

Borough of Chambersburg

Re: Notice for 401A

Notice re: ICMA to be the 401A Carrier for the Borough of Chambersburg.

The Borough of Chambersburg released a request for Proposals seeking a company to provide recordkeeping, investing management, and education services relative to the soon-to-be-created defined contribution component of the Borough's Non-Uniformed Employee Pension Plan. After receiving responses and reviewing the applicants' qualifications, experience, expertise, and cost of the proposals, along with consideration of the Borough's pension consultant's report and deliberation of the Pension Committee, the Committee recommended ICMA-RC as the most qualified firm with respect to the Plan Recordkeeping, Investment Management, and Educations Services RFP.

Not only does ICMA have thousands of governmental clients for which it maintains participant retirement accounts for employees ("similar services"), it has been delivering such services specifically to the governmental sector for approximately 40 years. Specifically it should be noted that ICMA proposed a great number of investment alternatives (44 in total and included a guaranteed lifetime income option) and the Borough's consultant indicated that he has dozens of clients utilizing ICMA for similar services and by virtue of his experience he holds the firm in high regard. In addition the Borough has been very pleased with ICMA-RC in the operation of the 457 arrangement. ICMA presented a detailed week by week conversion/transition timeline into which it incorporated inclusion of MetLife and Nationwide 457 accounts.

Based on all of the above, at the regular public meeting held on August 8, 2016, Borough Council awarded the professional services contract to ICMA-RC.



June 9, 2016

Carol Ehrenreich, Human Resource Supervisor  
Borough of Chambersburg  
100 S. 2<sup>nd</sup> Street  
Chambersburg, PA 17201

Re: Request for Proposal – Plan Record-Keeping, Investment Management and Education Services

Dear Ms. Ehrenreich:

As one of the Borough of Chambersburg's current retirement plan providers, ICMA-RC welcomes this opportunity to describe the advantages of selecting us as your sole provider of 401(a) and 457 plan administration, education, recordkeeping, and investment services.

Through both our experience as an independent, non-profit corporation serving public sector employees for over 40 years and our experience providing retirement plan services for the Borough since 1995, ICMA-RC is qualified to provide the plan administration services the Borough requires. You can be assured that ICMA-RC will continue to provide the Borough with a proven, dependable, value-added system for meeting the retirement planning needs of the participants served by the plan.

*With this letter, I am authorized to commit ICMA-RC to providing the services described in this proposal.*

Seeing ICMA-RC and the Borough continue a successful partnership is a top priority for the entire ICMA-RC team, and we look forward to your review of our proposal. If you have any questions regarding any aspect of our service, please feel free to contact Jeffrey Koeppen, Managing Director, Business Development, at 202-384-4735 or at [jkoeppe@icmarc.org](mailto:jkoeppe@icmarc.org).

Sincerely,

Erica McFarquhar, Assistant Secretary

Enclosures



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## **EXECUTIVE SUMMARY**

ICMA-RC views our relationship with plan sponsors as a partnership, and since 1995 we have worked closely with the Borough of Chambersburg to ensure that your plan has the features and tools you need to effectively administer your plan and help your participants build retirement security. The retirement challenges your participants face today have changed dramatically since our relationship began close to 21 years ago. Together, ICMA-RC and Chambersburg have worked to meet these challenges and will continue to find innovative new solutions as the landscape evolves in the future. We look forward to renewing and enhancing our relationship with the Borough of Chambersburg as a result of your Request for Proposal.

### **Exclusive Focus on the Public Sector**

Created in 1972 by the public sector, for the public sector, we started with one plan and one participant. Our mission was simple – help public sector employees build retirement security. While the size of our firm has grown dramatically, our mission remains the same. As of March 31, 2016, it encompasses more than 9,000 plans representing over one million plan participant accounts and approximately \$47.7 billion in assets under management and administration<sup>1</sup>, including over \$1.5 billion in assets from plans in the state of Pennsylvania.

Our exclusive focus on the public sector allows us to provide the retirement plan administration services the Borough needs. ICMA-RC has the relevant experience and track record of proven service performance to meet your needs.

### **Relevant Retirement Experience for Your Plan**

As a plan sponsor, the Borough of Chambersburg wants to help participants build a secure retirement. We believe that ICMA-RC has the most relevant experience to administer your plan: Please consider:

- **Full-Spectrum Retirement Resources:** If ICMA-RC is selected to administer your new 401(a) Defined Contribution Pension Plan, a unique opportunity exists to create a total retirement solution for your employees under the umbrella of a single provider. ICMA-RC has been the provider of choice for your 457(b) participants, and if chosen as your sole provider your employees will benefit from a full-spectrum of retirement planning resources: on-site seminars and individual educational meetings, online multimedia tools, newsletters and publications, and representatives available through our toll-free number. Our resources also include statements with consolidated balances from all plans and online tools and retirement calculations that include account information for all plans.
- **Comprehensive Participant Education:** ICMA-RC's focus is serving the retirement needs of the public sector. As such, we provide a comprehensive retirement education program that connects with participants in the manner and medium that is most convenient for them, whether in-person, online, or over the phone. We understand that the educational goals of participants evolve over time, and we have developed a dynamic, award-winning educational program that is structured to meet their needs along the way. Our educational program is tailored to address employee needs at specific life-stages, including early-career, mid-career, and near/in retirement.

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<sup>1</sup> Includes 457, 401, Retirement Health Savings (RHS) plans, Employer Investment Program (EIP) plans, and affiliated Individual Retirement Accounts (IRAs).



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- **Consistent Service:** The Town's on-site team will continue to be led by Mark Lasyone, Regional Manager, and will include Michael Losak, your Retirement Plans Specialist. Mr. Losak's on-site service will be supplemented by Jason Atwater, CERTIFIED FINANCIAL PLANNER™ professional, who will meet with employees (and their spouses) to deliver broader financial planning education and, for those participants who are interested, individual financial plans. They will leverage their familiarity with the Borough to hit the ground running, and your participants will benefit from a local team that is already familiar with the Town's retirement program.
- **Proven Service Performance:** A plan sponsor's loyalty to ICMA-RC is one of the most astute measures of their satisfaction with our service performance. For that reason, we are pleased to state that ICMA-RC has retained over 99% of our plan sponsor relationships annually since 2004. This statistic represents our clients' high satisfaction with ICMA-RC, and we hope they serve as a testament to our proven service performance.
- **Maintaining Your Plan's Financial Health:** In addition to our plan retention rate, our clients' plans also retain 95%<sup>1</sup> of their participant accounts. This is especially important since it contributes to continued asset growth, allowing us to minimize costs associated with the plans.
- **Created by the Public Sector for the Public Sector:** ICMA-RC is a non-profit, non-stock corporation focused on providing retirement plans and related services for the public sector, including more than a million public sector participant accounts and approximately 9,000 retirement plans.<sup>2</sup> We have been proud to count the Borough of Chambersburg among them for the past 20 years, and we look forward to continuing to serve you with the retirement programs, administrative services and educational tools we have developed specifically for public sector retirement plan participants and sponsors like Chambersburg.

## Conclusion

We are excited about this opportunity to renew and expand our commitment to the Borough of Chambersburg. Thank you for reviewing our proposal. If you have any questions about this proposal, please contact Jeffrey Koeppen, Managing Director, Business Development, at 202-384-4735 or at [jkoeppen@icmarc.org](mailto:jkoeppen@icmarc.org).

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<sup>1</sup> Since 2007.

<sup>2</sup> As of March 31, 2015.



## PROPOSAL – SCOPE OF SERVICES

The proposal should describe your firm's approach to the Scope of Services. The proposal should provide sufficient detail to enable the Borough to thoroughly evaluate and compare it to other proposals. The proposal format should follow the format of the RFP. Please print the RFP question before your response. It must include the following information and any other information your firm believes is pertinent.

### ORGANIZATION

1. **Provide the name of the proposing organization and its address, telephone and fax number.**

ICMA Retirement Corporation  
777 North Capitol Street, NE, Suite 600  
Washington, D.C. 20002-4240  
Phone: 202-962-4600  
Fax: 202-962-4601  
Website: [www.icmarc.org](http://www.icmarc.org)

**Provide the same for your organization's contact for this proposal along with an e-mail address.**

Jeffrey Koeppen, Managing Director, Business Development  
ICMA Retirement Corporation  
777 North Capitol Street, NE, Suite 600  
Washington, D.C. 20002-4240  
Phone: 202-384-4735  
Fax: 860-673-5879 c/o Jeffrey Koeppen  
Email: [jkoeppen@icmarc.org](mailto:jkoeppen@icmarc.org)

2. **How many public sector 401 defined contribution/money purchase and 457 deferred compensation plans does your firm currently administer? What are the assets and number of participants in these public sector retirement plans? Please provide data as of the most recent quarter.**

ICMA-RC administers 7,016 public sector participant accounts, as of March 31, 2016. There are 1 million participants and \$44 billion in assets.

3. **What percentage of (a) your firm's total retirement plan business and (b) your firm's total business is serving public sector plans?**

Virtually all of our business is devoted to providing products and services to public-sector retirement plans.

4. **Describe any regulatory censure or litigation involving the business of your firm with relation to its deferred compensation, 457 or defined benefit contribution services in the past ten years.**

In its capacity as a third-party administrator, ICMA-RC has been named as a defendant or co-defendant with the plan sponsor in benefit claims litigation brought by plan participants or putative beneficiaries (e.g., a benefit claims dispute brought by the widow of a deceased participant) seeking determinations regarding those parties' entitlement to benefits. However, the nature and quality of ICMA-RC's administrative and record-keeping services have never been at issue in any



such claims. ICMA-RC was recently included as a defendant in a lawsuit filed by a former plan sponsor client. The allegations focus on the transition from ICMA-RC to a new provider.

5. **Provide three references of public sector retirement plan clients. Include a contact name, title, phone number and e-mail address.**

<b>Client name:</b>	Borough of State College
<b>Contact person:</b>	Cynthia Hanscom
<b>Phone number:</b>	(814) 234-7115
<b>Email address:</b>	chanscom@statecollegepa.us

<b>Client name:</b>	Borough of Carlisle
<b>Contact person:</b>	Thomas Hamilton
<b>Phone number:</b>	(717) 240-6923
<b>Email address:</b>	thamilton@carlislepa.org

<b>Client name:</b>	Lower Paxton Township
<b>Contact person:</b>	Alycia Knoll
<b>Phone number:</b>	(717) 657-5600
<b>Email address:</b>	aknoll@lowerpaxton-pa.gov

6. **Provide your public sector retirement plan client retention rates for the last five years.**

For twelve years consecutively, ICMA-RC has retained in excess of 99% of our plan sponsor relationships, including plan-level retention rates of 99.5% in 2004, 99.5% in 2005, 99.7% in 2006, 99.8% in 2007, 99.7% in 2008, 99.8% in 2009, 99.8% in 2010, 99.7% in 2011, 99.5% in 2012, 99.5% in 2013, 99.4% in 2014, and 99.3% in 2015. As these retention rates demonstrate, ICMA-RC's clients know us as a reliable, long-term provider.

As a plan sponsor, you are seeking a reliable long-term provider who will always service your plan with excellence. A testament to our commitment to our mission to help public sector employees build retirement security is that, while we continue to grow and serve more plans and participants like yours, we retain our existing clients to an exceptional degree.

7. **Are you willing to service a start-up plan?**

Yes.



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8. Describe the account team that would deal directly with the Borough during the implementation and ongoing. Provide background information and brief bios on each member of the account team including their years of service with your firm, approximately how many plans each is assigned to serve, and their individual responsibilities as they relate to the plan.

