AGENDA REGULAR MEETING 457 DEFERRED COMPENSATION PLAN, 401(a) DEFINED CONTRIBUTION PLAN, AND RETIREMENT HEALTH SAVINGS PROGRAM COMMITTEE 9:00 A.M. OCTOBER 18, 2021

City of VALLEJO California

COMMITTEE MEMBERS
James Olson, Chair
Mark Love, Vice Chair
Michael Nichelini
Felicia Flores
Rekha Nayar
Bonnie Mirante
Kevin Brown

PUBLIC COMMENT: Members of the Public may provide public comments during the 457 Deferred Compensation Plan, 401(a) Defined Contribution Plan and Retirement Health Savings Committee Meeting via ZOOM:

(https://ZoomRegular.Cityofvallejo.net)
Option to join by phone
Dial (669) 900-6833
Enter Meeting ID: 914 0075 0676#
Press *9 to digitally raise your hand from the phone.
Press *6 to unmute/mute from your phone.
For additional instructions on how to speak during public comment, please visit, www.cityofvallejo.net/publiccomment

VIEW THE MEETING:

You may participate in this public meeting via Zoom:

- Join the Zoom webinar: https://ZoomRegular.Cityofvallejo.net

This AGENDA contains a brief general description of each item to be considered. The posting of the recommended actions does not indicate what action may be taken. If comments come to the 457 Deferred Compensation Plan, 401(a) Defined Contribution Plan and Retirment Health Savings Committee meeting without prior notice and are not listed on the AGENDA, no specific answers or response should be expected at this meeting per State law.

Pursuant to the Government Code Section 54954.3 (The Brown Act), members of the public shall be afforded the opportunity to speak on any agenda item of interest to them provided they are first recognized by the presiding officer. Members of the public wishing to be so recognized are requested to submit a completed speaker card to the Executive Secretary of the Committee prior to the consideration of the item.

Those wishing to address the 457 Deferred Compensation Plan, 401(a) Defined Contribution Plan and Retirment Health Savings Committee on any matter for which another opportunity to speak is not provided on the AGENDA but which is within the jurisdiction of the Deferred Compensation Committee to resolve may come forward to the podium during the "COMMUNITY FORUM" portion of the AGENDA.

Members of the public have the right to speak on any item on this agenda. Those wishing to address the 457 Deferred Compensation Plan, 401(a) Defined Contribution Plan and Retirement Health Savings Committee are limited to either three minutes for consent calendar items or five minutes for action items, consistent with the time allowed to public speakers at City Council meetings as set forth in the Vallejo Municipal Code Chapter 2.02.

Notice of Availability of Public Records: All public records relating to an open session item, which are not exempt from disclosure pursuant to the Public Records Act, that are distributed to a majority of the commissioners will be available for public inspection at the City Clerk's Office, 555 Santa Clara Street, 3rd Floor, Vallejo, CA at the same time that the public records are distributed or made available to the commissioners. Such documents may also be available on the City of Vallejo website at http://www.cityofvallejo.net subject to staff's ability to post the documents prior to the meeting. Information may be obtained by calling (707) 648-4527.

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	In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Human Resources Department at Human.Resources@cityofvallejo.net Notification at least 48 hours prior to a meeting will enable the City to make reasonable arrangements to ensure accessibility to that meeting. [28 CFR.35.102.35.104 ADA Title II]

1. **CALL TO ORDER**

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL**

4. **REPORTS**

   A. Report from Secretary to the Deferred Compensation Plan, 401(a) Defined Contribution Plan, and Retirement Health Savings Program Committee

5. **COMMUNITY FORUM**

Due to the Coronavirus emergency, all board and commission meetings will be held via teleconference. Members of the public may provide public comments during the Deferred Compensation Plan, 401(1) Defined Contribution Plan, and Retirement Health Savings Program Committee Meeting via ZOOM. Members of the public interested in participating or observing the meeting may either click the link above or type the link into an internet browser. You will be taken to the internet platform where the meeting is being held. To make comments via Zoom please visit:

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6. **CONSENT CALENDAR AND APPROVAL OF AGENDA**

   A. Approval of Minutes
   Recommendation: Approval of the minutes from the September 13, 2021

7. **PRESENTATION**

   A. Presentation by Chad Parilla & Michele Martin, MissionSquare
   Presentation: 30 minute presentation, Chad Parilla & Michele Martin, introduction. Present strategic communications and financial education plan.

8. **ACTION ITEM(S)**

Due to the Coronavirus emergency, all board and commission meetings will be held via teleconference. Members of the public may provide public comments during the Deferred Compensation Plan, 401(1) Defined Contribution Plan, and Retirement Health Savings Program Committee Meeting via ZOOM. Members of the public interested in participating or observing the meeting may either click the link above or type the link into an internet browser. You will be taken to the internet platform where the meeting is being held. To make comments via Zoom please visit:

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A. Confirming Final Consultant Proposal
Recommendation: Vote on Hyas Group proposal.

B. Vote on Optional Provisions of Secure Options Act
Recommendation**:** Vote on Secure Act Options for plan**.**

C. Vote on Committee and Paricipant Education
Recommendation: Discuss scheduling of educational presentations.

D. Finalize meeting schedule
Recommendation: Confirm days and time of day of regular meetings going forward.

10. FUTURE AGENDA ITEMS

A. Discussion of Agenda Items for Future Meetings

11. ADJOURNMENT

ADDITIONAL CITY INFORMATION
Members of the public can:
Like us on Facebook (www.facebook.com/cityofvallejo)
Sign up to receive City Communications via e-mail (www.cityofvallejo.net/living/connect)
Sign up to receive City updates and get connected with your neighbors on Nextdoor (www.nextdoor.com)

I, Sarah Brannick, Executive Secretary, do hereby certify that we have caused a true copy of the above notice and agenda to be delivered to each of the members of the *Deferred Compensation Plan, 401(1) Defined Contribution Plan, and Retirement Health Savings Program Committee*, at the time and in the manner prescribed by law and that this agenda was posted at City Hall, 555 Santa Clara Street, CA at 5:00 p.m., Thursday, October 14, 2021.

Sarah Brannick, Executive Secretary

457 DEFERRED COMPENSATION PLAN, 401(a) DEFINED CONTRIBUTION PLAN, AND RETIREMENT HEALTH SAVINGS PROGRAM COMMITTEE SPECIAL MEETING MINUTES VIA TELECONFERENCE 10:00 A.M. SEPTEMBER 13, 2021

1. CALL TO ORDER
The meeting was called to order by Chair Nichelini at 10:02 a.m.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL
Committee Members Present: Chair Mike Nichelini, Committee Members Anne Cardwell, Mark Love, and James Olson
Alternates Present: Alternates Felicia Flores, Stephanie Sifuentes, Allen French, and Brisa Long
Committee Members Absent: Committee Member Kevin A. Brown, Bonnie Mirante, and Rekha Nayar
Alternates Absent: Alternate Jonathan Alberti, Jared Jaksch and Nicholas Rolley
Staff Present: Secretary Brannick, Chief Innovation Officer Ashraf, and Sr. Personnel Analyst Fisher

4. REPORTS

A. Report from Secretary to the Committee – None

B. Introduction of new Committee Members from Attachment A – Chair Nichelini read the full list from Attachment A to identify new and returning Committee Members and Alternates.

