

457 Plan Informational Meetings

For BCC Employees Only

By attending this session, you will learn:

- ✓ Where Funds are going
- ✓ How to access your account
- ✓ The transition process
- ✓ Answers to your questions...



Thursday, June 27, 2019

Time	Location	Address
07:00 am - 08:00 am	Public Works	1022 26 th Ave E, Conf Rm 1 & 2
09:00 am - 10:00 am	Landfill	3333 Lena Rd, Big Conf Rm
11:00 am - 12:00 pm	Admin Building	1112 Manatee Ave W, 1 st Fl Chambers
02:00 pm - 03:00 pm	North County Facility	8450 69 th St E, Maintenance Bldg 2
03:30 pm - 04:30 pm	Port Manatee	1705 Piney Point Rd, Palmetto, Access Control Trng Rm
05:30 pm - 06:30 pm	Palmetto Library	923 6 th St W, Palmetto, Conf Rm -- SEATS LIMITED *Registration Needed for this location only.

Friday, June 28, 2019

Time	Location	Address
07:00 am - 08:00 am	Utilities	4524 66 th St W, UD Ops Large Conf Rm
08:30 am - 09:30 am	Utilities	4410 66 th St W, UD Admin Large Conf Rm
10:30 am - 11:30 am	Public Works	1022 26 th Ave E, Conf Rm 1 & 2
12:30 pm - 01:30 pm	Admin Building	1112 Manatee Ave W, 1 st FL Chambers
03:00 pm - 04:00 pm	Public Safety Center	2101 47 th Terr E, ECC Conference Rm, 2 nd FL

Unable to attend? There will be a few sessions available the last week of July. Stay tuned for details.

Registration Only Needed for Palmetto Library

www.manateeyourchoice.com/register

This meeting has been approved by County Administration for BCC employees to be taken on work time with supervisor approval. Please record time as "education/training".

FAQ & Summary of 457 Change Enclosed



For More Information Contact: Melody Vilt
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6.5.19V4.CF

- 1. Why did the County decide to move the 457 Plans?** Plan Sponsors, like the County, have a fiduciary responsibility to ensure that the investment options offered are high quality and continuously monitored and that the plan fees are reasonable and EQUITABLE. We found that with 4 Record Keepers, we were not getting the best service for our employees nor were we getting the most competitive fee structure. It was necessary for us to go to RFP to ensure that what our employees had for their investments were high quality with reasonable fees. This process was extremely detailed and comprehensive. We started back in March 2017, and we even procured an independent third-party financial consultant to assist with the process.
- 2. When is the transition scheduled, and when will I get more information from Voya about accessing my account?** The transition is scheduled to occur in mid-July. If you are a current participant in a 457 plan, you will receive a packet of information around the 3rd week of June directly from Voya where you will learn more about the transition as well as steps to take to get access to your online platform.
- 3. When will Voya be onsite?** See the attached schedule which reflects when Voya will be onsite to discuss the transition. We made attempts to schedule at various worksites, across various times of day understanding the diversity of our employees' worksites and shifts. Voya will be back onsite in July after the transition occurs
- 4. Are only Voya owned funds being offered? What specific investment funds will be available?** No. There is a fixed account that is proprietary to Voya, but all the other investment options are highly rated mutual funds from well-known mutual fund families such as, but not limited to Fidelity, Vanguard, T. Rowe Price, American Funds, etc. You will receive a detailed package from Voya outlining how your current funds map to the funds on the Voya platform.
- 5. Will I still have the money I have invested with Mass Mutual when we move to Voya?** Yes. 100% of employee's funds are moving to the Voya platform.
- 6. Why isn't the 4% guarantee being continued with Mass Mutual?** During the RFP, Mass Mutual did not offer to continue the 4% guaranteed rate, nor did any of the record keepers offer a 4% guaranteed rate. That contract term was inherited by Mass Mutual from an old Hartford contract, likely back in the 1980's when interest rates were much higher, and the Record Keepers never thought that 4% would be above the general interest rate environment. We have knowledge that Record Keepers, such as MassMutual and others, that continue to have legacy contracts that offer that kind of rate, are making up for their loss in revenue by eliminating onsite service to employers (Mass Mutual discontinued onsite service in 2018), significantly increasing fees and/or simply altering the contract to get out of those terms.
- 7. I am retired and have a 457 with Nationwide. I have not been drawing down any of my accumulated funds. What effect will this change have for me?**
Your account will be moving to Voya. You'll be notified of when that is occurring and the funds that your account will be mapping to when you receive your packet from Voya.