The ICMA-RC account team that will be assigned to the Borough is as follows:

<b>Representative's Name:</b>	Mark Lasyone, Regional Manager
<b>Years with the Firm:</b>	14
<b>Background and Experience:</b>	<p>Mr. Lasyone is currently the Regional Manager for the Northeast Territory. He is responsible for supervising business development and manages the day-to-day activities in the territory, including on-site client service. Prior to this, he served as a Retirement Plans Specialist with responsibility for providing on-site services including working with plan sponsors to establish education goals and meeting with participants to provide personal education on investment and retirement planning.</p> <p>Mr. Lasyone received a bachelor's degree in Biology from Hampden-Sydney College. In 1999, he received a Professional Financial Planner certification by completing course work sanctioned by the College of Financial Planning at Old Dominion University. He is a FINRA Series 6, 26, and 63 Registered Representative as well as a NASAA Series 65 Registered Investment Adviser Representative.</p>
<b>Number of plans served:</b>	409 customers, 946 plans
<b>Responsibility for the plan:</b>	Mr. Lasyone will be the primary contact for Borough's educational services offered annually by ICMA-RC. He will oversee the educational curriculum delivery through our Retirement Plans Specialist service delivery model.

<b>Representative's Name:</b>	Michael Losak, Retirement Plans Specialist
<b>Years with the Firm:</b>	1
<b>Background and Experience:</b>	<p>Michael J. Losak is responsible for providing on-site services – including participant enrollment, investment education, retirement readiness education, and individual educational meetings – to public employer retirement plans in western Pennsylvania and New York. He also provides personalized assistance in the development of individuals' retirement savings plans, using a laptop computer to provide benefit illustrations.</p> <p>Mr. Losak received a bachelor's degree in business administration from the University of Pittsburgh. He is a FINRA Series 6, 63, and 65 Registered Representative. He also holds insurance licenses for Pennsylvania, New York, and West Virginia.</p>
<b>Number of plans served:</b>	55 customers, 108 plans



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<b>Responsibility for the plan:</b>	<p>Mr. Losak will:</p> <ul style="list-style-type: none"> <li>▪ Discuss education goals in conjunction with your staff.</li> <li>▪ Conduct group enrollment, investment education, and retirement planning seminars.</li> <li>▪ Provide individual participant retirement meetings.</li> <li>▪ Assist retirees in the selection of disbursement options for their specific needs.</li> </ul>
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<b>Representative's Name:</b>	Jason Atwater, CERTIFIED FINANCIAL PLANNER™ professional
<b>Years with the Firm:</b>	1
<b>Background and Experience:</b>	<p>Mr. Atwater is responsible for providing on-site financial planning services to public employer retirement plans in the Northeast. These services include providing financial planning seminars and individual educational meetings that help individuals with their retirement and financial goals and assisting with customized financial plans.</p> <p>Mr. Atwater earned a Bachelor of Science in Finance from the University of Connecticut. He is a FINRA Series 7 and 66 Registered Representative. Additionally, he holds life and health insurance licenses for the State of Connecticut.</p>
<b>Number of plans served:</b>	804 customers, 1,417 plans
<b>Responsibility for the plan:</b>	<p>Mr. Atwater will:</p> <ul style="list-style-type: none"> <li>▪ Conduct higher-level financial planning seminars and one-on-one financial educational sessions for Borough participants.</li> <li>▪ Serve as a financial planning resource for the Borough and will support Mr. Losak, the Retirement Plans Specialist.</li> </ul>

<b>Representative's Name:</b>	Vernetta Aziz, Client Service Senior Manager
<b>Years with the Firm:</b>	17
<b>Background and Experience:</b>	<p>Mrs. Aziz is responsible for managing the National Client Services Team, which builds and maintains positive, productive, and responsive relationships with plan sponsors. Mrs. Aziz coordinates service deliverables from headquarters to plan sponsors to ensure consistency in the quality of service. She is also responsible for managing the EZLink Services Team, which provides assistance to plan sponsors regarding EZLink navigation, training, file testing/uploads and daily operations. EZLink is ICMA-RC's online plan administrative tool for plan sponsors.</p> <p>Mrs. Aziz has a Bachelor of Arts degree in Business Administration from Sojourner-Douglass College and a Master of Business Administration degree in Business Management from Loyola University. She is a FINRA Series 6 and 63 Registered Representative.</p>



<b>Number of plans served:</b>	425 customers, 567 plans
<b>Responsibility for the plan:</b>	<p>Mrs. Aziz will:</p> <ul style="list-style-type: none"> <li>▪ Serve as the Borough's contact for day-to-day transactions and plan operational matters.</li> <li>▪ Orchestrate delivery of all administration/record keeping services in support of your goals.</li> </ul>

**Conversion and Implementation**

A **New Business Services Specialist** will lead the conversion and implementation team responsible for coordinating all aspects of the data conversion from the prior record-keeper to ICMA-RC's record-keeping system.

9. **Please describe how your organization will assist the Borough with meeting its fiduciary responsibilities as it relates to oversight of the plan, especially compliance with State and Federal regulations.**

ICMA-RC provides fiduciary support through many channels to assist the Borough in addressing your fiduciary needs.

Mark Lasyone, your current Regional Manager, will meet regularly with your governing board. We would be pleased to provide fiduciary education sessions annually or more frequently if needed. A variety of topics will be incorporated based upon our suggestions and your feedback and approval.

Topics can include:

- Federal legislative and regulatory updates
- Plan design
- Plan fees
- Participant investment education
- Participant loans

We routinely monitor federal legal and regulatory changes and report on such changes in our monthly *Employer Bulletin* and via our website. This will help the Borough as it meets its fiduciary responsibility to maintain its plans in compliance with regulatory requirements.

Finally, we will provide a **Plan Service Report**, designed to help you meet your fiduciary responsibilities. The Plan Service Report is a report of financial activity, aggregate participant transactions, investment results, and fees, as well as a discussion of service enhancements and plan goals over the coming period. We will formally present this information to the Borough's governing board to assist in the due-diligence process. The investment, aggregate participant activity, and fee disclosure components are available online quarterly. A sample Plan Service Report is enclosed in the Appendix.

**What fiduciary responsibility does your firm assume?**

To the extent it is determined that ICMA-RC exercises discretion in regards to the administrative services or plan related products made available to the Borough, ICMA-RC would accept fiduciary responsibility for those activities and related products.



ICMA-RC is the Registered Investment Adviser for the Guided Pathways<sup>®1</sup> program offered to participants. As part of Guided Pathways<sup>®</sup>, ICMA-RC has a contract with Morningstar Investment Management LLC ("Morningstar Investment Management") an SEC-registered investment adviser, and a subsidiary of Morningstar, Inc. under which Morningstar Investment Management serves as the Independent Financial Expert.

**10. Describe in detail your experience in coordinating 401(a) defined contribution and 457 arrangements.**

ICMA-RC was established for the purpose of providing high-quality retirement plan services to public sector employers. We administered the first nationally available §457 plan in 1972 and first offered public sector employers §401 plans in 1985. We pioneered Retirement Health Savings (RHS) Plans in 2000. We consistently work with legislators, lobbyists, and political groups to maintain the integrity and unique qualities that separate public sector plans from other retirement plans.

ICMA-RC serves numerous clients with plans of a comparable size to the Borough. We have served many of our large clients for more than 25 years and have experience delivering the highest quality service to public sector retirement plans of a size and sophistication comparable to yours. We are wholly focused on government-sponsored retirement plans just like yours – and have been for over 40 years.

Many of our participants have 401(a) and 457 plans. With this in mind, we coordinate administration, education, on-site services, and investments in a manner that allows the plans to complement each other.

**11. Describe how you would coordinate the 457 and 401(a) arrangements for the Borough.**

We provide retirement plan services for many clients who have both 401(a) and 457 plans administered by ICMA-RC.

With regard to administering the plans, work is distributed to various functional units at ICMA-RC and is dependent on the type of processing required. For example, contribution and loan repayment information is received in a unit that is responsible for balancing, editing and reconciling the data received from the plan sponsor. This is accomplished via the use of automated systems such as our Daily Contribution System. The objective of this unit is to ensure that all of the participant accounts are credited properly on the day that the file is received at ICMA-RC.

For enrollments, participant data updates, and distributions that are received via paper or facsimile, each document is imaged, then routed via the ICMA-RC document workflow system to the proper Client Services group for entry into our record keeping system. This workflow system allows the Client Services management team to monitor and track each and every work item that has been received so that the processing of that document is completed in the required timeframe. Work that is received through automated client facing systems such as participant and plan sponsor websites, the voice response system, and our Call Center is generally ready for straight through processing into the record keeping system and only requires exception handling by the service team. These systems will be used to service both the 457 and 401(a) plans. Additionally, employees participating in multiple plans receive a combined statement that summarizes activity across all accounts held at

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<sup>1</sup> Investment advice and analysis tools are offered to participants through ICMA-RC, a federally registered investment adviser. Investment advice is the result of methodologies developed, maintained and overseen by the Independent Financial Expert, Morningstar Investment Management LLC. Morningstar Investment Management LLC is a registered investment advisor and subsidiary of Morningstar, Inc. Morningstar, Inc. and Morningstar Investment Management LLC are not affiliated with ICMA-RC. All rights reserved. The Morningstar name and logo are registered marks of Morningstar, Inc.



ICMA-RC, as well as quarterly statements for each plan that had activity. When the participant utilizes the participant website, they will view certain information on a combined basis.

The work at headquarters is enhanced through the provision of an educational curriculum offered by your service team, which includes Michael Losak, Retirement Plans Specialist, and Jason Atwater, CERTIFIED FINANCIAL PLANNER™ professional. They will meet with Borough employees to provide both group presentations and individual educational meetings to enroll participants, assist with asset allocation, change deferral amounts, and update personal account information. Through illustrations and investment education, Mr. Losak and Mr. Atwater will give participants information that considers their respective time horizons and risk tolerances. This will leave participants positioned to make investment choices that complement both plans.

**12. Describe the insurance coverage you carry for services you deliver to public sector firms including professional liability coverage.**

ICMA-RC carries the following key insurance to protect against loss to participants and beneficiaries from negligence, misadministration, and other insured perils:

Insurance	Carrier	Deductible	Limit
Fidelity Bond	Great American Insurance Company / Berkley Regional Insurance Company	\$250,000	Up to \$50 million limit per claim and subject to a \$50 million aggregate limit.
Professional Liability	CHUBB Group -Federal Insurance Co / Travelers - St. Paul Fire & Marine Insurance Co / Axis Insurance Co/ Arch Insurance Co.	\$1,000,000	Up to \$25 million limit per claim and subject to a \$25 million aggregate limit.

We have been advised by our risk management broker, Marsh USA Inc., that ICMA-RC's existing \$25 million professional liability insurance and \$50 million fidelity bond compares favorably to institutions of our size, risk profile, and experience.

**13. Describe how you handle minimum required distributions.**

ICMA-RC calculates the required minimum distribution (RMD) for all participants over 70½ and separated from service. For participants already receiving RMD payments, we adjust their payments each year to satisfy their RMD. For participants who are receiving payments, but who have not elected a payment schedule designed to meet their RMD, we review their accounts annually and adjust their payments, if necessary. For participants who are not receiving payments, we notify them to make a payment election. If no election is made, we distribute the RMD payment prior to the IRS deadline.

We calculate the required minimum distribution each year using the life expectancy tables provided in the Internal Revenue Service Publication 590.

**14. Describe how you evaluate and process QDROs/DROs.**

We provide all administrative services to assist the employer in making the final decision related to Qualified Domestic Relations Orders (QDROs). The role the employer would play in processing QDROs would be defined by the employer. However, we ask employers to sign off on any division or distribution made pursuant to a QDRO meeting the applicable requirements.