5. COMMUNITY FORUM
Speakers: None.

6. CONSENT CALENDAR AND APPROVAL OF AGENDA

A. Approval of Minutes
Recommendation: Approval of the minutes from the March 5, 2020, April 14, 2020, May 28, 2020, June 4, 2020, June 11, 2020, June 17, 2020, August 4, 2020, and August 17, 2021 meetings.

Chair Nichelini stated that the minutes should be adjusted to reflect that he was serving in the role of Vice Chair, rather than Chair, during 2020.

Action: Moved by Committee Member Cardwell, and seconded by Committee Member Olson, and carried unanimously to approve the minutes as submitted, with the adjustment to change Mike Nichelini's title to Vice Chair.

7. PRESENTATION

A. Presentation by Shawn Baker and Chad Parilla with MissionSquare

Recommendation: Presentation by Shawn Baker, substituting for Lenora Jenkins, and Chad Parilla rebranding of ICMA-RC to MissionSquare, partnership with SS&C and strategic marketing review, educational options, and an introduction to the Financial Wellness site.

Mr. Baker provided an overview on the rebranding of ICMA-RC to MissionSquare, explaining that the move was to be more inclusive of the additional groups that they now serve, including non-profits, hospitals, and schools. While the name has changed, the company itself has not changed and all services and historical information continues.

Mr. Baker discussed the efforts and resources of MissionSquare to help employees reach their retirement goals. Resources include a variety of outreach through webinars, monthly campaigns, one-on-one appointments, online Financial Wellness tools, and access to Certified Financial Planners. MissionSquare can also design more targeted marketing campaigns as well.

Mr. Baker provided information on the numbers of employees attending the variety of resources, the numbers of enrollments since transition, and approximate plan balance information since transition. He reports that the participant's use of the website and the mobile app are showing an increase.

The Committee asked questions regarding the option of Certified Financial Planners (CFP) and Mr. Baker and Mr. Parilla provided information on the distinction between our regular one-on-one appointments and what the CFPs can offer, adding that the use of the Certified Financial Planners was at no cost.

Mr. Baker gave an overview to the transition that MissionSquare is currently undertaking to move to SS&C company to handle the technical services of the recordkeeping. The SS&C company will be behind the scenes, with MissionSquare forward facing to the participants. With SS&C, the employer/sponsor website will have enhancements and more abilities to run ad hoc reporting. Multiple mock transitions are part of the process and those so far have been successful.

Chair Nichelini congratulated MissionSquare for the branding change and how seamless the move was for participants.

Mr. Parilla provided a demonstration on the new Financial Wellness Center. Options within the new center included recommended content, an area to ask questions, and videos and articles on a wide array of subjects. In addition, Mr. Parilla showed how maintaining and updating the profile helps the system direct appropriate content to the recommended content section.

Chair Nichelini asked the Committee Members if there were any questions. Hearing none, Chair Nichelini thanked Mr. Baker and Mr. Parillas.

B. Presentation by Vincent Galindo, Consultant for Hyas Group

Recommendation: Discussion and possible action: optional SECURE Act provisions. Fiduciary education session.

Mr. Galindo provided an overview of the SECURE Act, including noting that some of the law items are required and some aspects are optional. The Committee has two optional items that are available for review and consideration. The options, and the decision to move to accept or not, are not timed and can be added later. The options are whether to allow for distributions for in-service employees at age 59 ½ and whether to allow distributions for active employees for up to $5,000 for birth/adoptions for new parents.

Chair Nichelini asked, and it was confirmed by Executive Secretary Brannick, that at this time the Committee was receiving the information on the options as part of the presentation and that it would later discuss and take any action.

A short discussion began about whether adding the options would mean any costs to the plan. Mr. Galindo advised that there were no direct costs, only the soft costs associated with less fund balance in the plans.

Mr. Galindo held an educational session for the Committee on Fiduciary Fundamentals. He noted that while the Hyas group does not offer legal advice, they do offer guidance through their broad knowledge and experience on the subject and he invited the Committee Members to ask questions. He conveyed that he recommends that the Fiduciary Fundamentals presentation be incorporated in the minutes for reference.

In the session, Mr. Galindo explained a little of the history of laws governing retirement plans. The Employee Retirement Income Security Act of 1974 (ERISA) does not specifically govern Public Agency 457 plans. However, some agencies use it as a best practice. The Trust Law in California also uses much of the same language.

Mr. Galindo shared that the monies in the 457 are protected by law and are held in trust.

The education session included discussion on who is considered a fiduciary, what their role is, duty of loyalty, prudence and to follow the plan document. Some of the responsibilities of a fiduciary include determining plan design, education, to meet as a committee, monitor investments, document the process, etc. Some of the risks include lawsuits on such items as for poor performance of funds, excessive fees, etc., and claimants could seek the cost of the breach (what was the loss they are claiming). Mr. Galindo offered the best suggestion to protect the Committee would be to thoroughly document the processes. An additional item may be to review an additional fiduciary insurance policy.

Chair Nichelini asked the Committee Members if there were any questions. Hearing none, Chair Nichelini thanked Mr. Galindo.

8. ACTION ITEM(S)

A. Approval of New Members
Recommendation: Approve new members to the Committee (Attachment A)

Action: Moved by Committee Member Cardwell, and seconded by Committee Member Olson, and carried unanimously by Committee Members present to approve the list of Committee Members and Alternates as submitted in Attachment A.

B. Selection of New Chair and Vice Chair

Recommendation: Select a new Chair and Vice Chair by vote. Length of term is one year from September 2021 to September 2022.

There was a short discussion about the timing of the year-long terms, with alternate options reviewed. Some of the options included calendar year and annually in April.

Another item of discussion was whether to continue to take action on this item or postpone. Executive Secretary Brannick reported that due to the transition earlier, the election as outlined in the Charter had been missed and is therefore on the agenda for action today.

Chair Nichelini asked for nominations.

Committee Member Cardwell nominated, and Committee Member Love seconded the nomination, James Olson for Chair.

Chair Nichelini asked if there were other nominations.

Committee Member Cardwell nominated, and Alternate Member French seconded the nomination, of Mark Love for Vice Chair.

Action: Chair Nichelini called for the voted on the nominations for Chair and Vice Chair as moved by Committee Member Cardwell, and seconded by Committee Members Love and French, and carried by majority of Committee Members present. Members affirming were Cardwell, Love, French, Long, and those opposing were Chair Nichelini and Member Olson.

C. Reconfirm use of consultant

Recommendation: Determine whether to continue with Hyas Group, solicit an RFP for new consultant or discontinue use of a consultant.

Chair Nichelini asked if there were any motions on this item. Hearing none, there was a brief discussion about the current contract arrangement between Hyas and the City of Vallejo. Mr. Galindo reported out on the scope of work for the original contract which was primarily project based to assist with the formation of the committee, the governing documents, design of the RFP for the single recordkeeper for the plans, oversee through the transition, and some fiduciary education. With the meeting today, the scope of work for Hyas is complete.

Mr. Galindo from Hyas and Mr. Baker and Mr. Parillas from MissionSquare offered to answer any questions before exiting the meeting.

The Committee began a discussion on what types of things an ongoing consultant does while in contract with an agency. It was confirmed by Executive Secretary Brannick that most agencies do use a consultant as a best practice. Some of the items they perform are a review and report out of investments choices and fund performance, as well as to help review and educate the Committee on any options before them so that the Committee has a more informed decision making process.

