

ACTION ITEM

Board of Governors Meeting

December 9, 2015

CONTRACT ID:	<p>Retirement Plan Administrator Services</p> <p>Recommendation:</p> <p>Mass Mutual Financial Group, Retirement Plan Administrator Services Reliance Trust Company, Custodial Trustee Services</p>
BUDGETED ITEM:	Yes
CONTRACT AMOUNT:	Estimated contract amount over seven years is \$500,000. Base annual fee equal to 0.0007 of assets invested in the retirement plans. The fees will be paid from Plan assets and will not be treated as an operating expense of Citizens.
CONTRACT TERM(S):	The Retirement Plan Administrator contract will be for an initial five-year term years and, at Citizens' discretion, have one optional two-year renewal term.
SCOPE/ BACKGROUND:	<p>Scope: Vendor shall work with the Retirement Plan Committee and third-party financial advisor (currently FiduciaryFirst LLC) to ensure that Citizens' 401(a), 401(k) and 457(b) Retirement Plans are administered in an effective, efficient, responsible and professional manner, consistent with industry best practices. These services will include but not be limited to the following:</p> <ol style="list-style-type: none"> 1) Custodial trustee services (pursuant to a separate Trust Agreement with Reliance Trust Company; the charge for trustee services are included in the contract amount paid to the Retirement Plan Administrator); 2) Accurate plan record-keeping and plan administration; 3) Accurate and timely processing and allocation of contributions, earnings, and withdrawals; 4) Meeting all regulatory compliance requirements; 5) Plan document maintenance, including required amendments; 6) Participant communications, including timely participant statements, enrollment information, and required communication; 7) Comprehensive website portal and proactive call center for participant inquiries; 8) Conducting periodic employee educational sessions, answering employee questions and distributing materials; 9) Plan sponsor support through a dedicated service team; 10) Senior representative attendance at quarterly Plan Committee meetings and special meetings as needed (in person attendance required at least once per year); and 11) Working with Citizens to transition from the current vendor (Lincoln Financial Group) to the new platform. This will include developing an account transfer communication plan to encourage participant involvement in transfers and a mapping strategy for those participants who make no transfer election. <p>Background: Lincoln Financial Group is the current plan administrator. Their contract commenced on March 3, 2010 and expires on June 1, 2016. Instead of renewing the contract, Citizens decided to re-procure the services.</p>

EXHIBIT B**ACTION ITEM**

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<p>PROCUREMENT METHOD:</p>	<p>Citizens released Invitation to Negotiate (ITN) 15-0008 in September 2015. Eight interested vendor responses were evaluated. During a public meeting held October 2015, the evaluation committee selected the two highest-ranked vendors to advance to the negotiation phase. After several negotiation meetings, website demonstrations and reference checks, Mass Mutual Financial Group provided the best overall value to Citizens and the Plan Participants.</p> <p>A savings of approximately 50% compared to the current contract pricing was achieved as a result of the ITN.</p> <p>A public meeting was held on November 10, 2015. The negotiation team recommended Mass Mutual Financial Group for award under this ITN 15-0008. As contemplated by the vendor's proposal and negotiation team award, contracts would be entered with Mass Mutual Financial Group for administrator services and Reliant Trust Company for custodial trustee services (noted in bullet #1 above).</p>
<p>RECOMMENDATION:</p>	<p>Staff recommends that Citizens' Board:</p> <ul style="list-style-type: none"> a) Approve the recommended Retirement Plan Administrator Contract to Mass Mutual Financial Group for administrator services and Reliant Trust Company for custodial trustee services as set forth in this Action Item; and b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
<p>CONTACTS:</p>	<p>Violet Bloom, Vice President of Human Resources</p>