An ICMA-RC QDRO specialist oversees the QDRO process from start to finish. To facilitate the process, we offer the following comprehensive services:

- An informational letter
- Sample stipulation
- Telephone consultation
- Pre-review of the QDRO
- Establishing an individual account for the alternate payee
- Tax withholding and reporting upon disbursement

ICMA-RC processes QDRO distributions upon notification and in accordance with IRS regulations and plan guidelines. The participant, employer, or alternate payee sends copies of duly signed or certified QDROs directly to ICMA-RC's QDRO Specialist. ICMA-RC transfers funds according to orders received with the employer authorization. Our system also calculates and processes QDRO distributions to alternate payees.

The alternate payee has full access to all the investment options available to the plan, the toll-free voice response system, customer service representatives, and the website. The total processing time from start to finish varies based on receipt of supporting documentation, timing of court orders, etc.



## INVESTMENTS

1. **Discuss your firm’s ability to provide investment vehicles for defined contribution plans. Be sure to disclose if you are providing these vehicles in-house or through external managers such as mutual funds. Provide a listing of the available investment options by completing the chart below. You may identify more than one fund per category. Also, please confirm each investment option is available to 457 participants.**

The investment vehicles are selected from broad asset classes and have been chosen to provide participants with the opportunity to construct a diversified portfolio based on their individual needs.

The investment menu utilizes a three-tier investment model:

- **Tier 1 – Proprietary VT Vantagepoint Milestone Funds<sup>1</sup>, target-date funds and proprietary VT Vantagepoint Model Portfolio Funds<sup>2</sup>, target-risk funds:** For participants who do not wish to actively manage their own asset allocation strategy. Also, to allow plan sponsors to meet the QDIA requirement.
- **Tier 2 – Proprietary core investment funds.** For participants who prefer to construct their own portfolios, including our proprietary VT PLUS Fund, a commingled stable value fund.
- **Tier 3 – Expanded Investment Choices:** For Participants who want to be very involved in customizing their portfolios:
  - Additional mutual funds to supplement Tier 1 & Tier 2 funds
  - The Retirement IncomeAdvantage Fund, a proprietary guaranteed life-time income fund.

The underlying Vantagepoint Funds take a disciplined multi-management investment approach. Use of this investment approach reflects ICMA-RC efforts to bring the best practices in fund management to public sector participants and provide access to leading money managers. The use of multiple advisers enhances each Fund's diversification by providing exposure to distinct, yet complementary, investment approaches. In identifying and selecting available subadvisers for a Fund, ICMA-RC relies upon its own in-house team of investment professionals who carefully select and monitor the subadvisers.

For the information below, please see the fund line-up spreadsheets provided in the **Appendix**.

Stable Value Cash Management	1 Year Return	3 Year Return	5 Year Return	10 Year Return	Mstar. Rating
Fund/Ticker					
Index Benchmark:					N/A

<sup>1</sup> Please read Making Sound Investment Decisions: A Retirement Investment Guide and the accompanying VantageTrust Fund Fees and Expenses document ("Guide") carefully for a complete summary of all fees, expenses, investment objectives and strategies, and risks. Investors should carefully consider this information before investing. For a current Guide, contact ICMA-RC by calling 800-669-7400 or log into your account at [www.icmarc.org](http://www.icmarc.org).

The fund is not a complete solution for all of your retirement savings needs. An investment in the fund includes the risk of loss, including near, at or after the target date of the fund. There is no guarantee that the fund will provide adequate income at and through an investor's retirement. Selecting the fund does not guarantee that you will have adequate savings for retirement.

<sup>2</sup> Please read Making Sound Investment Decisions: A Retirement Investment Guide and the accompanying VantageTrust Fund Fees and Expenses document ("Guide") carefully for a complete summary of all fees, expenses, investment objectives and strategies, and risks. Investors should carefully consider this information before investing. For a current Guide, contact ICMA-RC by calling 800-669-7400 or log into your account at [www.icmarc.org](http://www.icmarc.org).



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Stable Value Cash Management	1 Year Return	3 Year Return	5 Year Return	10 Year Return	Mstar. Rating
<b>Morningstar Category Average</b>					N/A
<b>Guaranteed Lifetime Income</b>					
<b>Fund/Ticker</b>					
<b>Index Benchmark:</b>					N/A
<b>Morningstar Category Average:</b>					N/A
<b>Intermediate-Term Bond</b>					
<b>Fund/Ticker</b>					
<b>Index Benchmark:</b>					N/A
<b>Morningstar Category Average:</b>					N/A
<b>Treasury Inflation Protected Bond</b>					
<b>Fund/Ticker</b>					
<b>Index Benchmark:</b>					N/A
<b>Morningstar Category Average:</b>					N/A
<b>High-Yield Bond</b>					
<b>Fund/Ticker</b>					
<b>Index Benchmark:</b>					N/A
<b>Morningstar Category Average:</b>					N/A
<b>Large Cap Growth</b>					
<b>Fund/Ticker</b>					
<b>Index Benchmark:</b>					N/A
<b>Morningstar Category Average:</b>					N/A
<b>Large Cap Blend</b>					
<b>Fund/Ticker</b>					
<b>Index Benchmark:</b>					N/A
<b>Morningstar Category Average:</b>					N/A
<b>Large Cap Value</b>					
<b>Fund/Ticker</b>					
<b>Index Benchmark:</b>					N/A
<b>Morningstar Category Average:</b>					N/A
<b>Mid Cap Growth</b>					
<b>Fund/Ticker</b>					
<b>Index Benchmark:</b>					N/A



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Stable Value Cash Management	1 Year Return	3 Year Return	5 Year Return	10 Year Return	Mstar. Rating
Morningstar Category Average:					N/A
Mid Cap Blend					
Fund/Ticker					
Index Benchmark:					N/A
Morningstar Category Average					N/A

Mid Cap Value	1 Year Return	3 Year Return	5 Year Return	10 Year Return	Mstar. Rating
Fund/Ticker					
Index Benchmark:					N/A
Morningstar Category Average:					N/A
Small Cap Growth					
Fund/Ticker					
Index Benchmark:					N/A
Morningstar Category Average:					N/A
Small Cap Core					
Fund/Ticker					
Index Benchmark:					N/A
Morningstar Category Average:					N/A
Small Cap Value					
Fund/Ticker					
Index Benchmark:					N/A
Morningstar Category Average:					N/A
Foreign					
Fund/Ticker					
Index Benchmark:					N/A
Morningstar Category Average:					N/A
Real Estate					
Fund/Ticker					
Index Benchmark:					N/A
Morningstar Category Average:					N/A



<b>Balanced Asset Allocation</b>					
<b>Fund/Ticker</b>					
<b>Index Benchmark</b>					N/A
<b>Morningstar Category Average</b>					N/A
<b>Risk-Based/Lifestyle</b>					
<b>Fund/Ticker</b>					
<b>Index Benchmark:</b>					N/A
<b>Morningstar Category Average:</b>					N/A
<b>Time-Based/Lifecycle</b>					
<b>Fund/Ticker</b>					
<b>Index Benchmark:</b>					N/A
<b>Morningstar Category Average:</b>					N/A

**Attach copies of Morningstar summary sheets for each fund proposed.**

Morningstar summary sheets are not available for these funds. We have provided Morningstar ratings for the funds in the attached ICMA-RC - Borough of Chambersburg, PA - Morningstar ratings spreadsheet in the Appendix.

2. **How do you monitor the funds that are chosen and what is the process to replace an underperforming fund?**

**VT Vantagepoint Funds**

ICMA-RC makes a number of investment options available to plans and their participants through VantageTrust<sup>1</sup>, including the VT Vantagepoint Funds, which invest all of their assets in a series fund of The Vantagepoint Funds having the same investment objective as the corresponding VT Fund. While ICMA-RC advises VTC with respect to investments in The Vantagepoint Funds by VantageTrust, The Vantagepoint Funds are advised by Vantagepoint Investment Advisers, LLC ("VIA"), a wholly owned subsidiary of ICMA-RC.<sup>2</sup>

VIA provides advisory services to The Vantagepoint Funds primarily as a "manager of managers" whereby The Vantagepoint Funds and VIA enter into agreements with one or more subadvisers, who are responsible for selecting the investments of the funds.

<sup>1</sup> Please read Making Sound Investment Decisions: A Retirement Investment Guide and the accompanying VantageTrust Fund Fees and Expenses document ("Guide") carefully for a complete summary of all fees, expenses, investment objectives and strategies, and risks. Investors should carefully consider this information before investing. For a current Guide, contact ICMA-RC by calling 800-669-7400 or log into your account at [www.icmarc.org](http://www.icmarc.org)

<sup>2</sup> ICMA-RC is restructuring its proprietary fund complex to a Collective Investment Trusts (CITs) only structure. In relation to this restructuring, on May 2, 2016, the Board of Directors of The Vantagepoint Funds approved the closing, liquidation and termination of The Vantagepoint Funds. The liquidation and termination are expected to begin on or about October 3, 2016.



The subadviser selection process includes extensive quantitative and qualitative analysis and evaluation to ensure that highly capable firms are selected that meet VIA's rigorous requirements.

Ongoing, each subadviser's portfolio is analyzed frequently. Risk, return, and attribution analysis measures are assessed for each subadviser and for the entire Vantagepoint fund. VIA uses several types of analytical software to independently evaluate each portfolio, performance, and transactions.

### **VantageTrust Trust Series Funds**

ICMA-RC also makes available the VantageTrust Trust Series Funds, a group of funds each of which invests substantially all of its assets in a third-party mutual fund. On behalf of VTC, ICMA-RC monitors the performance and characteristics of the underlying third-party mutual funds and their managers, provides analyses and reports on their performance to VTC and, where appropriate, recommends the addition or removal of third-party funds from the VantageTrust Trust Series. Both quantitative and qualitative analyses are conducted to determine each fund's adherence to stated objectives, prospectus parameters, and to identify the specific types of risk incurred by the fund. Regular analysis and reporting are conducted.

### **Client Reporting**

Monthly data and quarterly reports are available to clients and participants through ICMA-RC's website. Annual reports and disclosure documents (e.g., The Vantagepoint Funds prospectus or VantageTrust Retirement Investment Guide) are also made available through the website.

Annually, clients receive an investment review and due diligence support report as part of the client's Plan Service Report. The client-specific due diligence support report provides an executive summary of fund performance and fund attributes, including fund rankings versus peers. The summary information provides perspective on the quality of the fund and its performance, and is intended to assist fiduciaries in their oversight responsibilities. Quarterly reports are available under special contract arrangements.

- 3. What are the number of investment fund options the Borough's plan can have? Are there any inherent limitations about this number or the kind of options we can have? How many funds did you assume in your fee quote? What is the cost per fund in excess of your quote?**

For the fees proposed, ICMA-RC is making available the list of funds presented in the fund line-up spreadsheets provided in the **Appendix**.

- 4. What information will participants, Pension Committee, and Borough Council receive about investment options? Please provide copies of all reports that are available.**

Monthly data and quarterly reports are available to clients and participants through ICMA-RC's website. Annual reports and disclosure documents (e.g., The Vantagepoint Funds prospectus or VantageTrust Retirement Investment Guide) are also made available through the website. Please see sample statements provided in the **Appendix**.

Annually, clients receive an investment review and due diligence support report as part of the client's Plan Service Report. The client-specific due diligence support report provides an executive summary of fund performance and fund attributes, including fund rankings versus peers. The summary information provides perspective on the quality of the fund and its performance, and is intended to assist fiduciaries in their oversight responsibilities. Quarterly reports are available under special contract arrangements. Please see a sample Plan Service Report provided in the **Appendix**.



- 5. Will your firm's representatives be available to meet no less than bi-annually, on site, with our Pension Committee and plan participants to review the plan and investment options? What information will you be providing at these meetings?**

Yes.

**What information will you be providing at these meetings?**

Mark Lasyone, Regional Manager, will formally present the Pension Committee with a Plan Service Report semi-annually and make this information available quarterly as well. This customized report details financial activity, participant transactions, on-site and operational service metrics, results of participant surveys and investment results, as well as a discussion of enhancements and plans for our specific service to the plan over the coming period.