Executive Secretary Brannick confirmed that the approximate cost for an annual contract with Hyas for ongoing consultation was $28,000. She noted that the funds for the consultant had been built into the plan design already. The agreement with Hyas would need to be rewritten if the Committee decides to continue.

Chair Nichelini asked if there were any more questions or need for discussion. Hearing none, he called for a motion.

Action: Moved by Alternate Member Long, and seconded by Committee Member Cardwell, and carried unanimously by Committee Members present to continue a consulting contract with Hyas.

D. Committee and Participant Education

Recommendation: Discuss scheduling of educational presentations.

Chair Nichelini opened a discussion on the item of committee and participant education. Executive Secretary Brannick confirmed that Mr. Parilla, from MissionSquare, had intended to include a review of the options in the presentation but he did not.

Chair Nichelini advised that the item will be continued until the next meeting

Action: None. Item continued until the next meeting.

E. Discuss meeting schedule

Recommendation: Discuss meeting schedule.

Chair Nichelini stated that the Committee Charter describes that the meetings will be held quarterly. It was suggested that the Committee set a schedule to include January, April, July, and October, on the 3rd Monday.

Action: Moved by Committee Member Cardwell, and seconded by Committee Member French, and carried unanimously by Committee Members present to set a regular meeting schedule quarterly the 3rd Monday in January, April, July and October.

9. FUTURE AGENDA ITEMS

A. Discussion of Agenda Items for Future Meetings

Future agenda items discussed were:

- Review and decide on SECURE Act Options introduced today
- Continuation of discussion and decision on Education

10. ADJOURNMENT

Action: Moved by Committee Member Cardwell, and seconded by Committee Member French, and carried unanimously by Committee Members to adjourn the meeting.

The meeting was adjourned at 11:29 a.m.

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JAMES OLSON, CHAIRPERSON

ATTEST:

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SARAH BRANNICK, EXECUTIVE SECRETARY

2021/2022 strategic communications and financial education plan

Date: October 18, 2021

Presented by: MissionSquare Retirement

MissionSquare RETIREMENT

Our approach

Serve more employees

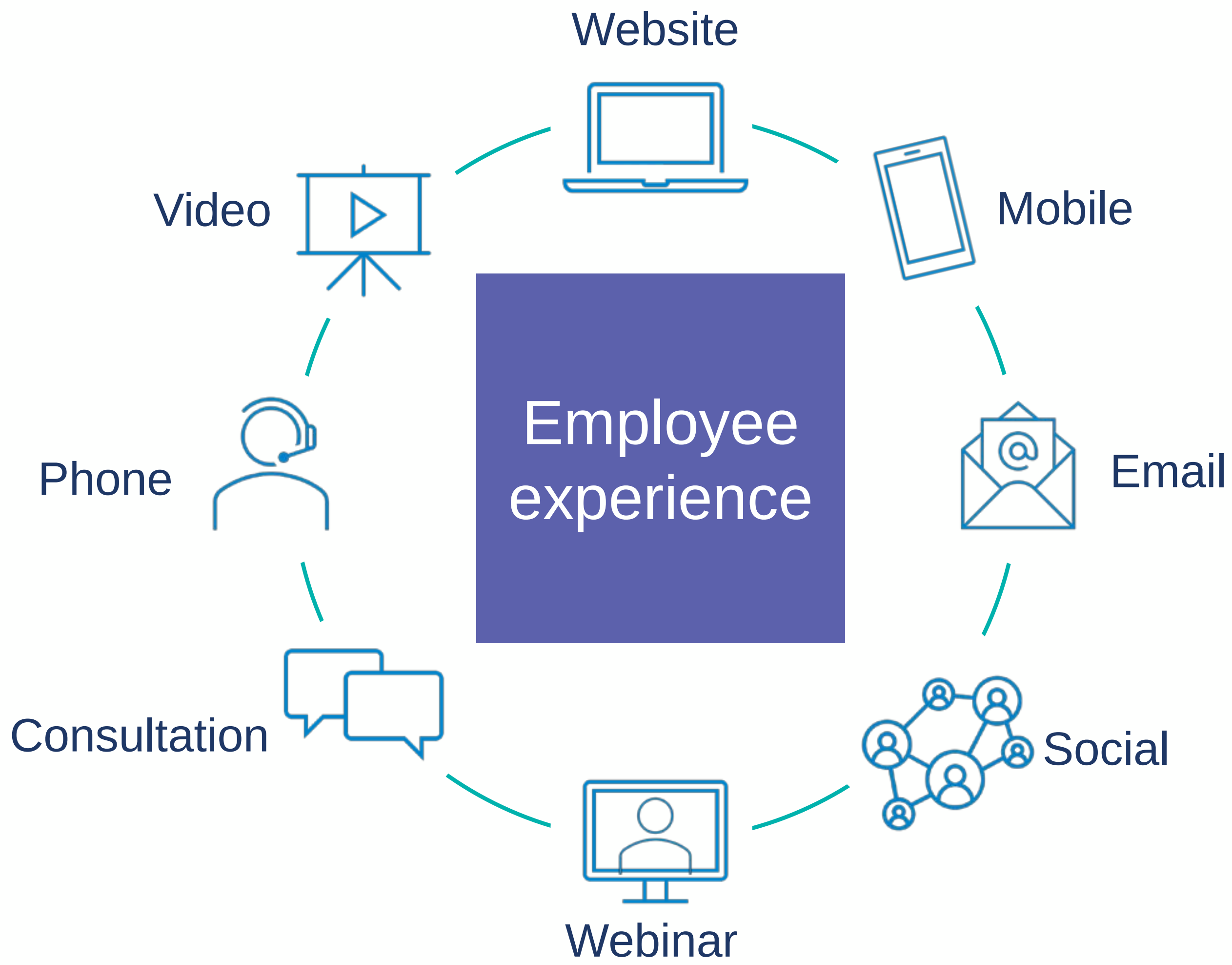
Deliver the right products, services, and solutions

Provide positive experiences

Promote long-term financial wellness

Multi-channel experience

We champion outcomes through holistic engagement



Targeted monthly campaigns

September — Smart investing

Investing appropriately to meet objectives, risk and time horizon

October — Maximize your benefits

Features and benefits that take you to and through retirement

November — Thankful for saving

Celebrates saving and coaches best practices for tax planning and saving

December — Road to retirement

Focuses on holistic retirement planning and results

- RealizeRetirement® e-Newsletter
- Dynamic personalized campaigns*
- Retirement Plans Specialist workshops and appointments
- Financial planning webinars
- Guided Pathways® Advisory Services

* Personalized, targeted messages along the retirement journey.

Dynamic personalized campaigns

Engage participants at key life stage moments along the retirement journey using personalized interactions

Happy enroll-versary

Birthday touchpoint

Age 50 catch up

RMD information

Partnering with you

MissionSquare RETIREMENT

Shared goals and strategy

Data analysis | Insight about participants | Strategic plan

Data Analysis

Active 270 participants $26,606,905

Separated 229 participants $24,903,131

47% of 457 plan assets are held by separated participants

40% of eligible employees participate in the 457 plan

Areas for focus

Retention
Reaching current participants who are separated from service and establishing a process for meeting with separating employees

Participation
Reaching eligible employees to educate them on the benefits of the 457 plan.

