



*Maryland Teachers & State Employees Supplemental Retirement Plans*  
*William Donald Schaefer Tower, Suite 200, 6 St. Paul Street, Baltimore, Maryland 21202-1608*

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Michael T. Halpin, *CRC, CRA, Secretary/Executive Director*

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September 5, 2012

## **Question & Answers #2**

Request for Proposals (RFP) for  
Plan Administrator for Supplemental Retirement Plans

Solicitation # G50R3400001

Attached are answers to the questions received to date from interested parties in this procurement.

Please note that a Transcript of the August 7, 2012 Pre-Proposal Conference is available for a fee—contact:

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An electronic copy of this and all notices will be available from our website:  
<http://msrp.maryland.gov/procure.htm>

Signed,

Michael T. Halpin  
Executive Director  
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Following are Answers to Questions received August 27, 2012:

1. Can you please provide a listing of the attendees at the MSRP Pre-Proposal Conference held on August 7, 2012?

**Answer:**

Mike Halpin, Executive Director MSRP  
Lara Hjortsberg, Assistant Attorney General & MSRP Board Counsel  
Philip Harris, Financial Integrity Resources Management (FIRM), LLC  
Walid Petiri, Casi Institutional Consulting  
Myron D. Howie, Casi Institutional Consulting  
Sarah Fathbruckner, Nationwide Retirement Solutions  
Wendy Young Carter, ING  
Katrina Riddick, Strategic Solutions Center  
David Belnick, Nationwide Retirement Solutions  
Brenda Casey Anderson, Nationwide Retirement Solutions  
Jeffrey Overweg, TIAA CREF  
Ronald Levine, AON Hewitt  
Sara Reineman, TIAA CREF  
Perry Fong, PSF Capital Management, LLC  
Susan Middaugh, Have Pen, Will Travel  
Claude Gregory, Financial & Realty Services, LLC  
Lisa P. Campbell, One Stop Legal

2. Can you please confirm whether or not a bond in the amount of \$25 million that is held by the vendor would be acceptable to fulfill the Fidelity Bond requirement? Would an amount less than \$25 million be acceptable, if so what is the minimum?

**Answer:** No. The RFP states on page 29 (Section **3.5 Fidelity Bond**) that the annually renewable \$25 million fidelity bond must be *for services rendered to the Maryland Supplemental Retirement Plans . . . to be held by the Board of Trustees staff*. The amount of \$25 million is the minimum.

3. If possible, may we request the minutes recorded from the MSRP Pre-Proposal Conference held on August 7, 2012?

**Answer:** As stated on the cover of this notice and posted on our website Procurement Page (Link <http://msrp.maryland.gov/procure.htm> ), please contact the Court Reporter to obtain a transcript. The court reporter charges a nominal fee for this service.

4. Would you please provide information on Nationwide's achievement level toward the current MBE participation goal?

**Answer:** The MBE participation achievement level of any prior contract period is irrelevant for responses to the current RFP and the established MBE goal. Responses to the RFP must carefully follow the stated instructions and document how the 15% MBE goal will be met, or a waiver request must be submitted. We can comment that MBE participation failed to reach the prior 25% goal and MSRP's experience from past periods and acceptable areas of specific subcontracting opportunities were components in setting

the MBE goal of 15% for this RFP. We observe that the RFP Attachment L, page 48, gives information regarding successful examples of MBE subcontracting.

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Following are Answers to Questions received September 4, 2012:

1. Regarding Fixed Account Products:

- a. Are you able to provide copies of the Nationwide and Great West fixed product contracts?

**Answer:** For the purpose of responding to the RFP, contract copies are not relevant. Please prepare a response based on the RFP and the following additional information.

- b. How many participants are invested in the Nationwide Fixed and the Great West Fixed, respectively?

**Answer:** About 2,700 participants are invested in the Nationwide Fixed frozen option, and about 165 participants are invested in the Great West frozen option.

- c. For the Nationwide Fixed product, is the blended rate at a participant level or at a pool level?

**Answer:** The Nationwide Fixed option is made up of seven pools with a single crediting rate, reset quarterly.

- d. How is the interest accrued under the Nationwide Fixed product (i.e., accrued daily and allocated monthly)?

**Answer:** We believe that interest is accrued and allocated daily.

- e. Can you provide more details on the payout reserves and what the recordkeepers role is in accounting for these funds?

**Answer:** These reserves are reported by the annuity issuers for inclusion in the recordkeeper's quarterly financial statements (unaudited).

- f. For the Great West Fixed product, can you provide additional details on the certificate maturity dates? As certificates mature must monies be paid out of the fund or are they rolled into a new certificate?

**Answer:** Maturing certificates roll into a new certificate within a time period unless otherwise requested by the participant.

2. Regarding the Investment Contract Pool (ICP):

- a. Will Deutsche Asset Management continue to manage the ICP?

**Answer:** Yes. The contract with Deutsche runs through 10/23/2013.

- b. Do you anticipate the recordkeeper will need to provide custody services?

**Answer:** No, specific custodial arrangements for the ICP are made by the Board through the Stable Value Fund Manager—currently with BNY Mellon.

- c. Can you provide an inventory of assets?

**Answer:** The ICP holdings are not relevant for the purpose of responding to this RFP. General information is readily available on the fund fact sheet available on our website (Link <http://msrp.maryland.gov/icpfactsheet2q2012.pdf>).

- d. Does the ICP have a fluctuating NAV or dollar NAV with a mill rate?

**Answer:** The ICP has a monthly reset crediting rate that is applied daily.

3. Regarding Life Insurance:

a. How many participants hold life insurance policies through the 457(b) plan?

**Answer:** We have about 130 participants with the frozen life insurance option.

b. Is UNUM the only provider to which premium payments are made? What is the premium payment frequency?

**Answer:** UNUM is the only life insurance provider. We believe that premiums are remitted monthly.

c. Who is currently handling the PS58 required reporting for the policies?

**Answer:** The recordkeeper is responsible for all appropriate tax reporting. Further details on this question are not immediately available.

d. Please confirm that no new life insurance contracts may be purchased; participants who currently own contracts may continue to hold them and make premium payments.

**Answer:** No new life insurance options are available to MSRP participants, while grandfathered policies may be continued and premiums paid by the participant.

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Following is the Answer to Questions received September 5, 2012:

Who is the current MSRP custodian/trustee/checkwriter? Are these services in scope?

If so, shall respondents obtain quotes for these services?

**Answer:** All MSRP assets and accounts are titled to the Board of Trustees of the Maryland Supplemental Retirement Plans. The State of Maryland determines the bank(s) and accounts through which the Plans assets are transacted, and the recordkeeper is authorized agent for day to day operations and for the payment of net banking fees. Details are reflected in the standard agreement—RFP Attachment A, item 9 on page 8.