- 6. Who will have custody of the assets?**

ICMA-RC assists plan sponsors in the establishment and maintenance of deferred compensation plans for their public sector employees. The deferred compensation plans are established and maintained pursuant to Section 457 of the U.S. Internal Revenue Code of 1986, as amended (the Code). In relevant part, the Code requires plan assets to be held in trust for the exclusive benefit of Participants and their beneficiaries.

The custodial arrangements for plan assets administered by ICMA-RC are dependent on the type of plan investment option:

- For the VT PLUS Fund, VantageTrust Company holds the VT PLUS Fund's portfolio of stable value investment contracts (traditional guaranteed investment contracts (GICs), bank investment contracts, separate account GICs, and synthetic GICs). The underlying fixed income assets backing the synthetic GICs of the VT PLUS Fund, however, are held by JPMorgan Chase Bank, N.A., as the VT PLUS Fund's custodian.
- Other Retirement Plan assets invested in The Vantagepoint Funds, certain VantageTrust Trust Series Funds (those which invest substantially all of their assets in SEC-registered third-party mutual funds) or in SEC-registered third-party mutual funds are maintained on the applicable mutual fund's transfer agent's books and records.
- Assets invested in VantageTrust CD Accounts are maintained with Bank of America, N.A.
- Assets invested in the VT Retirement IncomeAdvantage Fund are invested in a separate account under a group variable annuity issued by Prudential Retirement Insurance and Annuity Company; the custodian for the separate account is State Street Bank and Trust Company.

There is no separate Code requirement that plan sponsors engage a custodian for their deferred compensation plan. To the extent the Borough wishes to have assets held by a third-party custodian, Matrix Trust Company can provide custodial services.



## PARTICIPANT SERVICES

**1. Describe the enrollment and educational program that your on-site service representatives will perform during the initial set-up and on an ongoing basis.**

We will conduct on-site services at locations chosen by the Borough. Our representatives conduct seminars on a range of topics that encourage your employees to actively participate in the plan and increase their contributions. Topics include retirement planning, investment options, and specific features of your plan. During these sessions, our representatives can provide additional educational materials and direct participants to online resources.

ICMA-RC will work closely with the Borough to plan transition seminars and develop a year-long education schedule.

Your Regional Manager will coordinate with your Retirement Plans Specialist to plan a lineup of exciting and relevant seminars. We have developed a core curriculum to inform and engage your plan participants during the transition and on an ongoing basis. We propose educational seminars on the following topics to maximize the value of your plan to participants:

- **Plan Transition.** Describes enhancements made to plan by the Borough, including the new fund lineup, protocol for transfer of assets to the new lineup, and enhanced on-site and online services.
- **Orientation/Enrollment.** Provides description of plan features and benefits. Discussion on how to integrate participation with other retirement savings/pension plans. Review of plan investment options and services available from on-site representatives, toll-free line, and website.
- **Investing for Retirement – Just the Basics.** Discusses how to build and manage a retirement portfolio and introduces basic investing concepts, including risk, asset allocation, diversification, rebalancing, market timing, and dollar-cost averaging.
- **Your Saving & Investing Goals.** Whether participants are just starting out or want to make sure they're still on track, setting saving and investing goals is key to a more secure financial future. This seminar explores how to make these goals more attainable.
- **I am Nearing Retirement. Now What? Managing Your ICMA-RC Retirement Accounts.** For participants who are retiring soon and might have questions about their retirement accounts, this session covers what to expect and how to plan for it.

We will conduct on-site services at locations chosen by the Borough. Our representatives conduct seminars on a range of topics that encourage your employees to actively participate in the plan and increase their contributions. Topics include retirement planning, investment options, and specific features of your plan. During these sessions, our representatives can provide additional educational materials and direct participants to online resources.

ICMA-RC will work closely with the Borough to plan transition seminars and develop a year-long education schedule.

**2. What web-based services are available to participants?**

### Online Participant Services

ICMA-RC is committed to offering robust Internet services. We believe in using the Internet's power to enhance participant knowledge regarding their accounts and investments, as well as to provide plan sponsors with comprehensive detailed plan information needed to fulfill their fiduciary responsibilities.



Our website gives users access to critical information about their own accounts, as well as tools that can assist them in planning more effectively for their retirement years. We have added flexibility and control as a result of feedback from customers through extensive usability testing, as well as from the insight the corporation has gained as a focused retirement plan provider for public-sector employees.

Our website offers your participants the following capabilities online:

***Account Access***

The Account Access portion of the site provides a secure environment for participants to review and transact their accounts online. This portion of the site provides the following capabilities:

- Messaging from ICMA-RC or the employer
- Portfolio summary of total balance, balance by fund, balance by asset class, personal rate of return and monthly income projection
- Personal performance by period for any date range within the last 5 years and activity summary
- Holdings and prices, which are updated daily
- Pie charts of participant's investments
- Balance by contribution type
- Balance by investment
- Allocations by investment
- Last contribution, year-to-date and inception-to-date contributions, contribution rates
- Paycheck Calculator
- Fund transfers (single, multiple)
- Rebalance to contribution allocation
- Establish automated rebalancing of investment portfolio (if offered by plan)
- Custom Asset Allocations (if offered by plan)
- Contribution allocation changes
- Loan modeling and initiation (if offered by plan)
- Withdrawals for participants that have separated from service (if offered by plan)
- Account activity history
- Quicken export
- Transaction Detail Report
- Personal updates (address, email, test, security)
- Beneficiary additions/updates
- Balance eAlerts by email/text
- Investment performance
- Share prices both numerically and on charts
- Share price comparison
- Fee disclosure and trading restrictions
- Guided Pathways for investment guidance, advice and managed accounts (if offered by plan)
- Resource Learning Center



- Retirement Savings Calculator
- Register for events
- Plan features
- Quarterly statements and confirmations
- Enrollment completion (if offered by plan)
- Contribution amount changes (if offered by plan)
- Email to ICMA-RC
- Dashboard pages that help participants view important information in one place

#### ***IRA Enrollment***

Through IRA Enrollment our online participant website makes setting up an IRA with ICMA-RC as easy as clicking your computer mouse.

#### ***Retirement Education Center***

Our Retirement Education Center website ([www.icmarc.org/education](http://www.icmarc.org/education)) is an educational resource created for public-sector employees as they plan for retirement throughout various stages of their lives.

The Retirement Education Center site accommodates different learning styles through innovative videos, calculators<sup>1</sup>, webinars, brochures, and other content — all organized to help current and prospective employees realize their saving, investing, and retirement needs based on their overall financial goals and life stage. Many of the tools featured on the website are also accessible via ICMA-RC's mobile app and optimized website, [www.icmarc.org](http://www.icmarc.org).

The Retirement Education Center site was created to be a simple, relevant, and easy-to-use online resource to help all public employees build retirement security.

#### ***Additional Information***

ICMA-RC's goal is to provide a wide variety of information that helps participants build a secure retirement. This includes providing additional information that helps participants and plan sponsors become knowledgeable on retirement plans:

- Fund descriptions, including objectives, strategies, risks, and subadvisers
- Plan features
- Federal legislative updates
- Library of retirement articles
- Glossary

#### ***Spanish Language Content***

ICMA-RC's public website contains Spanish-language content tailored to the needs of our Spanish-speaking participants. These pages provide a centralized location for our Spanish-language publications. Translations of our most popular educational brochures are available in PDF format for download or online viewing. In addition, we have translated information about the enrollment and withdrawal processes. We have also provided our Spanish-speaking participants with information about ICMA-RC and access to Spanish-speaking Investor Services representatives.

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<sup>1</sup> These calculators are designed to provide general assistance in making informed decisions. Their accuracy is not guaranteed and some results may vary from those provided by other systems.



For the annual National Save for Retirement Week, ICMA-RC developed a Spanish-language website – [www.retirementweek.org/espanol](http://www.retirementweek.org/espanol) – with a friendly, culturally relevant theme for participants who feel more comfortable communicating in Spanish. This new site contains links to Spanish-language resources, including sample stories of Spanish-speaking public-sector employees, that provide education about retirement topics and everyday tips for saving more.

### ***Guided Pathways®<sup>1</sup>***

Guided Pathways® is a comprehensive suite of investment advisory and planning services that provides the appropriate level of assistance to your employees based on how involved they want to be in their retirement investing decisions and their investing comfort level.

Guided Pathways expands the level of service available to participants, and provides your employees with the opportunity to enroll in our Managed Accounts service.

Employees have access to Guided Pathways directly through our website, over the telephone, or through a dedicated and credentialed team.

### ***Enrollment Options***

We also offer an enrollment service in which the employer transmits an electronic file of eligible employees in ICMA-RC's record layout. The employee can enroll through the website.

After enrollment, the employee will receive a Welcome Letter which confirms their enrollment information.

### ***Employer Online Services***

EZLink, ICMA-RC's proprietary Web-based plan administrative tool ([www.icmarc.org](http://www.icmarc.org)), is designed to make plan administration easy and convenient for plan sponsors. EZLink is an automated platform for transmitting contributions, enrollments, employee changes, distribution requests, and other transactions. In addition, EZLink offers comprehensive reporting capabilities that enable plan sponsors to monitor and analyze plan and investment activity.

Some unique features of our site include:

### ***Home Page Highlights***

The EZLink home page features instant access to account balance information, a summary of the last three contributions, alerts, and includes an option for participant searches. In addition, users can make frequently used menu options readily available through the "Personalize My Links" feature.

### ***Reporting***

Plan administrative reports can be tailored to provide the information in a format that suits your needs. Most reports can be generated for a user-specified timeframe and can be viewed, printed, or downloaded.

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<sup>1</sup> Investment advice and analysis tools are offered to participants through ICMA-RC, a federally registered investment adviser. Investment advice is the result of methodologies developed, maintained and overseen by the Independent Financial Expert, Morningstar Investment Management LLC. Morningstar Investment Management LLC is a registered investment advisor and subsidiary of Morningstar, Inc. Morningstar, Inc. and Morningstar Investment Management LLC are not affiliated with ICMA-RC. All rights reserved. The Morningstar name and logo are registered marks of Morningstar, Inc.



### ***Automation***

- Enrollments, participant indicative data changes, and contributions can be submitted online or through data transfer.
- Plan administration for loans and distributions is handled conveniently online.
- Employers may use the message option to keep employees updated on its retirement plan and other employee benefit matters.

### **3. What transactions and information are accessible through call center representatives?**

Our Call Center is structured into manageable units to ensure expertise and availability to our clients. We currently have 65 Investor Services representatives in the call center. An additional staff of 75 reserves is available during peak periods of demand to ensure necessary coverage, and to provide consistent, high-quality service.

ICMA-RC Investor Services Representatives have immediate online access to plan data and participant account information. They can answer employees' questions about:

- |                    |  |
|--------------------|--|
| ▪ Investments      | ▪ Reallocation                         |
| ▪ Account status   | ▪ Transactions                         |
| ▪ Account balances | ▪ Current investment allocation        |
| ▪ Loan status      | ▪ Benefit payments and tax withholding |

Upon request by participants, Investor Services Representatives can provide customized benefit illustrations, reallocate contributions, and transfer assets between funds. Representatives are available from 8:30 a.m. to 9:00 p.m. Eastern Time Monday through Friday on New York Stock Exchange days.

**TDD Line.** A toll-free TDD line is available for hearing-impaired participants. To access account information, the participant dials the TDD line and keys in the inquiry. An Investor Services Representative answers by typing in a response.

**Help in Spanish.** Spanish-speaking participants can access the Spanish-language version of our Self-service phone line and can be transferred to bilingual Investor Services Representatives, should the need arise.

### **Are they dedicated to public sector 401/457 participants or do they cover all aspects of your business?**

All ICMA-RC call center representatives support public sector retirement plan participants.