2021/2022 strategic campaign calendar

Initiative/audience	Objective	Delivery/timing	Goal/result
Increase participation (eligible/new hire employees)	Share data for targeted outreach, partner for orientation and onboarding, personalize communications	• Monthly Webinar: Get to Know Your 457 Plan • One-on-one meetings with Chad for all new hires • Targeted messages to individual's in RHS/401 – but not 457	• Increase participation
Improve retention (separated participants)	Share data for targeted outreach, personalize separation materials, promote leaving employment appointments and consolidation	• Monthly CFP Webinars • Targeted communication to separated participants promoting benefits of plan • One-on-one meetings with Chad for all separating employees	Improve retention
Financial wellness & open enrollment events (All employees/participants)	Promote saving during annual events including open enrollment and national retirement security month to improve retirement readiness	Open Enrollment National Retirement Security Month	Increase awareness
Promote plan changes (All employees/participants)	Promote plan changes, new features, and legislative changes	As they occur	Increase awareness

Fiduciary Education Series

- Fiduciary Roles
- Committee Governance
- Auto Features Overview
- Admin Allowance Guidelines
- Advice Services Overview
- Employee Participation

HYAS GROUP

Investment Consulting Services Proposal

City of Vallejo, California
457(b), 401(a), and RHS Plans

September 2021

CONTACT INFORMATION

Vincent Galindo, *Senior Consultant*
(503) 929-9402 | vgalindo@hyasgroup.com
9755 SW Barnes Road, Suite 660 | Portland, OR 97225

INTRODUCTION

The Hyas Group is a specialized consulting firm and has been working with institutional plan consulting clients exclusively since its inception. Based in the Pacific Northwest with a national client base, we have only one line of business—institutional plan consulting. The Firm is registered with the Securities Exchange Commission (SEC) as an investment advisory firm.

In September 2021, the Hyas Group joined Morgan Stanley's institutional consulting business and is now a wholly owned subsidiary of Morgan Stanley. The Firm continues to operate as a separate institutional consulting unit maintaining its employees, firm name, and offices. The Hyas Group's investment consulting practice remains focused on servicing our clients and their participants and beneficiaries.

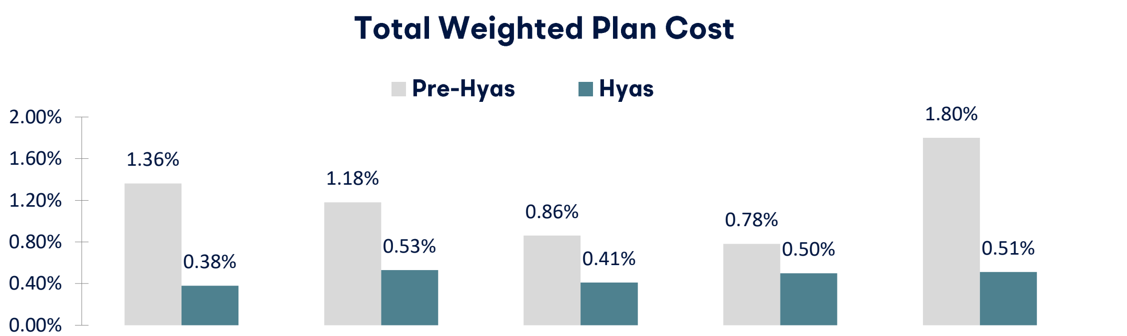
HYAS GROUP CLIENT BASE

The Hyas Group has a robust client list and works with clients in the governmental, corporate, and not-for-profit sectors. We advise over $45 billion in client assets as of June 30, 2021, more than 90% of which is comprised of state, city, county, and other governmental municipalities and special districts. Our firm continues to grow; and with each new client we engage, we aim to improve the metrics of their retirement program with a thorough review of investment offerings, enhanced participant engagement, cost reduction, plan design enhancements, and policy development.

Specifically, the Hyas Group is a leader in California public sector retirement plan consulting. We provide services to more than 110 California plans with 50% of the Firm's assets under advisement belonging to plans in your state alone.

ACHIEVING COST SAVINGS

We have been a market leader in developing cost efficient plans for our clients. The chart below shows examples of total weighted plan fees (investment and administration) prior to and after hiring the Hyas Group:



We have included a representative Hyas Group client list below. This list is extensive and many of our current clients have engaged us to provide services very similar to those being sought by the City of Vallejo.

HYAS GROUP REPRESENTATIVE PUBLIC SECTOR CLIENT LIST

States
State of Nevada

Cities
City and Borough of Juneau/
Bartlett Regional Hospital
City of Anaheim
City of Arlington
City of Austin
City of Buena Park
City of Carrollton
City of Chino Hills
City of Corvallis
City of Dallas
City of Elk Grove
City of Eugene
City of Galt
City of Glendale
City of Hawthorne
City of Kenmore
City of Kent
City of Lakewood
City of Long Beach
City of Milwaukie
City of Napa
City of Oakland
City of Paramount
City of Pasadena
City of Peoria
City of Phoenix
City of Pittsburg
City of Portland
City of Richland
City of Richmond
City of Rocklin
City of Sacramento
City of San Gabriel
City of San Jose
City of Santa Clara
City of Santa Monica
City of Seattle
City of Shoreline
City of Spokane
City of Surprise
City of Tacoma
City of Tempe
City of Temple City
City of Tucson
City of Vancouver
City of West Linn
City of Wichita
City of Yuba City
Richmond Retirement System
Spokane Employees' Retirement

Counties
Butte County
Calaveras County
Clark County
Clatsop County
Erie County
King County
Klamath County
Lane County
Marin County
Merced County
Monterey County
Nevada County
Napa County
Pierce County
San Bernardino County
San Bernardino Employees' Retirement
San Joaquin County
Santa Cruz County
Sedgwick County
Solano County
Sonoma County
Stanislaus County
Washington County
Yolo County
Yuba County

Special Districts
Alameda County Water District
Alaska Railroad Corporation
Assoc. of Orange County Deputy
Sheriffs
Benton County Public Utility
Boise Police Department
Bonneville Power Administration
Central Lincoln Peoples' Utility District
Chelan County Public Utility District
City of Boise Fire
City of Lakewood Police
City of Richland Firefighters
Clackamas Fire District #1
City of Spokane Firefighters
City of Tacoma Fire
Clark County Public Utility District
Clean Water Services
Community Transit
East Bay Municipal Utility District
Eastern Municipal Water District
Emerald People's Utility District
Franklin Public Utility District
Grays Harbor Public Utility District
Inland Empire Utilities Agency
Irvine Ranch Water District
Kansas City Board of Police Commissioners
Lane Council of Governments
Mason Public Utility District
McMinnville Power & Light
Metro Oregon
Metropolitan Water District of Southern California
Napa Sanitation District
North Texas Tollway Authority
Oakland Police Officers Association
Orange County Fire Authority
Plumas District Hospital
Port of Portland
Port of Seattle
Port of Tacoma
Port of Vancouver
Sacramento Metropolitan Fire District
Sacramento Regional Transit
SAIF Corporation
San Antonio Water System
San Diego Regional Airport Authority
San Jacinto River Authority
Santa Clara Valley Transit
Snohomish County Public Utility District
Sound Transit
Tri-Met
Tualatin Valley Fire & Rescue
VIA Metropolitan Transit

Not-for-Profit/Others
First 5 Santa Cruz County
Fraternal Order of Police Legal Plan
HRA VEBA Trust
Long Beach Unified School District
Oakland Police Widows & Orphans
VEBA Trust

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List includes project and retainer clients. It is not known whether any of the above clients approve or disapprove of the services provided by the Hyas Group.

