

## **Questions for IRC 457 Deferred Compensation Plan – Investment Consultant & Glide Path-Oversight Services**

1. How many non-for-profit Massachusetts organizations will be eligible to participate in the newly formed 401(k) Plan?  
  
**A. Any eligible organizations incorporated under section 501 (c ) of the Internal Revenue Code, that are established, organized or chartered under the laws of the Commonwealth and doing business in the Commonwealth and employing not more than 20 persons may participate.**
2. What is the average size of these entities? Can you provide a census of those organizations – largest to smallest based on employee count? What is the projected adoption rate by number of firms and number of employees? Anything that is readily available will be helpful.  
  
**A. For more information on average size, budget and number of employees for Massachusetts based not-for –profit organizations, firms may request a review of the form 990 filings by not-for-profits in the Commonwealth of Massachusetts. We do not project adoption rates for this program.**
3. For the OCIO services to the 401(k) plan, is the provider only limited to those investment managers being retained for the 457 Plan or is the OCIO provider able to select new managers that are not currently managing assets on behalf of the 457 Plan?  
  
**A. We would anticipate that the OCIO provider would be able to select new managers that are not currently managing assets on behalf of the 457 Plan.**
4. Please specify how long you have been working with key vendors such as Hewitt EnnisKnupp and Great-West Retirement Services.  
  
**A. The Massachusetts Deferred Compensation Plan (“Plan”) has been working with Hewitt EnnisKnupp since August 15, 2009. The Plan has been working with Great-West Retirement Services since March 11, 2008.**
5. Please provide the catalyst for the RFR.  
  
**A. This procurement was posted to re-bid investment consultant services and to explore additional services that could help enhance outcomes for Plan participants.**
6. When was the “glide path” last reviewed for the Target Date Funds? What are the underlying assumptions? Were any asset classes excluded from consideration?  
  
**A. On June 30, 2014 the Plan transitioned the glide path allocation from money market to stable value. No assets classes were excluded from consideration.**

7. With regards to OCIO services, is there a current arrangement with Hewitt EnnisKnupp? What is the rationale for exploring OCIO services?

**A. The Plan does not have an existing arrangement for OCIO services. The Plan will explore any services that will help enhance outcomes for Plan participants.**

8. What is the current fee paid to Hewitt EnnisKnupp?

**A. Our current fee structure for investment consultant services is \$260,000.00 per year**

9. Please provide the number of participants in the Commonwealth's IRC 457 Plan and the Commonwealth 401(K) plan. In addition, how many participants are invested in the Target Date Funds?

**A. As of the end of first quarter 2014 the Massachusetts 457 Plan had 95,871 full time participants and 185,616 part-time "OBRA" participants. The 401(k) Plan has a projected go-live of fourth quarter 2014.**

**As of end of first quarter 2014 there were approximately 25,300 participants invested in the Target Date Funds.**

10. Please provide the amount of fees currently paid for consulting services for the 457 Plan.

**A. Please see response to question number 8**

11. Are all the services requested in the RFR being provided by the current consultant? If not, which services are not currently provided?

**A. OCIO services and glide path services are not currently being provided to the Plan through the Plan's investment consultant.**

12. Are proposing companies permitted to submit any exceptions to the Required Specifications or Components of Procurement with their proposal?

**A. No**

13. Could you please provide the plans' most recent market value, as well as their current investment fund menu / manager line-up?

**A. As of July 7, 2014 the Massachusetts 457 Plan total assets under management were approximately \$7 billion.**

**Firms may view the current investment fund menu and manager line-up by visiting our plan website at:**

<https://mass-smart.gwrs.com/preLoginContentLink.do?accu=MassachusettsWR&contentUrl=prelogin.invest.invOptions&specificBundle=preLogin>