## **ADMINISTRATION AND RECORD-KEEPING**

**1. Does your firm provide one main contact for the daily administrative needs of the plan?**

**Vernetta Aziz, Client Services Senior Manager**, will serve as the Borough's day-to-day contact for plan administrative and operational needs.

**2. Does your firm provide participant direction and daily valuation?**

### **Participant Direction**

ICMA-RC offers a comprehensive suite of investment advisory and planning services through our **Guided Pathways<sup>®1</sup>** program, providing the appropriate level of assistance to your employees based on how involved they want to be in their retirement investing decisions. Employees have access to **Guided Pathways<sup>®</sup>** over the telephone, through a dedicated and credentialed team, or directly through our website.

**Guided Pathways<sup>®</sup>** begins with a personalized retirement savings plan that provides employees with a wealth forecast developed from their individual information. Based on this wealth forecast, employees receive a savings rate recommendation and can see how changing certain factors impacts their chances of reaching their retirement goals.

Building on the retirement savings plan, **Guided Pathways<sup>®</sup>** provides three types of service that enable your employees to choose the level of investment advice and account management that best meets their needs and preferences:

- **Asset Class Guidance** provides employees with a recommendation on how to divide their retirement plan assets among the different asset classes available in your plan. However, employees remain responsible for selecting the actual funds to fill the recommended asset classes.
- **Fund Advice** provides employees with a point-in-time, fund-specific investment portfolio recommendation from the funds available within your plan. Employees remain responsible for monitoring their account and initiating any investment changes.
- **Managed Accounts** offers a higher level of service than Asset Class Guidance or Fund Advice. Employees benefit from ongoing discretionary professional management of their retirement accounts, with the objective of helping them reach their retirement goals. At any time, employees may elect to opt out of Managed Accounts and go back to managing their own accounts.

**Managed Accounts** provides an individually designed portfolio based on the employee's goals and savings capacity. Although only retirement plan assets will be managed, other assets or sources of retirement income (i.e., spousal assets, defined benefit pensions, retail brokerage accounts, etc.) can be considered for the purpose of determining the appropriate allocation for the retirement plan account. Portfolios are constructed from the investment options available in the plan.

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<sup>1</sup> Investment advice and analysis tools are offered to participants through ICMA-RC, a federally registered investment adviser. Investment advice is the result of methodologies developed, maintained and overseen by the Independent Financial Expert, Morningstar Investment Management LLC. Morningstar Investment Management LLC is a registered investment advisor and subsidiary of Morningstar, Inc. Morningstar, Inc. and Morningstar Investment Management LLC are not affiliated with ICMA-RC. All rights reserved. The Morningstar name and logo are registered marks of Morningstar, Inc.



On an ongoing basis, ICMA-RC assumes the discretionary management of the employee's retirement plans investments. We will reallocate the account among available plan investments as the employee ages and as his or her financial or personal situation or retirement objectives change. ICMA-RC will rebalance the account quarterly to provide consistent investment allocations and will contact employees annually to inform them of their account status and obtain updated information that may impact their retirement investing goals and the allocation of their investment assets.

All three Guided Pathways services help your employees transition from building up their savings to drawing them down. When they reach retirement, Guided Pathways will automatically adjust the advice provided to assist them with their retirement income planning, with the goal of making their assets last throughout retirement. Guided Pathways provides personalized projections, both at an aggregate level and detailed by each source of retirement income (e.g., ICMA-RC accounts, Social Security, pensions, outside accounts), designed to help them make their retirement income last over their life expectancy.

If offered by the plan and appropriate for the individual employee, employees who are nearing retirement or are retired may receive a recommendation to invest a portion of their ICMA-RC retirement plan assets in the VT Retirement Income Advantage Fund (Fund), a fund of VantageTrust that provides for guaranteed lifetime income.

#### **Daily Valuation**

We record keep all transactions (contributions, fund transfers, and disbursements) and valuation activity by participant and plan daily. At the end of each day, all activity is aggregated and a buy and sell is made with each investment option.

The following process is used to implement daily valuations and transactions with investment funds:

- All participant transfer instructions and employer contributions/data received in good order by 4:00 p.m. Eastern Time, will be included in that day's reconciliation and posted to participant accounts at the price as of the close of business.
- Whenever possible, we contact applicable parties same-day when assistance is required for discrepancies between contribution data and assets.
- Fund NAVs are received from each investment provider by 8:30 p.m. Eastern Time each evening.
- We aggregate all plan transactions for each fund. We transmit trade information for most of the funds by 6:00 a.m. Eastern Time.
- We initiate cash transfers to finalize daily transactions with each investment fund by 2:00 p.m. Eastern Time at the prior business day's close of business price.

### **3. Are employer and employee contributions tracked separately? Can you track pre and post tax employee contributions?**

In our 401 plan record keeping system, employer contributions, pre-tax employee contributions, after-tax employee contributions, and rollover contributions are all tracked separately under one plan account. Normally we do not track employer contributions to a 457 plan separately from employee contributions. All of our peripheral systems and applications are currently configured to combine all 457 contributions into one source (contributory) and separate sources for incoming rollovers and co-administrator transfers.



**4. Are rollover contributions tracked separately?**

Rollover contributions are tracked separately for 401 plans. However, our systems combine all 457 contributions into one source. Please see **Question 3** for further details.

**5. What options are available to terminated/retired participants? Can funds be kept under the plan?**

Employer administration is removed for terminated participants whose accounts have been fully distributed as a result of meeting the following criteria:

- For §457 plan participants, accounts of less than \$1,000 will be distributed to the participant if certain conditions have been met (can be prior to separation from service). The participant has the option to direct ICMA-RC to send the funds to another provider as a direct rollover.
- For §401 accounts, a terminated participant with a vested balance of \$1,000 or less, upon termination or retirement, is required to take his/her distribution as soon as administratively feasible in the form of a lump sum payment to the participant or as a direct rollover to another qualified plan or IRA. The participant has 30 days during which to make the decision of whether to receive or roll over the funds.

Accounts for terminated participants that do not meet these criteria will remain in the employer's plan until the participant receives a full payout or chooses to rollover the account to another provider. The employer would continue to have some administrative responsibility for such accounts, but once the employer provides the participant's termination date to ICMA-RC, we will work directly with the participant to facilitate their requests for disbursement.

**Distribution Options for Retired Participants**

Participants may specify any of the acceptable payment schedules listed below, consistent with IRS regulations. Examples of acceptable payment schedules include:

- Lump sum payment of accumulated assets (partial or full)
- Monthly, quarterly, semiannual, or annual payments of participant-selected payment amount
- Combination of lump-sum and periodic payments
- Partial or full annuitization through our Income for Life program<sup>1</sup>

Additionally, during distribution, participants can:

- Make changes in their payment amount or schedule
- Select the order of investment depletion
- Transfer funds among investment options
- Withdraw from their "fixed" investment option while allowing their total return investments to potentially grow (and possibly mitigate the effects of inflation).

Participants who receive regular distributions can have their payments electronically deposited directly to their bank accounts.

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<sup>1</sup> Annuities are insurance products available through companies not affiliated with ICMA-RC. Please consult "Income for Life Annuity Program: Immediate Annuities for Retirement Income," prior to purchasing an annuity. 1-800-669-7400.



**6. Since our Plan is a government pension plan, exempt from annual Federal government reporting requirements, what annual filing will you be providing?**

ICMA-RC provides participants access to an Annual Fee Disclosure that substantially conforms with Section 404(a)(5) of ERISA and includes: 1) administration and service fees that may be charged against participant accounts; 2) investment-related disclosures on each fund made available by the plan (including the asset category, performance (fund and benchmark), fees/expenses, dollar cost per \$1,000 invested and other fund fees/other restrictions); and 3) a website address with additional information and a glossary. Annual disclosures are made available online and are provided in hard copy upon participant request.

**7. Describe how you would transition assets from existing 457 providers to your platform.**

**401(a) Start Up Plan Implementation Process**

The entire implementation process is dependent upon the time needed by the Borough to execute the documents and coordinate testing. On average, this process takes approximately six to eight weeks to complete, including EZLink testing.

A New Business Plan Adoption Analyst will guide you through the completion of each document and provide support for questions you may have with the design of your plan through the adoption process.

Adoption materials include the following items, which will be provided by ICMA-RC:

- Administrative Services Agreement – Contract between the Borough and ICMA-RC.
- Plan Adoption Agreement 401(a) Plan – Defines contribution rates and vesting for your 401(a) Plan, and describes optional plan features.
- Plan Resolution – Adopts plan document and trust, and names ICMA-RC as your record keeper.
- Plan Data Implementation Form – Provides day-to-day contact information for the administration of your plan.
- EZLink Form – EZLink provides employers with real-time access to all participant and plan data to fully administer their plans. It provides them the ability to process transactions either online or by securely transmitting files to enroll or change participant data, request fulfillment materials and submit contributions and loan repayments. Online statements, numerous reports, and tools are available to use. Online enrollment services, ACH loan repays, and many other features are available.

Additionally, ICMA-RC will coordinate testing of EZLink, our web-based plan administration tool. An EZLink Specialist will provide the following support through the adoption process:

- Submission of payroll contributions files
- Plan reporting
- Account maintenance updates



A typical plan start-up takes approximately six to eight weeks to complete. A sample timeline of events is shown below:

Week	Task	Responsible Party
Week 1	ICMA-RC provides adoption materials to Borough	ICMA-RC – Borough
Week 1	Conference call to introduce New Business Analyst and provide overview of plan adoption materials.	ICMA-RC – Borough
Week 1	Administrative Services Agreement executed by all parties.	ICMA-RC - Borough
Week 2	Resolution language prepared and finalized.	ICMA-RC – Borough
Week 3	Resolution passed by Borough.	Borough
Week 4	Borough completes Plan Adoption Materials, including Plan Data Implementation Form, EZLink Forms, etc. Forms returned to ICMA-RC.	Borough
Week 4	ICMA-RC provides Notice of Plan Acceptance to the Plan.	ICMA-RC
Week 4	New Business Analyst reviews forms. Initiates plan setup and issuance of EZLink User ID and passwords.	ICMA-RC
Week 5	EZLink Specialist coordinates conference call to discuss payroll testing and wire/ACH instructions for payroll remittance	ICMA-RC - Borough
Week 5	Payroll testing completed	ICMA-RC – Borough
Week 6-7	Participant enrollment occurs.	ICMA-RC
Weeks 7-9	First payroll processed at ICMA.-RC.	ICMA-RC – Borough

### **457 Plan Consolidation Process**

As one of your current plan providers, with long-term experience serving your plan, we have the unique ability to leverage our familiarity with both your personnel and plan participants to deliver a transition specifically tailored to their needs. ICMA-RC is highly experienced in consolidating retirement plans of all sizes. We have significant experience in converting mature plans from MetLife and Nationwide. Our objective during the consolidation is to maximize participant satisfaction and limit the time your personnel need to dedicate to the process.

We make every effort to ensure that the conversion process appears seamless to all participants. We provide written notification to all participants, both active and non-active, describing the changes and any effect they will have on them. We also invite all non-active employees to group seminars designed to discuss how the changes will affect them.

### **Conversion Process**

The following steps are key activities in the plan conversion process, led by our highly experienced Transition Team:

- Introductory and follow-up meetings as necessary to establish a transition project plan for converting assets and communicating service enhancements to participants.
- Meetings with MetLife, Nationwide, and the Borough to establish the mechanics of transferring assets.
- Implementation of a communication plan, including mailings to participants and retirees along with extensive access to on-site seminars.
- Creation of a transition website where your employees can access relevant information.



- Conversion tests with MetLife and Nationwide to determine data and records that must be corrected and reconciled before the movement of money.
- Transfer of data and assets to ICMA-RC, with a reconciliation period (generally within five business days) to match assets and records, during which participants cannot make fund transfers. Includes transfer of installment payments, loan records, and brokerage assets.
- Mailing of confirmations to participants to confirm that their plan assets have been successfully transferred and invested according to the plan's fund mapping strategy.