PERSONNEL, ROLES AND RESPONSIBILITIES

The Hyas Group takes a team approach and relies on active and dynamic collaboration among our staff to deliver a high-level work product to the clients we serve. Our track record of retaining experienced and consistent team members since the founding of our firm has allowed us to grow in institutional and industry knowledge and deliver exceptional service to our clients. The City and its Committee will be served and supported by experienced lead and co-consultants who work in tandem with our research and analytics team, who specialize in portfolio management and manager selection. The combination of these professionals will add a thorough, engaged, and dynamic perspective to the City's 457(b), 401(a), and RHS Plans.

The proposed team for the City, responsible for servicing the relationship, includes the following individuals:

CITY OF VALLEJO

Vincent Galindo
Senior Consultant
UC Berkeley, BA Political Science
25 years of experience

Ted Grigsby, CIMA®
Senior Consultant
Oregon, BS Business/Finance
18 years of experience

Dale Parker
Senior Analyst
Portland State, BS Finance
30 years of experience

Tom Breaden, CFA
Director of Analytics
Portland State, MS Econ
15 years of experience

Matt MacDonald, CFA
Senior Analyst
Vancouver Is., BBA Finance
9 years of experience

Geoff Hildreth
Senior Analyst
Willamette, BA/Economics
25 years of experience

Kathi McKiernan
Operations/
Administrative
18 years of experience

Michelle Ruppelt
Head of Business Control & Risk/
Performance Analyst
37 years of experience

Vincent Galindo will continue to serve as the primary consultant for this relationship. Vincent will be responsible for leading the Firm's resources and ensuring that all client servicing requirements are met, and he will conduct all meetings and deliver the Firm's analysis and other work product. Vincent will be supported by Ted Grigsby, CIMA® Senior Consultant; Dale Parker, Senior Analyst; Tom Breaden, CFA, Director of Analytics; Geoff Hildreth, Senior Investment Analyst; Matt MacDonald, CFA, Senior

Investment Analyst; Kathi McKiernan, Operations Manager; and Michelle Ruppelt, Head of Business Control & Risk.

The Hyas Group employs only experienced investment professionals who are established in the industry as thought leaders and have demonstrated experience in working with the types of clients and investment products the company supports. All individuals noted above have extensive experience in working with defined contribution retirement plans and their committees. They have the knowledge, capacity, and commitment to deliver the services required for this relationship.

The chart below highlights the participation of work and the division of responsibilities among the assigned key personnel at Hyas Group for the services outlined in our proposal.

Primary Duties	Galindo/ Grigsby	Parker	Breaden	Analysts	Ruppelt
Primary client contact	x				
Report and work product deliverables	x				
Meetings with Committee	x				
Plan governance support	x				
Committee education	x				
Analytic support		x	x	x	
Investment option evaluation	x	x	x	x	
Analysis report preparation		x		x	
Investment manager database maintenance			x	x	
Governance doc (Investment Policy) review	x		x	x	
Investment manager due-diligence and search			x	x	
Client contact back-up	x				
Quality control	x	x	x		x
Business Control and Risk					x

APPROACH TO THE SCOPE OF WORK

The Hyas Group takes a holistic, direct, and active approach to all consulting mandates. We seek to simplify the processes needed to make our relationships successful. In approaching every client relationship, we understand and appreciate that each staff and Committee member is busy, and many clients depend on us to provide our unbiased expertise and to do much of the actual work with client approval. Our goal would be to manage each part of the process and involve the City's Committee and staff when they feel it is appropriate. More importantly, we serve as a co-fiduciary to all of our plans and participants, In every recommendation we make, we never lose sight of the best interests of your participants.

CONSULTING SERVICES

The Committee is the foundation for the proper method of effectively administering the City's 457(b), 401(a), and RHS Plans. The Hyas Group also believes that providing high quality, easily understandable training and education of fiduciary committees is critical to the success of both the Committee and our firm. We have developed—and are continually refining—a curriculum of several core seminars that we provide to the committees that we serve, as well as many special focus seminars that have been developed to meet the changing needs of the industry. With our guidance, these core seminars assist plan sponsors in meeting their fiduciary objectives.

FIDUCIARY FUNDAMENTALS
Covers legal and regulatory background, what it means to be a public sector Plan Fiduciary, details about California Fiduciary Law, and provides an overview of risks and protections.

INVESTMENT DESIGN
Provides an overview of modern investment menu design, how to monitor investments, implement your Investment Policy Statement (IPS) and structure your lineup most effectively.

CAPITAL PRESERVATION OVERVIEW
This module provides a detailed comparison of the pros/cons for various "Fixed" account options including General Accounts, Separate Accounts and Stable Value options.

PLAN GOVERNANCE
Discusses how to approach and implement optimal Plan governance practices including a detailed description of various Plan governance documents.

FEES: WHY SO COMPLICATED?
Describes modern fee design and discusses the importance of transparency and fairness in today's litigious environment, also provides an overview of Fee Policy Statements.

TO RFP OR NOT TO RFP
Overview of the RFP process, best practices, optimizing your outcomes, marketplace benchmarking, and an overview of the industry's leading-edge products and innovations.

We will also provide periodic education and counseling to the committees about the rapidly evolving regulatory and legislative area regarding retirement plan administration and the state of defined contribution participant fee calculation and collection models—an area in which the firm has been an industry leader. We will also provide training and assistance with understanding and implementing new and evolving defined contribution plan investment products and services. Examples include retiree income products, new generation participant investment advice services, and "real return" investment products. Below are the key aspects of our approach to committee education:

- Assist the Committee in meeting fiduciary responsibility requirements;
- Provide targeted education sessions on topical investment issues; and
- Communicate important legal and regulatory changes and trends.

In addition, as a fiduciary to the City's 457(b), 401(a), and RHS Plans, our duties of prudence and loyalty revolve around serving the best interests of your participants and beneficiaries. At the Hyas Group, we take our fiduciary role very seriously and strive for the best outcomes while keeping a keen eye on documenting a prudent process. Where needed, we will create the documents that will serve as a guide for fiduciary best practices. If already created, we will review them annually and make suggested changes.

The documents that assist in the prudent process of monitoring the retirement plan include:

- The Plan Document;
- Committee Charter—grants administration and decision-making authority and outlines all roles, responsibilities, and functions;
- Investment Policy Statement (IPS)—serves as a guide for both the Committee and consultant in the monitoring of the investment menu;
- Education Policy—outlines the expectations and strategy around both Committee education, as well as participant education; and
- Fee Policy—discusses plan expenses and the various ways administration costs are paid (e.g., revenue share versus direction administration fee).

As part of our commitment to plan governance, we document each step of the prudent process to reflect fiduciary best practices. We prepare agendas for every meeting; we will review and edit all committee meeting minutes, and we will document any action items that result from decisions made during meetings.