8. **I have been in the 457 for many years and I am very happy with my returns with Nationwide. Who decides where my money will be going now?** Our Retirement Plan Advisor, Montgomery Retirement Plan Advisors, provided consultation in selecting a menu of high quality mutual funds across diversified asset classes which will be offered through the Voya program. Current funds will map to similar funds offered on the Voya platform and then employees will have opportunity to make any changes to how their money is invested on the Voya platform.
9. **When will I be able to change the funds I am invested in after Voya does the automatic transfer into its alternative/similar fund offerings?** Once your account is set up with Voya (expected around mid-July), you will be able to re-allocate. Prior to, we will have several on site meetings with Voya enrollment specialist, Diane, as well as additional email communication on how to accomplish this.
10. **I'm in the FRS investment plan rather than the pension plan. Does this change affect me in some way?** This change is in regard to 457 deferred compensation and is not relating to FRS. We encourage employees to also contribute to a 457 plan in preparation for retirement in addition to FRS. Voya will have an ongoing presence at our worksites to help educate employees on the value of "paying themselves first".
11. **What happens to the recent payroll change (effective in June) I made to add to my 457 account?** When we switch to Voya the same amount will be deducted and sent to Voya. The switch will be automatic, and your deductions will continue.
12. **I just recently signed up with Nationwide and my first payroll deduction is supposed to be taken out in June. Will I be automatically enrolled in the new plan?** Yes, you'll be enrolled in Nationwide, and then your investment and payroll deduction will transfer to Voya automatically.
13. **Will we MCG employees be able to get ETFs rather than Mutual Funds with this New company (Voya)?** Employer retirement plans only transact at the end of the day, so there is usually no benefit to using ETF's in place of mutual funds. Our understanding is that no ETFs are offered on any of the current providers and they will not be offered at Voya.
14. **How can I sign up for Deferred Comp?** You will have many opportunities once we are live with Voya to learn about the importance of investing and how to begin contributing. Stay tuned for more information about those opportunities or call EHB, Melody Vilt, at 941-748-4501 x6402 after mid-July.
15. **I had Mass Mutual with the Clerk's office, but I am now with the County and money is being taken out of my paycheck for the FRS. Do I need to open a new 457 account with the County prior to the transition to Voya?** If you did not start a deferred comp account with the Board, then this does not affect you. Your Mass Mutual account with the Clerk will remain in place. All Mass Mutual accounts with the Board will move to Voya. FRS is not a 457 deferred comp plan. It is your Florida Retirement System pension plan.
16. **I have ICMA and Fidelity. I don't want to have everything go to one company - Voya and have all my eggs in one basket.** You will continue to have the opportunity to have a diversified investment portfolio on Voya. Voya is the record keeper, the entity that administers the funds and provides reporting for the money that the employee elects to invest. The employee elects how they would like to invest their money across the mutual funds offered in the plan. Voya did not select the funds available

to our employees, they were selected by our independent third-party consultant, Montgomery Retirement Plan Advisors.

