

Responses to RFP Questions

1. **How many designated service providers does the South Carolina Retirement Systems (Retirement Systems) intend to contract?**
 - A. The South Carolina Code of Laws requires that a minimum of four designated service providers (DSPs) be contracted. All vendor contracts must be rebid every five years.
2. **If an existing DSP is not retained will assets be transferred to existing DSPs?**
 - A. No. Existing assets will be mapped to replacement DSP.
3. **Will there be any restrictions or fees imposed by the exiting DSP?**
 - A. No.
4. **Could an active participant have an account under the State Optional Retirement Program (State ORP), but be participating in the South Carolina Retirement System (SCRS) defined benefit plan?**
 - A. Yes. This interpretation is generally correct. A participant may be dually employed with a non-State ORP employer.
5. **Will the Retirement Systems or the participant's employer provide a participant's severance data to the DSP as part of a remittance file or via separate electronic census?**
 - A. The employer provides a participant's severance data to DSP, but there is no current requirement to do so.
6. **What is the estimated cost of the annual audit of the plan?**
 - A. Historically, the cost has been included in the cost of the audit of the five defined benefit plans. This is not expected to be a material amount going forward.
7. **Would a participant switching employers be considered a triggering event under the plan?**
 - A. Yes.
8. **What is the number of contributing employees and amount of assets under management with each of the current providers?**

A.

Vendor	Assets	Participants
TIAA-CREF	\$371,514,404	13,281
METLIFE	\$ 52,994,929	4,773
VALIC	\$138,409,034	8,372
HARTFORD	\$ 72,093,508	5,578

9. **What is the number of contributing employees by physical/office location?**
- A. There are approximately 84 state agencies and 139 school districts, technical colleges and institutions of higher education in multiple locations throughout South Carolina.
10. **From a pricing perspective, is it the state's preference to maintain a multi-vendor platform or move to a single-vendor platform?**
- A. The state will maintain a multi-vendor platform in accordance with state statutes and regulations.
11. **What is the net cash flow?**
- A. Assets of the plan as of June 30, 2009, totaled \$600 million.
12. **What information and/or materials can the Retirement Systems make available for the defined benefit plan which vendors may reference?**
- A. All reference materials and tools are available on the Retirement Systems' Web site at <http://www.retirement.sc.gov/>.
13. **Administration and Record keeping Services – Does the Retirement Systems have a hyperlink on its portal to the respective vendors' Web sites where participants select the appropriate vendor, log in, make changes and access account information?**
- A. Yes, portal is currently available.
14. **Will the plan document be updated and restated for EGTRRA?**
- A. The plan document is updated routinely as necessary by the Retirement Systems in accordance with all federal and state guidelines.
15. **In what capacity would the Retirement Systems like us to serve?**
- A. As a bundled provider of investment products and record keeping services.
16. **Please clarify how many DSPs will be selected?**
- A. Four
17. **Plan administrators can adopt rules to address delinquent contributions. What are delinquent contributions?**
- A. Delinquent contributions result when an employer is delinquent in remitting contributions to DSP or DSP is delinquent in posting contributions to participants' accounts.
18. **Contributions interpreted as "elective" ...**
- A. State ORP is a mandatory, not an elective, plan.

19. Elective and “picked up” contributions...

- A. “Picked up” contributions are applicable to governmental plans and allow tax-deferred treatment for employee contributions.

20. Clarify who is the “plan administrator.”

- A. The South Carolina Retirement Systems is the plan administrator.

21. Can you share specific data around participant and plan demographics?

- A. Complete demographic data is in the RFP.

22. Can you provide more detail about the self-service portal?

- A. Each vendor will be responsible for an effective, user-friendly Web site.

23. Who determines the eligible participant population? How are rehires and participant transfers currently tracked?

- A. Eligibility is outlined clearly in the SC Code of Laws. Rehires and participant transfers are currently tracked through the normal enrollment process.

24. Who will develop and provide comprehensive materials around all of the state programs?

- A. Vendors are responsible for materials for the employees who choose their products.

25. What is the minimum number of on-site education days; how many locations?

- A. There are no minimum requirements; locations – 84 state agencies; 139 school districts

26. Can you share the existing fee arrangement?

- A. All fee arrangements are discussed and available on the Web site.

27. Can you tell us how many of the eligible participants elect to go into the SCRS defined benefit plan versus the State ORP?|

- A. In FY09, 18.6 percent elected State ORP participation.

28. How many new employees were eligible last year?

- A. In FY 09, 28,063

29. What was the total employee and employer contributions last year?

- A. In FY 09, contributions as a percentage of salary are were \$104,000,000.

30. How many lump sum distributions were made last year for terminated and/or retiring participants?

A. Unknown – this is handled by vendor(s).

31. Can we provide two separate responses to this RFP if they are for two different product offerings (i.e. one for a variable annuity and one for mutual funds)? Can a vendor bid on investment management only?

A. No to both questions – we are seeking bundled providers.

32. Please confirm termination provisions and/or MVA amounts, if applicable, for each incumbent fixed account contract.

A. Please refer to State ORP Web site at <http://retirement.sc.gov/orp/>.

33. Would you be able to reveal names of potential DSPs?

A. No.