Many of our clients engage us to meet with their committees on a quarterly basis to provide regular oversight of the administration of their retirement program. Many of the tasks and responsibilities mentioned above are included under our retainer agreement. The comprehensive consulting and advisory services we provide under this type of ongoing relationship are outlined as follows:

Investment Policy Statement (IPS) Creation, Review, and Maintenance

- Confirm investment criteria, goals, and objectives
- Review investment guidelines
- Establish investment performance review and evaluation criteria
- Assist the Committee in adherence to policy
- Provide recommendations for course of action to address policy concerns

Quarterly Performance Reporting

- Provide comprehensive review including asset distribution and cash flows
- Present economic and financial market overview, including fixed income, domestic, and international equity markets

- Provide performance reporting versus appropriate benchmarks and peers at the total fund and segment levels where applicable, as well as at the individual manager level
- Assess IPS adherence
- Conduct regulatory updates
- Meetings with the Committee, along with conference calls as needed

Detailed Plan Cost Analysis and Benchmarking

- Provide in-depth cost review of all aspects of the Plans
- Benchmark cost to other plans
- Chart historical cost and vendor revenue
- Work with vendor to establish admin budget as needed
- Renegotiate revenue share agreements where appropriate

Investment Manager Searches

- Initiate comprehensive data collection and review
- Define appropriate screening criteria
- Assess performance and risk parameters
- Provide risk and return analysis
- Identify suitable investment manager candidates
- Present results to the Committee and offer recommendations

Investment Manager Transition Services

- Review timing and implementation
- Assist with facilitation of transition manager where needed
- Assist in vendor platform and fee negotiations
- Facilitate necessary agreements between investment manager, custodian, and recordkeeper where necessary

Contract Evaluation Services

- Review provider contracts
- Recommend changes to structure as necessary
- Assist with provider service and pricing negotiations

Plan Governance and Committee Function Assistance

- Develop charter/by-laws for fiduciary committee
- Assist with meeting agenda creation
- Review meeting minutes

Fiduciary Education/Training for Committee Members

- Assist the Committee in meeting fiduciary responsibility requirements
- Provide targeted education sessions on topical investment issues
- Communicate important legal and regulatory changes and trends

PRICE PROPOSAL

We would propose an all-inclusive annual consulting service fee of $34,000, to be paid in quarterly installments of $8,500, to provide all the services as outlined in our proposal. As part of our service package, all out of pocket expenses such as travel, and meeting material production are included in this fee.

The Hyas Group utilizes a fixed, annual retainer pricing model for clients. The fixed fee encompasses all retainer services and frequency of reports/meetings requested by the City. and is capped at the contracted amount. It is important to note that we are solely compensated by the fee for service invoices we send to our clients, based on the specific terms of the consulting agreement we have negotiated with them.

The Hyas Group is fully transparent with how fees are charged. Furthermore, we focus exclusively on the services you are requesting and there are no conflicts of interest.

Performance Guarantees

We will commit to provide all deliverables and requirements as contracted with the City. Furthermore, our proposed annual retainer fees represent a firm quotation to provide services to the City and the Committee on behalf of your participants. We are confident in our team's responsiveness in meeting your expectations and we offer the performance guarantees as outlined in the chart below. It is the Hyas Group's intention to stand by our service commitment to all clients.

	Standard	Amount at Risk
Lead consultant response time	< 24 hours	$2,000 per occurrence
Back-up consultant response time	< 24 hours	$2,000 per occurrence
Analytics response time	< 24 hours	$2,000 per occurrence
Report delivery	As contracted	$2,000 per occurrence
Overall Satisfaction Review	Satisfactory	>$5,000 if necessary

IN CLOSING

The Hyas Group is a unique consulting firm—we were formed to focus our efforts on delivering innovative solutions to institutional retirement plans and to drive meaningful participant outcomes by building effective retirement plans for progressive, forward-thinking clientele.

We believe this powerful combination of focus on institutional clients, the skills and deep experience of the assigned consulting team, and outcomes that have improved plan metrics differentiate the Hyas Group. We do not believe any other consulting firm can offer a better combination.

Biographies of the Hyas Group Team

Vincent Galindo is a senior consultant for the Hyas Group and focuses on the firm's public sector retirement plan sponsor clients. With more than 25 years of experience in the investment services industry, he works with plan sponsor committees on plan governance, fiduciary training, investment menu monitoring, vendor management, and fee analysis and review. Reviewing retirement plans, evaluating features within the program, benchmarking fees and services, and monitoring investment menus, he offers his clients a rich perspective on retirement plan design and portfolio construction. Mr. Galindo also conducts regular on-site due diligence trips to the major record keepers, keeping clients apprised of trends and service enhancements in the industry.

Prior to joining the Hyas Group, Mr. Galindo worked at Arnerich Massena, Inc. for a decade as an education consultant in their participant education department where he began by developing participant education campaigns and transitioned to a role as a senior investment consultant. Before joining Arnerich Massena, Mr. Galindo ran the State of Oregon's Investor Information Program with the Division of Finance and Corporate Securities. He has also worked as a financial adviser for an asset management firm and as an equity capital markets analyst at a technology investment bank.

Mr. Galindo earned a Bachelor of Arts in political science from the University of California at Berkeley. He is a FINRA Series 65 license-holder and a former Series 7 and 63 license-holder. He is a member of the National Association of Government Defined Contribution Administrators (NAGDCA), and has served on NAGDCA's Annual Conference Committee, Leading Ideas Investment Task Force, Awards Committee, Legislative Committee, and Education Taskforce as well as its Investment Policy Taskforce and Government DC Best Practices Task Force. Lastly, Mr. Galindo serves as Chair of the Lincoln High School Alumni Association Endowment Committee, and he also serves on the Board of Directors for The Children's Course — Home of the First Tee of Greater Portland.

Ted Grigsby, CIMA® is a senior consultant for the Hyas Group and focuses on serving the firm's retirement plan sponsor clients. With more than 18 years of experience in the investment services industry, he works with plan sponsor committees to improve participant outcomes through plan design, fiduciary training and governance, investment monitoring, vendor management, and fee analysis and review. Throughout his career, Mr. Grigsby has spent time serving both the board room and developing participant education programs, which has allowed him to bring a unique and experienced perspective to plan design and portfolio construction. In order to stay current on industry trends, enhancements, and changing legislation, Mr. Grigsby conducts regular on-site due-diligence trips to major record keepers and industry professionals.

Prior to joining the Hyas Group, Mr. Grigsby worked at a Northwest-based Registered Investment Advisor firm for 12 years. The majority of his tenure was spent developing and leading all aspects of the firm's retirement plan practice. As a director and lead consultant, Mr. Grigsby's responsibilities included plan design, investment menu construction, RFP management, vendor management, developing customized participant education programs, and creating the firm's Socially Responsible Investing platform. Mr. Grigsby served all the firm's retirement plan clients.

Mr. Grigsby began his career at Franklin-Templeton Investments in California. During his time at Franklin, he worked closely with the firm's global portfolio management and trading team and gained valuable insight into the inner-workings of mutual fund companies.

Mr. Grigsby earned a Bachelor of Science in Business and Finance from the University of Oregon, Lundquist College of Business. He is currently completing graduate studies in finance from the University of Portland, Pamplin School of Business. Mr. Grigsby has received a CIMA® certification, having completed his education at the University of Chicago Booth School of Business. He is a FINRA Series 65 license-holder and is a member of the Investment and Wealth Institute. He is also a member of the National Association of Government Defined Contribution Administrators (NAGDCA). Mr. Grigsby volunteers his time to serve as a committee member for several nonprofit organizations.