**The Borough's Role**

ICMA-RC specializes in managing the entire conversion process and minimizing the administrative burden on our clients. The Borough may decide the degree to which it is involved in the conversion process. The Borough may choose to be involved during the implementation process in the following ways:

- Participate in preliminary planning meetings to review and approve a detailed implementation schedule, communications material, and a schedule of introductory meetings for participants.
- Review operational procedures and services to be provided.
- Participate in regular conference calls that provide a clear line of communication to keep all parties informed on the progress of the implementation.
- Observe any group employee presentations conducted by ICMA-RC.

**Transitioning Your Investment Options**

In keeping with our role as coordinator of the conversion process, we take special care to ensure that your participants' assets are transferred seamlessly to the new investment options.

At the start of the conversion process, we will design a fund transfer protocol based on written instructions provided by the Borough. Participants will be informed of the asset transfer structure in a mailing and during conversion education seminars.

Assets are invested according to the map within five business days of receipt, assuming that MetLife and Nationwide provided the information "in good order". Assets are available for fund transfers after completion of the reconciliation of assets and data received from the prior vendor.

**Sample Transition Timeline**

ICMA-RC's Transition Team will work closely with you from the start of the transition process to identify and define your requirements in detail. We will design an approach that meets your requirements and implement the transition in a fashion that satisfies your needs and enhances participant satisfaction.

A typical plan conversion takes approximately three to four months, dependent upon the scope of the project. A sample timeline of events is shown below:

Week	Action	Responsible Party
Week 1	Initiate plan adoption process.	ICMA-RC – Borough
Week 1	Conference calls to introduce transition and relationship management team. Discuss conversion timeline, administrative issues, fund map, plan adoption materials, enrollment kits, etc.	ICMA-RC – Borough
Week 1	Notify MetLife and Nationwide. ICMA-RC will provide template letter for the notification. This is required by MetLife and Nationwide to allow ICMA-RC to begin	Borough



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Week	Action	Responsible Party
	to request data for your plan.	
Week 2	Contact MetLife and Nationwide to request data test files/layouts. Confirm dates for blackout period, liquidation, and transfer of records.	ICMA-RC – Borough
Week 4	Finalize fund map, define/approve communications materials. Execute Administrative Services Agreement and Plan Adoption Materials.	ICMA-RC – Borough
Week 4-5	Send conversion test data.	MetLife and Nationwide
Week 7	Mailing of communications completed. Transition website live. This includes seminar schedules. The mailing should be completed approximately 10 days before the first seminar to allow participants enough lead time to attend a meeting.	ICMA-RC – Borough
Week 7-8	Complete data testing, report results, resolve issues.	ICMA-RC
Weeks 9-10	Conduct transition/implementation seminars.	Borough – ICMA-RC
Week 14-15	Send final payroll file to MetLife and Nationwide.	Borough
Week 15	Blackout period begins at MetLife and Nationwide. Average blackout period at current providers is five business days.	MetLife and Nationwide
Week 15	Send participant indicative data to ICMA-RC after the blackout period has commenced. ICMA-RC enrolls participants using this detail and establishes a fund allocation based on the agreed upon mapping strategy.	MetLife and Nationwide – ICMA-RC
Week 15	ICMA-RC accepts first payroll from Borough.	ICMA-RC – Borough
Week 16	Accounts liquidated and transferred to ICMA-RC. Complete conversion reconciliation.	ICMA-RC
Week 16	Blackout period complete. Welcome confirmations mailed to participants.	ICMA-RC
Week 16	Update documentation/Investor Service Center online help system.	ICMA-RC
Week 16	Fund transfer, investment allocation, and live balance inquiry transaction capabilities available.	ICMA-RC
Week 16	ICMA-RC begins installment and distribution processing.	ICMA-RC
Post Transition	Hold transition debrief meeting with relationship management team and client. Provide final reconciliation report from transition.	ICMA-RC – Borough

ICMA-RC will work in partnership with the Borough through each phase of the transition, proposing action based on our experience while gaining approval for all activity as required. Our experienced professionals will be responsible for implementing operational aspects of the conversion, establishing ongoing procedures for administering the plan, and assisting the Borough as necessary.

**What problems do you foresee in this process?**

ICMA-RC does not foresee any problems in this process.



**8. Will your firm serve as trustee? Is there any additional cost for this service and, if so, what is the cost?**

If requested, ICMA-RC makes passive-directed trustee services and custodial services available through Matrix Trust Company.<sup>1</sup> There is \$850 annual fee for this service.

## REPORTING

**1. Describe the standard reporting package that your firm would provide the Borough as well as the medium used. Please provide samples.**

The Borough will receive the following reports:

- **Quarterly Employer Statements**, summarizing contributions, investment gains and losses, disbursements, fund transfers, and beginning and ending balances. Statements are available electronically via EZLink within 10 business days after quarter end. The plan sponsor is notified via a message through EZLink's Message Center.
- **Contribution Remittance Confirmation** is available electronically via EZLink within 24 hours after receipt of funds, assuming that the funds received and the contribution detail reconcile.
- **Plan Service Report**, a report of financial activity, participant transactions, and investment results, as well as a discussion of service enhancements and plan goals over the coming period. We will formally present this information to you annually to assist in the due-diligence process.

In addition to the above reports, our EZLink ([www.icmarc.org](http://www.icmarc.org)) Internet site offers electronic access to plan data that you can use as a critical tool to fulfill your fiduciary responsibility as a plan sponsor. EZLink provides employers the following online statement and reporting capabilities:

### Plan Information

- Asset changes (fund transfers, disbursements, contributions)
- Asset allocations
- Enrollments
- Asset roll ins and roll outs
- Plan balances by investment as of the most recent business date
- Plan level investment allocations
- Pie chart of plan investments by age range
- Contribution transactions for various date ranges for the plan
- Transactions by type summarized for various date ranges for the plan
- Addresses for participants by specified status or for all participants
- Contribution limit reports for 457 limits
- Daily share prices and short-term investment performance measures
- Total return performance in the SEC "standardized" presentation
- A library of ICMA-RC publications

<sup>1</sup> Currently, passive-directed trustee and custodial services are provided by Matrix Trust Company through its acquisition of Wilmington Trust's business of providing trustee/custodial and certain trading and settlement services completed on April 10, 2015, with ICMA-RC providing plan administration and making investment options available.



- Quarterly statements

**Participant Information**

- Account balance by investment
- Year-to-date contributions and contributions by specified date range
- Allocation percentages
- Statements on demand
- Personal Information (name, address, date of birth, date of hire, termination date, account status, account balance)
- Quarterly statements

Samples of the following materials are provided in the **Appendix**:

- Quarterly Employer Statement
- Contribution Remittance Confirmation
- Plan Service Report
- EZLink Reports

**2. What is the typical timeframe, after the reporting period ends, for providing each standard report?**

The standard timeframes for the plan sponsor reports are as follows:

- **Quarterly Employer Statements** are distributed electronically via EZLink within 10 business days after quarter end.
- **Contribution Remittance Confirmation** is available electronically via EZLink within one business day after receipt of funds, assuming that the funds received and the contribution detail reconcile.
- **Employer Bulletin** is distributed monthly via email.
- **Public Perspective** the employer newsletter, is mailed out quarterly.
- **Annual Plan Service Report** will be presented at least annually.

**3. Please provide a sample participant quarterly statement.**

A sample participant statement is included in the **Appendix**.

**4. How many days after quarter-end are participant statements mailed?**

Participant statements are mailed within 12 business days of the end of the quarter.

**5. Are participant statements available electronically?**

Yes. Participant statements are available online by the 10<sup>th</sup> business day following quarter end.

**6. Do your firm's participant statements provide personalized investment performance?**

Yes. Participants receive a quarterly statement showing their account activity in their retirement plan(s). Statements provide a comprehensive overview of account activity, including contributions, investment gains and losses, disbursements, fund transfers, ancillary service charges (if applicable), and beginning and ending account balances both plans. Information is provided for the quarter as well as year-to-date. In addition, participant statements include pie charts depicting



asset allocations, and a calculation of the personal rate of return the participant achieved in the account. Participants may choose to access their statements online in lieu of receiving a statement by mail.

**7. Does your firm provide aggregate account information for participants if you administer both the 401 and 457 plans for the Borough?**

Yes. Employees who participate in multiple plans receive a combined statement that summarizes activity across all accounts held at ICMA-RC, as well as quarterly statements for each plan that had activity.

In addition, when the participant utilizes Account Access, the online participant tool, they will view certain information on a combined basis.

**8. Confirm that your firm provides tax reporting including 1099 reporting.**

Our record keeping system processes disbursements daily, remits withholdings on a timely basis, and generates required federal and state tax reports. ICMA-RC prepares and issues Form 1099R to participants before January 31 of the year following the reporting year.

A tax report is produced and reviewed for accuracy by ICMA-RC, and ICMA-RC uses it to prepare withholding remittances and support the filing of quarterly and annual federal/state tax reports. This report is also used to reconcile payments from our disbursement system to disbursements posted to our record keeping system, as well as to balance state withholdings. If a check must be voided, the gross disbursement amount is restored to the participant's account and ICMA-RC applies for a refund of taxes withheld.



## FEES AND EXPENSES

- 1. Provide a description of your firm's fees. All fees, including but not limited to setup fees, plan asset based fees, participant fees, fund expenses, ancillary service fees, 12b-1 fees, and any other fees/expenses must be fully disclosed in response to this question. Your firm will not be permitted to assess fees or expenses of any kind for services you have proposed that are not clearly disclosed in this written response. All fees, including soft dollar fees, must be disclosed. Please disclose which fees will be paid by the plan sponsor and which fees will be paid by the participant. How will the fees be determined and allocated between the plan sponsor and participant?**

### PARTICIPANT FEES

ICMA-RC will charge a plan administration fee of 0.55% on all assets administered. Our fees are based upon adoption of our model plan document and assume that the Borough will continue to utilize EZLink to submit contributions electronically on a consistent basis. Our fee proposal assumes no surrender charges and that all assets transfer upon inception of contract.<sup>1</sup>

Our fee proposal is based upon the following requirements:

- Enrollments will be completed online by the participant (custom enrollment link provided to the employer) or by the employer through EZLink.
- Loans can be requested online and must be repaid through payroll deduction.
- Beneficiary information must be updated online.
- Participant address changes can be done online or via the Call Center. The employer can also update the address through EZLink.
- Disbursements for separated participants must be completed online.
- Quarterly statements and confirmations will be set up to be received electronically for the participant; the participant can opt out of eDelivery and receive the statement/confirmations by postal service.
- Fund transfers and investment allocations can be completed online, through the voice response system or via the Call Center.

Disclosure of fund expenses and revenue received by ICMA-RC is provided in the funds spreadsheets included in the **Appendix**.

The following ancillary service fees<sup>2</sup> apply exclusively to the participants who choose to use these supplemental services:

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<sup>1</sup> ICMA-RC retains full discretion to release employer-initiated VT PLUS Fund withdrawals in an orderly manner over a period of up to 12 months from the date ICMA-RC receives written notification from the employer that it is initiating withdrawals from the VT PLUS Fund. This restriction on employer withdrawals from the VT PLUS Fund does not apply to participant directed withdrawals from the Fund. The VT PLUS Fund remains benefit responsive to participants eligible to take participant-directed withdrawals from the Fund. Funds may assess redemption fees or have purchase restrictions for assets that have been invested for less than a period of time defined in the fund prospectus.

<sup>2</sup> Fees for ancillary services are subject to change with appropriate notification.



