | Only those participants<br>enrolled in GPS Portfolio<br>Manager are assessed an<br>annualized asset-based fee<br>of 0.45% on assets <i>More<br/>see pricing file</i> | Opt-in Managed Accounts<br>available to participants that<br>elect or opt-in to participate.<br>Fees apply as follows: 0.45<br>% < \$100k; 0.35% next<br>\$150k; 0.25 % next \$150k;<br>0.15 % > \$400k | See Pricing file.                                | See Pricing file.  |
| 11 Required Minimum Distributions:              | Included   | Included  | \$0  | \$0 (\$25 Overnight Fee)   |



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Voya

**Plan Participant Services**

|    |   |          |
|----|---|----------|
| 1  | In-service withdrawal payment:                | Included |
| 2  | Distribution event payment:                   | Included |
| 3  | QDRO Approval:                                | Included |
| 4  | Hardship withdrawal:                          | Included |
| 5  | Wire transfer:                                | Included |
| 6  | Self Directed Brokerage Account Fees:         | N/A      |
| 7  | Self Directed Brokerage Account Trading Fees: | N/A      |
| 8  | Loan Origination:                             | \$100    |
| 9  | Loan Maintenance:                             | \$0      |
| 10 | Managed Account Fee Structure:                | N/A      |
| 11 | Required Minimum Distributions:               | Included |



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**Conclusion**

One of the key components of a plan that directly impacts the participant's retirement outcomes is plan cost. Since participants typically bear the cost of the plans but have no control over hiring vendors or negotiating fees, those who do have control over these aspects are considered fiduciaries. As a result, fees and the value of services have been at the center of many recent lawsuits resulting in substantial settlements. In general, the marketplace is becoming more competitive as technology and vendor consolidation continue to drive down costs. While cost alone does not need to drive decisions, the overall value received from your provider and the benefit to your participants should be discussed and considered.

The Request for Information (RFI) was sent out to six recordkeepers to provide a bid for administrative and recordkeeping services. Five service providers were able to provide a bid.

**Based on the Comparative Fee Analysis:**

- It appears that the cost of plan administration is competitive with the current market prices for these services as compared to similar plans that use other providers.
- Washoe County may want to consider requesting a formal fee quote from Voya in no more than three years to maintain the competitive fee.

Our team of retirement consultants has extensive experience with defined contribution programs including all levels of sponsor consulting and support in areas of investment policy and consulting, governance and fiduciary support, education strategy, plan design, regulatory support and vendor review services.

We offer each of our clients benchmarking and RFP services as part of our all-inclusive base fee. This allows our clients the peace of mind to know they will never have to choose between cost and their fiduciary duties. Please let us know if you would like to take any further action or have additional questions.

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**Clients first.**



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