Dale Parker is a senior analyst for the Hyas Group. He is responsible for supporting all aspects of the firm's operations, investment research, and a broad range of client projects. Mr. Parker also serves as the analytical project lead for all clients, where he leverages his deep industry expertise in analyzing pricing and platform structure as well as investment vehicles. He is charged with assessing all expense, revenue, and investment platform requirements, and he plays the primary role in the compilation of the firm's third party administrator RFP analysis. Assessing and lowering plan fees is a core competency of Mr. Parker. His expertise in fee and cost analysis allow him to effectively use competitive market data points to achieve cost savings and improved participant features and services for Hyas Group clients.

Prior to founding the Hyas Group in 2008, Mr. Parker served as a senior analyst at Arnerich Massena, Inc. where he was instrumental in designing and implementing the processes and analytical tools utilized across the firm. During his 11-year tenure, Mr. Parker was responsible for a broad range of client project work, investment manager research, and constructing pricing models and analytical tools utilized in the evaluation of institutional client accounts. His previous industry experience encompasses a broad range of buy-side analytical work, including the initial launch and management of a mutual fund product line as well as corporate valuation tasks. Mr. Parker holds a Bachelor of Science degree in Finance/Law from Portland State University.

Tom Breaden, CFA serves as the director of analytics for the Hyas Group and leads the firm's analytics department which includes oversight and project management in support of the firm's defined contribution plan, defined benefit plan, non-qualified deferred compensation plan, and OPEB clients. He conducts asset allocation analyses, vendor reviews, investment option due diligence, and prepares managers search reports which analyze both quantitative and qualitative aspects of the funds within Hyas Group client line-ups. Mr. Breaden conducts manager interviews, authors white papers and special analyses on current market trends and meets directly with clients when his technical expertise is required to explain manager search presentations and watch list discussions.

Prior to joining the Hyas Group as a senior analyst in 2011, Mr. Breaden worked for five years at Heintzberger Payne as an analyst and director of research where his primary duties included developing and guiding investment decisions, manager due diligence, performance reporting, and other duties associated with the firm's investment advisory and third party administrative branches. Mr. Breaden graduated Phi Beta Kappa from the University of Oregon with dual majors in History and Economics and received a Master of Science in Economics from Portland State University. Mr. Breaden has earned the right to use the Chartered Financial Analyst (CFA) designation and is a member of the Chartered Financial Analyst (CFA) Institute and the CFA Society Portland.

Matt MacDonald, CFA is a senior analyst and is responsible for contributing to a variety of projects including plan and vendor analyses, manager due diligence and research, production of investment performance reports, asset allocation work, and other initiatives. Prior to joining the Hyas Group, Mr. MacDonald worked at De Luca Veale Investment Counsel in British Columbia as a portfolio analyst where he was responsible for a variety of research-based, asset allocation, client related and performance reporting projects. Prior to joining De Luca Veale Investment Counsel Inc. Mr. MacDonald was an analytics intern at Rain Capital Management where he supported the firm's research efforts in the areas of investment manager diligence, economic forecasting, and risk analysis. Mr. MacDonald holds a Bachelor of Business Administration with a concentration in Finance, as well as a Business Diploma from Vancouver Island University. Mr. MacDonald has earned the right to use the Chartered Financial Analyst (CFA) designation and is a member of the Chartered Financial Analyst (CFA) Institute.

Geoff Hildreth is a senior analyst for the Hyas Group. He is responsible for contributing to a variety of projects including production of investment performance reports, plan and vendor analyses, and other initiatives. Prior to joining the Hyas Group, Mr. Hildreth was a performance measurement analyst and team lead at Arnerich Massena, Inc. During his 10-year tenure there, his main responsibilities included account reconciliation, report generation, design, and implementation of automated reporting processes—including daily valuation and alternative pricing models, and management of the firm’s 9-member performance measurement department. Mr. Hildreth’s previous industry experience includes serving as the retirement plan services daily operations manager for Asher Retirement/AKT Retirement Plan Services. Mr. Hildreth holds a Master of Arts in Teaching (MAT) degree from Concordia University and a Bachelor of Arts in Economics from Willamette University. He has also passed the CIPM Principles Exam.

Kathi McKiernan is the operations manager for the Hyas Group. She is responsible for supporting the firm's operational and administrative functions and serves as an additional resource on provider evaluation RFP projects.

Prior to joining the Hyas Group, Ms. McKiernan worked at Arnerich Massena, Inc. as an Executive Assistant and Project Coordinator, where she was responsible for supporting senior consultants with high level administrative functions. She also served as project coordinator for the firm's provider evaluation RFP projects. Prior to her tenure at Arnerich Massena, Ms. McKiernan was an Executive Assistant to the Senior Vice President of Sales and Marketing at Meier & Frank, Inc. (A division of May Department Stores, now operating as Macy's).

Michelle Ruppelt is head of business control and risk for the Hyas Group. She is responsible for ensuring the Hyas Group's compliance with all SEC and state regulatory requirements. This includes review of general client information and files, contracts, correspondence and performance reports and continuous oversight of the firm's compliance program, including maintenance and updating of the firm's Form ADV, Operations Compliance Manual, Business Continuity Plan, and Code of Ethics. She also assists in client operations and performance reporting utilizing a variety of reporting platforms.

Prior to joining Hyas Group, Ms. Ruppelt worked at Arnerich Massena, Inc. as chief compliance officer, and during her 13-year tenure there, held additional positions including manager of the client services team and manager of the performance measurement department. She has more than 35 years of experience in the financial industry, including operational and management roles in the brokerage industry.

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Diversification does not ensure against loss.

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HYASGROUP

KEY OPTIONAL SECURE ACT PROVISIONS

OPTIONAL PROVISION	SUMMARY	DETAIL	CONSIDERATIONS
Penalty-free withdrawals for individuals up to $5,000 in the case of a Qualified Birth or Adoption (QBOAD) **Effective date:** 12/31/2019	Individuals can take a penalty-free withdrawal of up to $5,000 from retirement plans in the case of a birth or adoption with the ability to pay back the distribution, if desired.	**Distribution:** QBOADs can be made from eligible retirement plans during the one-year period beginning on the date of the birth or when the legal adoption is finalized. Aggregate amount from all plans not to exceed $5,000 for *each* individual (parent) and for *each* qualified birth or adoption. **Repayment:** Repayments in the amount of the distribution can be made back to the plan. **Taxes and withholding:** Distributions are penalty-free. Ordinary income taxes apply. Mandatory 10% withholding unless the employee elects otherwise. **Plan sponsor responsibilities:** › **Verifying Eligibility for a QBOAD:** A certificate from an eligible birth or adoption is required. An "eligible adoptee" is anyone younger than 18 or physically/mentally incapable to support themselves. › **Employer Tracking:** Aggregate distributions from plan(s) must not exceed $5,000. Employers are not responsible for tracking IRAs or other plans. **Plan types:** 457, 401(a), 401(k), 403(b)	**Plan sponsor considerations** › Provides access to funds at a time of life when other resources are limited. › Limited dollar impact to plan assets. › May not be required due to the coverage offered by the plan sponsor's health care plan. › Could have a considerable negative impact on long-term savings for younger participants. **Hyas perspective** › In support of allowing QBOADs.
Penalty-free qualified disaster distribution up to $100,000 from qualified plans **Effective date:** Disasters after 2017 and ending February 18, 2020 (60 days after the enactment of the act). Distributions can be made up to June 17, 2020 (180 days after the enactment of the act)	Individuals who have experienced loss from a "qualified disaster" between January 1, 2018 and February 18, 2020 may be eligible for up to $100,000 in penalty-free distributions across their qualified retirement plans. Taxes may be spread out pro-rata over a three-year period. Participants can pay back the distribution during that timeframe, if desired.	**Distributions:** Distributions up to an aggregate $100,000 may be made from eligible retirement plans until June 17, 2020. **Repayment:** Distributions may be repaid at any time during a three-year period, which begins on the day after the distribution was received. **Taxes:** Distributions are penalty-free. Ordinary income taxes apply and can be spread out pro-rata over the three-year period. **Eligibility:** › **Location:** Those whose principal place of abode was in a qualified disaster area. › **Loss:** Those who sustained an economic loss by reason of such qualified disaster. › **Limitations:** Not to exceed $100,000 in aggregate, per disaster, per individual. › **Qualified Disasters:** Any area where a major disaster was declared by the President between January 1, 2018 and February 18, 2020.	**Plan sponsor considerations** › Potentially helpful for those participants who were impacted by a disaster. › Participants affected have only until mid-June 2020 to receive a distribution or loan. › Potential distribution amount could have material impact on a participant's future retirement income. **Hyas perspective** › In support of allowing qualified disaster distributions.