**Investment Advice Services**

Fees<sup>1</sup> for investment advice through our **Guided Pathways**<sup>®2</sup> programs are shown below:

- **Asset Allocation Guidance** – This service is available at no charge.
- **Fund Advice** – There is an annual fee<sup>3</sup> of \$20 for participants who choose to use this service.
- **Managed Accounts** – Participants who use Managed Accounts are charged an additional asset-based fee based on the following schedule:

Participant Account Balance	Annual Fee
First \$100,000	0.40%
Next \$100,000	0.35%
Next \$300,000	0.25%
Over \$500,000	No additional fee charged

Under this fee schedule, no participant is charged more than \$1,500 per year for Managed Accounts.

**Loans**

- **Setup fee** – \$75 origination fee for loan applications, re-amortizations, and re-financings. This is a one-time expense.
- **Annual fee** – \$50 annual fee for outstanding loans.

**Personalized Financial Plans<sup>4</sup>**

ICMA-RC offers the preparation and delivery of a written financial plan as follows:

- **Snapshot Financial Plan** – \$60 for participants once annually.
- **Goal-Specific Financial Plan** – Free for participants with minimum \$100,000 balance once annually. Otherwise \$175 per financial plan.
- **Comprehensive Financial Plan** – Free for participants with minimum \$200,000 balance once annually. Otherwise \$450 per financial plan.

Financial plan fees apply only to participants who choose to utilize this service.<sup>1</sup>

<sup>1</sup> Underlying mutual fund expenses and plan administration fees still apply. Please read the current applicable prospectus and the VantageTrust Fund Fees and Expenses document accompanying the Making Sound Investment Decisions: A Retirement Investment Guide for a description of these fees and expenses.

<sup>2</sup> Investment advice and analysis tools are offered to participants through ICMA-RC, a federally registered investment adviser. Investment advice is the result of methodologies developed, maintained and overseen by the Independent Financial Expert, Morningstar Investment Management LLC. Morningstar Investment Management LLC is a registered investment advisor and subsidiary of Morningstar, Inc. Morningstar, Inc. and Morningstar Investment Management LLC are not affiliated with ICMA-RC. All rights reserved. The Morningstar name and logo are registered marks of Morningstar, Inc.

<sup>3</sup> Underlying mutual fund expenses and plan administration fees still apply. Please read the current applicable prospectus and the VantageTrust Fund Fees and Expenses document accompanying the Making Sound Investment Decisions: A Retirement Investment Guide for a description of these fees and expenses.

<sup>4</sup> Fee-based financial planning services are offered through ICMA-RC, a federally registered Investment Adviser. Please read all disclosure documents carefully prior to initiating any plan. ICMA-RC does not provide specific tax or legal advice and does not guarantee results.



**Wire Transfer Fees**

A \$15 participant fee will apply for each outgoing wire transfer requested by a participant. Should our processing bank, M & T Bank, increase the wire fees during the contract period, the increased fee will be charged to the participant accordingly. There is no charge for incoming wire transfers.

**QDRO Processing Fees**

\$250 per divorce.

**PLAN SPONSOR FEES**

Any systems programming for services that are not identified in the scope of services or that have not been proposed in this proposal is available at a cost of \$150 per hour for programming, testing, and project oversight.

2. **Complete the following table to provide all asset-based fees and current expenses (as of the latest quarter-end) that your firm and the funds you propose will assess.**

Asset Category	Fund Name	Gross Expense	Net Expense	All Other Asset Fees <sup>1</sup>	Total Fees & Net Expenses <sup>**</sup>	Total Revenue To Vendor <sup>1</sup>
Stable Value	VantageTrust PLUS Fund	0.83%	0.83%	0.55%	1.38%	0.80%
Guaranteed Lifetime Income	VT Retirement Income Advantage Fund <sup>2</sup>	1.71%	1.71%	0.55%	2.26%	1.00%
Intermed Term Bond	VT Vantagepoint Core Bond Index Fund <sup>3</sup>	0.47%	0.42%	0.55%	0.97%	0.80%
Intermed Term Bond	VT Western Asset Core Plus Bond <sup>3</sup>	0.64%	0.60%	0.55%	1.15%	0.90%
Treas. Infl Prof Bond	VT Vantagepoint Inflation Focused Fund <sup>3</sup>	0.66%	0.66%	0.55%	1.21%	0.80%
High-Yield Bond	VT PIMCO High Yield Fund <sup>4</sup>	0.81%	0.80%	0.55%	1.35%	0.80%
Large Cap Growth	VT Vantagepoint Growth Fund <sup>5</sup>	0.82%	0.82%	0.55%	1.37%	0.80%
Large Cap Growth	VT T. Rowe Price® Growth Stock Fund <sup>5,12</sup>	0.92%	0.92%	0.55%	1.47%	0.95%
Large Cap Growth	VT Contrafund® <sup>5,13</sup>	0.71%	0.71%	0.55%	1.26%	0.80%
Large Cap Blend	VT Vantagepoint 500 Stock Index Fund	0.46%	0.41%	0.55%	0.96%	0.80%
Large Cap Blend	VT Vantagepoint Broad Market Index Fund	0.46%	0.41%	0.55%	0.96%	0.80%
Large Cap Blend	VT Parnassus Core Equity Fund	0.87%	0.87%	0.55%	1.42%	0.80%
Large Cap Blend	VT Vantagepoint Growth & Income Fund	0.83%	0.83%	0.55%	1.38%	0.80%
Large Cap Blend	VT Oppenheimer Main Street Fund	0.69%	0.69%	0.55%	1.24%	0.80%
Large Cap Value	VT Vantagepoint Equity Income Fund <sup>5</sup>	0.79%	0.79%	0.55%	1.34%	0.80%

<sup>1</sup> The fee may also be waived under other circumstances.



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Asset Category	Fund Name	Gross Expense	Net Expense	All Other Asset Fees*	Total Fees & Net Expenses**	Total Revenue To Vendor <sup>1</sup>
Large Cap Value	VT Invesco Diversified Dividend Fund	0.59%	0.58%	0.55%	1.13%	0.80%
Large Cap Value	VT Allianz NFJ Dividend Value Fund <sup>5</sup>	0.96%	0.96%	0.55%	1.51%	0.90%
Mid Cap Growth	VT Vantagepoint Aggressive Opportunities Fund <sup>5,6</sup>	0.84%	0.84%	0.55%	1.39%	0.80%
Mid Cap Growth	VT AMG TimesSquare Mid Cap Growth Fund <sup>5,6</sup>	1.24%	1.24%	0.55%	1.79%	0.90%
Mid Cap Growth	VT Harbor Mid Cap Growth Fund <sup>5,6</sup>	1.11%	1.11%	0.55%	1.66%	0.80%
Mid Cap Blend						
Mid Cap Value	VT Vantagepoint Select Value Fund <sup>5,6</sup>	0.98%	0.98%	0.55%	1.53%	0.80%
Mid Cap Value	VT Gold. Sachs Mid Cap Value Fund <sup>5,6</sup>	0.90%	0.90%	0.55%	1.45%	0.80%
Small Cap Growth	VT Oppenheimer Discovery Fund <sup>5,7</sup>	0.86%	0.86%	0.55%	1.41%	0.80%
Small Cap Blend	VT Vantagepoint Mid /Small Co Inx Fund <sup>7</sup>	0.46%	0.41%	0.55%	0.96%	0.80%
Small Cap Blend	VT Vantagepoint Discovery Fund <sup>7</sup>	0.96%	0.96%	0.55%	1.51%	0.80%
Small Cap Value						
Foreign	VT Harbor International Fund <sup>8</sup>	1.03%	1.01%	0.55%	1.56%	0.80%
Foreign	VT Vantagepoint Overseas Index Fund <sup>8</sup>	0.57%	0.52%	0.55%	1.07%	0.80%
Foreign	VT Vantagepoint International Fund <sup>8</sup>	0.98%	0.98%	0.55%	1.53%	0.80%
Foreign	VT Diversified Int'l Fund <sup>8,14</sup>	1.00%	1.00%	0.55%	1.55%	0.80%
Real Estate	VT Nuveen Real Estate Secs Fund <sup>9</sup>	1.05%	1.05%	0.55%	1.60%	0.80%
Balanced Asset Allocation	VT Puritan® Fund <sup>15</sup>	0.56%	0.56%	0.55%	1.11%	0.80%
Risk/Time Based	VT Vantagepoint Model Port Conser Growth Fund <sup>10</sup>	0.84%	0.84%	0.55%	1.39%	0.80%
Risk/Time Based	VT Vantagepoint Model Port Tradit Growth Fund <sup>10</sup>	0.86%	0.86%	0.55%	1.41%	0.80%
Risk/Time Based	VT Vantagepoint Model Port Long-Term Growth Fund <sup>10</sup>	0.90%	0.90%	0.55%	1.45%	0.80%
Risk/Time Based	VT Vantagepoint Model Port Gbl Eqty Growth Fund <sup>10</sup>	0.94%	0.94%	0.55%	1.49%	0.80%
Risk/Time Based	VT Vantagepoint Milestone Retirement Income Fund <sup>10,11</sup>	0.80%	0.80%	0.55%	1.35%	0.80%



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Asset Category	Fund Name	Gross Expense	Net Expense	All Other Asset Fees*	Total Fees & Net Expenses**	Total Revenue To Vendor <sup>1</sup>
Risk/Time Based	VT Vantagepoint Milestone 2010 Fund <sup>10,11</sup>	0.81%	0.81%	0.55%	1.36%	0.80%
Risk/Time Based	VT Vantagepoint Milestone 2015 Fund <sup>10,11</sup>	0.81%	0.81%	0.55%	1.36%	0.80%
Risk/Time Based	VT Vantagepoint Milestone 2020 Fund <sup>10,11</sup>	0.82%	0.82%	0.55%	1.37%	0.80%
Risk/Time Based	VT Vantagepoint Milestone 2025 Fund <sup>10,11</sup>	0.84%	0.84%	0.55%	1.39%	0.80%
Risk/Time Based	VT Vantagepoint Milestone 2030 Fund <sup>10,11</sup>	0.85%	0.85%	0.55%	1.40%	0.80%
Risk/Time Based	VT Vantagepoint Milestone 2035 Fund <sup>10,11</sup>	0.88%	0.88%	0.55%	1.43%	0.80%
Risk/Time Based	VT Vantagepoint Milestone 2040 Fund <sup>10,11</sup>	0.89%	0.89%	0.55%	1.44%	0.80%
Risk/Time Based	VT Vantagepoint Milestone 2045 Fund <sup>10,11</sup>	0.95%	0.95%	0.55%	1.50%	0.80%
Risk/Time Based	VT Vantagepoint Milestone 2050 Fund <sup>10,11</sup>	1.12%	1.11%	0.55%	1.66%	0.80%

- **\* Administration fees, risk & mortality expense fees, etc. Do not include asset based fees for advice or managed accounts in this table.**
- **\*\* Total fees and expenses is the net expense ratio plus all other asset-based fees and expenses.**

Please read Making Sound Investment Decisions: A Retirement Investment Guide and the accompanying VantageTrust Fund Fees and Expenses document ("Guide") carefully for a complete summary of all fees, expenses, investment objectives and strategies, and risks before investing. For a current Guide, contact ICMA-RC by calling 800-669-7400 or log into your account at [www.icmarc.org](http://www.icmarc.org)

Please read the fund's prospectus carefully for a complete summary of all fees, expenses, investment objectives and strategies, risks, financial highlights, and performance information. Investing involves risk, including possible loss of the amount invested. Investors should carefully consider the information contained in the prospectus before investing. You may contact us to obtain a prospectus or to answer questions by calling 800-669-7400, emailing [investorservices@icmarc.org](mailto:investorservices@icmarc.org), or visiting [www.icmarc.org](http://www.icmarc.org)

ICMA-RC's identified fund line-up is a commitment to administer these funds for the plan, not advice to the plan sponsor on the composition of the plan's fund line-up. ICMA-RC provides plan sponsors fund information to assist them in meeting their fiduciary responsibility in managing the plan. The plan sponsor retains the obligation to prudently select and monitor the investment funds it offers to plan participants. ICMA-RC may adjust fees commensurate with changes in revenue from alternative funds selected by the plan sponsor from ICMA-RC's mutual fund platform.