OPTIONAL PROVISION	SUMMARY	DETAIL	CONSIDERATIONS
(continued)		**Loan option:** Includes a loan option as part of the provision. Loan amounts are $100,000 or 100% of a vested account balance, whichever is less. **Plan types:** 457, 401(a), 401(k), 403(b)	
Option to reduce in-service distribution age to a minimum of 59 ½ years (formerly 70 ½) **Effective date:** 12/31/2019	Plan sponsors of government 457 plans now have the option to reduce the age of in-service distributions to a minimum of 59½, bringing government 457 plans more in-line with 401(k) and 403(b) plans.	The internal revenue code is modified to allow plan sponsors of 457(b) governmental plans and 401(a) pension plans to establish a minimum age for distributions at 59 ½ years or older. Adjustments to the minimum age are plan amendments and may be 59 ½ or higher. Participants that meet the minimum distribution age, and remain employed, will be able to either take a distribution from the plan or roll their assets to another plan, such as an IRA. Ordinary income-tax rates apply to any distributions from the plan. **Plan types:** 457, Defined Benefit pension	**Plan sponsor considerations** › Flexibility in accessing funds may encourage participation › Provides relief to those participants who require access to funds › Potentially results in plan leakage **Hyas perspective** › In support of reducing minimum age.

Portability of lifetime income options
 	
Effective date: 12/31/2019
	This provision protects a participant's accumulated benefit by creating a "distributable event" when in-plan income/annuity options are discontinued as plan investment options. This applies when a plan sponsor determines to either terminate an income annuity option or change plan recordkeepers, thereby losing the accumulated benefits of the income annuity option.
	
	This provision permits both in-service trustee-to-trustee transfers of lifetime income product interests to other eligible plans, including IRAs, and the purchase of annuities for purposes of preserving a participant's accumulated benefit.
		Transfer details: In the event an investment option with lifetime income features is terminated as an option from the plan, the plan may allow:
		› A direct trustee-to-trustee transfer to an "eligible retirement plan," or individual retirement account.
		› An annuity contract purchased for a participant and distributed to the participant by a plan or contract.
		› Transfers must be made within a 90-day period after the investment is terminated.
		
		Definitions:
		› **Lifetime Income Investment:** A plan investment option providing participants with election rights which relate to a lifetime income feature available under the plan, and which are not uniformly available with respect to other investment options in the plan.
		› **Lifetime Income Feature:**
		  › Guarantees a minimum level of income annually or more frequently for at least the remainder of the life of the participant or the joint lives of the participant and his/her designated beneficiary.
		  › Is an annuity payable on behalf of the employee under which payments are made in substantially equal periodic payments over the life of the participant or the joint lives of the participant and his/her designated beneficiary.
			Plan sponsor considerations
			› This provision offers a path to eliminate guaranteed income products from a plan while protecting the participant's accumulated benefits.
			› Whether a plan sponsor chooses to utilize this provision will largely depend on the capabilities of the plan record keeper and the type of investment offerings in the plan.
			
			Hyas perspective
			› This provision provides welcome flexibility to the plan sponsor whether updating an investment line-up or changing recordkeepers.

OPTIONAL PROVISION	SUMMARY	DETAIL	CONSIDERATIONS
(continued)		**Plan types:** 457, 401(a), 401(k), 403(b)	

Fiduciary safe harbor (ERISA) for selection of lifetime income provider
 	
Effective date:
Immediate
	This provision amends ERISA by adding a safe harbor for selecting an insurer to provide a guaranteed retirement income contract as a plan investment offering or as an individual contract.
	
	Key components to this provision include:
	› A fiduciary satisfies their responsibility upon completing the required due-diligence and is not responsible on an ongoing basis. If the guaranteed income option remains in the plan, the fiduciary must receive representation annually to satisfy ongoing fiduciary responsibilities.
	› Fiduciaries are not required to select the lowest-cost contract and may consider the value (additional features and benefits) of the contract in conjunction with cost.
	› Where fiduciaries satisfy all conditions, they are relieved from all liability for any loss that may result due to an insurer's inability to satisfy their obligations under the contract.
		Requirements for satisfying safe harbor obligations:
		Selecting an insurer:
		› Engage in an objective, thorough, and analytical search for identifying insurers
		› Consider the financial capability of the insurer and the cost and benefits of the contract
		› Conclude that the insurer is financially capable to satisfy their obligation and the cost of the contract is reasonable
		
		Determining the financial capability of the insurer:
		The fiduciary must obtain written representation from the insurer that:
		› The insurer is licensed to offer guaranteed retirement income contracts.
		› The insurer, at the time of selection and for each of the immediately preceding seven plan years:
		  › Operates under a certificate of authority from the insurance commissioner of its domiciliary state that has not been revoked or suspended
		  › Has filed audited financial statements in accordance with the laws of its domiciliary state
		  › Maintains and has maintained reserves which satisfy all the statutory requirements of all states in which the insurer does business
		  › Is not operating under an order of suspension, rehabilitation, or liquidation
		› The insurer undergoes, at least every five years, a financial examination by the insurance commissioner of its domiciliary state.
		› The insurer will notify the fiduciary of any change in circumstances after providing the above representations which would preclude the insurer from making such representations at the time of issuance of the contract.
		
		Definitions:
		› **Insurer:** "an insurance company, insurance service, or insurance organization, including affiliates of such companies."
		› **Guaranteed Retirement Income Contract:** "an annuity contract for a fixed term or a contract (or provision or feature thereof) which provides guaranteed benefits annually (or more frequently) for at least the remainder of the life of the participant or the joint lives of the participant and the participant's designated beneficiary as part of an individual account plan."
			Plan sponsor considerations
			› If a plan sponsor already has a guaranteed income option in their plan or wishes to include one, this provision provides steps to protect the fiduciaries of the plan.
			› Although the safe harbor applies to ERISA plans, adhering to this provision can provide safe harbor protections for non-ERISA plans.
			
			Hyas perspective
			› In support of following the safe harbor guidelines, in the case where guaranteed retirement income options are considered or used in a plan.