<sup>1</sup>ICMA-RC or its affiliates receive payments from third-party mutual funds that underlie certain VantageTrust Funds that may be available for investment through your plan. These payments are for services rendered by ICMA-RC or its affiliates to plans and participants, and are in the form of 12b-1 fees, service fees, compensation for sub-accounting and other services provided



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by ICMA-RC or its affiliates. The revenue amounts listed for VT Vantagepoint Funds and the VT PLUS Fund include all compensation paid by the fund to ICMA-RC and/or its affiliates. This amount includes compensation for investment advisory, transfer agency, and plan/participant services that is included in the daily NAV calculation. Revenue is subject to change at the discretion of the fund company and is received at various times throughout the course of a year based on the policies of the individual fund companies.

<sup>2</sup>Prudential Retirement Insurance and Annuity Company (Prudential), CA COA #08003, Hartford, CT. Neither Prudential nor ICMA-RC guarantees the investment performance or return on contributions to Prudential's Separate Account. You should carefully consider the objectives, risks, charges, expenses and underlying guarantee features before purchasing this product. Prudential may increase the Guarantee Fee in the future, from 1.00% up to a maximum of 1.50%. Like all variable investments, this Fund may lose value. Availability and terms may vary by jurisdiction; subject to regulatory approvals. Annuity contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Guarantees are based on Prudential's claims-paying ability. This annuity is issued under Contract form # GA-2020-TGWB4-0805-RC. ICMA-RC provides recordkeeping services to your Plan and is the investment manager of the underlying Prudential separate account. Prudential or its affiliates may compensate ICMA-RC for providing these and related administrative services in connection with the Fund. Variable annuities are suitable for long-term investing, particularly retirement savings. ©2016 Prudential, the Prudential logo, and the Rock symbol and Bring Your Challenges are service marks of the Prudential Insurance Company of America, Newark, NJ, and its related entities, registered in many jurisdictions worldwide. Note: Participants who are interested in the VT Retirement IncomeAdvantage Fund must first receive and read the VT Retirement IncomeAdvantage Fund Important Considerations document, before investing.

<sup>3</sup>A fixed income fund is subject to credit risk and interest rate risk. Credit risk is when an issuer of a fixed income security may be unable or unwilling to make payments of principal or interest to the holders of these securities or may declare bankruptcy. Fixed income securities fluctuate in value as interest rates change. When interest rates rise, the market prices of fixed income securities will usually decrease; when interest rates fall, the market prices of fixed income securities usually will increase.

<sup>4</sup>Funds that invest primarily in high yield bonds (bonds that are rated below investment grade and also known as "junk bonds") are subject to additional risk as these high yield bonds are considered speculative and involve a greater risk of default than "investment grade" securities. The values of these securities are particularly sensitive to changes in interest rates, issuer creditworthiness, and economic and political conditions. The market prices of these securities may decline significantly in periods of general economic difficulty, may be harder to value, and may be less liquid than higher rated securities.

<sup>5</sup>Certain funds may be subject to style risk, which is the possibility that the investment style of its investment adviser will trail the returns of the overall market. In the past, different types of securities have experienced cycles of outperformance and underperformance in comparison to the market in general. For example, growth stocks have performed best during the later stages of economic expansion and value stocks have performed best during periods of economic recovery. Both styles may go in and out of favor. When the investing style used by a fund is out of favor, that fund is likely to underperform other funds that use investing styles that are in favor.

<sup>6</sup>Funds that invest primarily in mid-capitalization companies involve greater risk than is customarily associated with investments in larger, more established companies. Equity securities of mid-capitalization companies generally trade in lower volume and are generally subject to greater and less predictable price changes than the securities of larger companies.

<sup>7</sup>Funds that invest primarily in small-capitalization companies involve greater risk than is customarily associated with investments in larger, more established companies. Equity securities of small-capitalization companies are generally subject to greater price volatility than those of larger companies due to less certain growth prospects, the lower degree of liquidity in the markets for their securities, and the greater sensitivity of smaller companies to changing economic conditions. Also, small-capitalization companies may have more limited product lines, fewer capital resources and less experienced management than larger companies.

<sup>8</sup>Funds that invest in foreign securities are exposed to the risk of loss due to political, economic, legal, regulatory, and operational uncertainties; differing accounting and financial reporting standards; limited availability of information; currency fluctuations; and higher transaction costs. Investments in foreign currencies or securities denominated in foreign currencies (including derivative instruments that provide exposure to foreign currencies) may experience gains or losses solely based on changes in the exchange rate between foreign currencies and the U.S. dollar. The risk of investing in foreign securities may be greater with respect to securities of companies located in emerging market countries. The value of developing or emerging market currencies may fluctuate more than the currencies of companies with more mature markets.

<sup>9</sup>Sector funds tend to be riskier and more volatile than the broad market because they are generally less diversified and more volatile than other mutual funds.



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<sup>10</sup>The expense ratio for a "fund of funds" includes acquired fund fees and expenses, which are expenses incurred indirectly by the fund through its ownership in other mutual funds.

<sup>11</sup>The fund is not a complete solution for all of your retirement savings needs. An investment in the fund includes the risk of loss, including near, at or after the target date of the fund. There is no guarantee that the fund will provide adequate income at and through an investor's retirement.

<sup>12</sup>T. Rowe Price® is a registered trademark of T. Rowe Price Group, Inc. - all rights reserved.

<sup>13</sup>Effective September 1, 2015, the VT Fidelity Contrafund® is now known as the VT Contrafund®.

<sup>14</sup>Effective September 1, 2015, the VT Fidelity Diversified International Fund is now known as the VT Diversified International Fund.

<sup>15</sup>Effective September 1, 2015, the VT Fidelity Puritan® Fund is now known as the VT Puritan® Fund.

**3. How are fees adjusted as the participant base expands?**

We do not anticipate a scenario under which our fee will change, within the term of our contract, based solely on significant increases or decreases in the number of plan participants.

**4. If the Borough's current 457 Plan is moved to your organization, or a new 457 Plan is started with your organization along with the 401(a) Plan, what impact will this additional business have on fees? The Borough currently has 80 participants in a 457 Plan arrangements with an asset value of approximately \$220,000 as of December 31, 2015.**

As one of the Borough's current 457 plan providers, we welcome the opportunity to consolidate the plans under ICMA-RC in a sole-provider relationship, which would allow us to serve all of your plan participants. There would be no impact on the plan pricing, however.

Please consider that a consolidation of the plans to ICMA-RC offers a unique opportunity to create a total retirement solution for your employees under the umbrella of a single provider. ICMA-RC has been the provider of choice for your 457(b) participants, and if chosen as your sole provider your employees will benefit from a full-spectrum of retirement planning resources: on-site seminars and individual educational meetings, online multi-media tools, newsletters and publications, and representatives available through our toll-free number. Our resources also include statements with consolidated balances from all plans and online tools and retirement calculations that include account information for all plans.

**5. Are there any additional costs for your firm to serve as trustee?**

If requested, ICMA-RC makes passive-directed trustee services and custodial services available through Matrix Trust Company.<sup>1</sup> There is \$850 annual fee for this service.

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<sup>1</sup> Currently, passive-directed trustee and custodial services are provided by Matrix Trust Company through its acquisition of Wilmington Trust's business of providing trustee/custodial and certain trading and settlement services completed on April 10, 2015, with ICMA-RC providing plan administration and making investment options available.



## DISCLOSURE FORM

Complete the following form:

Name of Firm:

ICMA-RC

1. List the names and titles of each individual who will be providing professional services relative to this contract including advisors and subcontractors.

The following ICMA-RC team members will provide professional services to Borough employees and participants:

Michael Losak, Retirement Plans Specialist

Jason Atwater, CERTIFIED FINANCIAL PLANNER™ professional

2. Relative to question 1 above, describe the following:

- A. Are any of the above current or former officials of employees of Borough of Chambersburg?

No.

When were they last employed by Borough of Chambersburg?

Not applicable.

- B. Are any of the above a registered federal or state lobbyist?

No.

- C. What are the responsibilities of each individual with regard to the proposed services?

Michael Losak, Retirement Plans Specialist, will provide customized seminars to meet the specific requirements of your plan and the needs of each employee. Mr. Losak will also meet with participants who have questions on plan features, or wish to discuss their personal financial concerns.

Jason Atwater, CERTIFIED FINANCIAL PLANNER™ professional, will conduct in-depth group seminars and workshops on essential financial management skills. Mr. Atwater will also provide one-on-one financial planning meetings and written financial plans.

3. Have you in the last year or do you now retain a third-party intermediary, agent or lobbyist to directly or indirectly communicate with Borough of Chambersburg? If so, please describe.

No.

4. Has your firm or anyone in your firm solicited a contribution to any municipal official or candidate for municipal office in Borough of Chambersburg or to the political party or political actions committee of an official at Borough of Chambersburg or candidate for elected office at Borough of Chambersburg?

No.



5. **Confirm that no one at your firm after May 15, 2016 will cause or agree to allow a third party to communicate with officials or employees of Borough of Chambersburg except for requests for technical clarification which should be directed to Carol Ehrenreich.**

Confirmed.

6. **List all contributions made by your firm or an Affiliated Entity to a municipal official or candidate for office in Borough of Chambersburg made on or after December 17, 2009. An affiliated entity means:**

- (1) **A subsidiary or holding company of a lobbying firm or other business entity owned in whole or in part by a lobbying firm.**
- (2) **An organization recognized by the Internal Revenue Service as a tax-exempt organization under Section 501(c) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §501(c)) established by a lobbyist or lobbying firm or an affiliated entity.**

None.

7. **List any direct financial, commercial or business relationship with any official of Borough of Chambersburg or the pension system of Borough of Chambersburg held by your firm or any Affiliated Entity.**

None, beyond the extent that ICMA-RC provides 457 plan administration, education, recordkeeping, and investment services to the Borough.

8. **Confirm that no one at your firm or an Affiliated Entity was employed by Borough of Chambersburg in the last 12 months.**

Confirmed.

9. **Disclose all contributions of at least \$500 (singly or in the aggregate) made within the last five years by an officer, director, Executive-Level Employee or owner of at least 5% of your firm or an Affiliated Entity to any candidates for public office or the holders of such offices in the Commonwealth and to any political committees of such candidates or office holders. An Executive-Level Employee is:**

- (1) **An employee of your firm or an Affiliated Entity who can either affect or influence the outcome of the actions, policies or decisions of your firm or the actions of an Affiliated Entity relating to pensions and the conduct of business with a municipality or pension system; or**
- (2) **Is directed involved in the implementation or development of policies relating to pensions, investments, contracts or procurement or to the conduct of business with a municipality or pension system.**

None.

10. **With respect to contributions disclosed in question 9, please provide:**

- A. **The names and addresses of the individuals making the contributions;**
- B. **The relationship of the individual disclosed in part A of this question to your firm;**



**Borough of Chambersburg  
Request for Proposal  
Defined Contribution (Money Purchase)  
Plan Recordkeeping, Investment  
Management and Education Services**

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- C. The name and office or position (held or sought) of the person receiving the contribution;**
- D. The amounts of the contributions; and**
- E. The dates of such contributions.**

Not applicable.

- 11. List any other disclosures made pursuant to Act 44 of 2009.**

None.



## **APPENDIX LIST**

Please see the **Appendix** or enclosed **CD ROM** for the following items:

- **Fund Performance, Fees, and Revenue Spreadsheets**
- **Sample Plan Service Report**
- **Sample Quarterly Employer Statement**
- **Contribution Remittance Confirmation**
- **EZLink Reports**
- **Sample Quarterly Participant Statement**