17. **Can I withdrawal my 457 funds while I am still working?** The IRS sets the guidelines for employer sponsored 457 plans and employees cannot withdrawal their funds unless they are terminating from the employer. The IRS does allow in-service (i.e. employed) withdrawals at age 70 ½. The only exception for partial withdrawal for active employees is that Voya will offer loan options within the plan as well as a hardship withdrawal.
18. **I don't want my money to move, can I go back to Mass Mutual?** No. The 457 Plan is an employer-sponsored group plan so all funds from current record keepers will transition over to the Voya platform.
19. **How often is the contract revisited? Seems like it could have been better negotiated.** The agreement with Voya is a 5-year agreement. We feel confident that the terms of the contract are fair and competitive. We had 9 other Record Keeper's to compare the costs and service provision to as well as a third-party consultant to assist us in determining the terms of the agreement. We feel confident that the selection of Voya was competitive.
20. **Please explain the plan provider's fee structure and where the employee will be able to confirm this on their statement.** The plan fees consist of the fees for investment management of each of the investment options and the fees of the recordkeeping provider. In the current programs, the fees for each of the recordkeeping providers (MassMutual, Nationwide, ICMA and Fidelity) are higher than what they will be with Voya but are less visible because they are included in the fees of the mutual funds. This was accomplished by offering investments with higher fees, and those investment companies in turn paid each of the providers. In the new Voya program, the recordkeeping provider fee for Voya will be more transparent. Rather than being included in the investment fees, the Voya fee of 0.04625% per quarter (\$0.46 per \$1,000 invested) will be transparently seen as a line item deduction in your quarterly account statement. As a result, the investment fees will be lower than what is offered in each of the current provider programs.

Old Fund offered in MassMutual	Expense Ratio	Replacement Fund	Expense Ratio	Voya Fee	Total New Cost	Total Fee Savings
Janus Henderson Forty T	1.21% \$12.10 per \$1,000	T. Rowe Price Institutional Large Cap Core Growth	0.57% \$5.70 per \$1,000	0.185% \$1.85 per \$1,000	0.755% \$7.55 per \$1,000	0.455% \$4.55 per \$1,000
HIMCP VIT Index IA	0.58% \$5.80 per \$1,000	Fidelity 500 Index	0.015% \$0.15 per \$1,000	0.185% \$1.85 per \$1,000	0.20% \$2.00 per \$1,000	0.38% \$3.80 per \$1,000

21. **Can I track my fund's performance on the stock market?** Yes, you will be able to track the fund performance of each of the mutual funds offered in the plan either through the Voya website or through other public websites such as Morningstar.
22. **Why didn't we get more notice or get asked our opinion about this change?** The Board is the Plan Sponsor for this product and has the fiduciary responsibility to ensure its effectiveness and competitiveness. While it is employee money that is invested, the plan falls to the responsibility of the

Board of County Commissioners and until the Board approved the agreements, it would have been preemptive to provide detail to employees.

23. **You contributed lower performing fund line ups as one of the reasons for the change. I currently have many funds to choose from and I am getting good returns. Shouldn't employees have the freedom to make their own good or bad choices?** Manatee County, as Plan Fiduciaries, are responsible for ensuring that we offer high quality funds that are continuously monitored and a fee structure that is reasonable and equitable. When allowing high, non-transparent fees, and low performing funds, we are putting the 457 plan and everyone's money at risk. Additionally, the County recognizes that not everyone has a high level of confidence in investing for retirement and we have a desire to ensure that we do our best to help our employees have access to only high-quality funds to help improve their ability to invest for retirement.
24. **I don't want advisors selecting things for me. Do I still have the option to pick my own funds from the full range?** Yes. Your funds will be mapped to similar funds that you are investing in currently (large cap fund to large cap fund; international fund to international fund) and you will be notified of where they are mapping to. Once your account is set up, you can go online and move your money around to any of the available funds.
25. **I have an IRA rolled into my 457 account. Will the IRA portion roll over, as well?** Yes, your entire 457 account with Manatee County, including your IRA rollover funds, will roll over to Voya.
26. **What is our current cost and what will be the "generally significantly lower cost" once the change has taken place?** There are an enormous amount of funds and we have aggregate numbers from our independent third-party consultant, Montgomery Retirement Plan Advisors, regarding the differences in fees. Overall, our consultant is reflecting an approximate 71% decrease in investment fees and an approximate 47% reduction in record keeping fees across all 4 record keepers. Your individual fees and savings are based upon the current funds you are invested in and vary with each employee.

457(b) Deferred Compensation Plan Improvements - Board Employees



Exciting enhancement in 457(b) Plan Provider for Board Employees participating in a 457(b) Deferred Compensation Plan

SUMMARY:

We are changing to a single 457(b) Plan Provider, Voya Financial®, during 2019. **This change will offer more enhanced services and extensive on-site support at a generally significantly lower cost to our employees, which means more of your money will go toward your retirement savings.** This change means we will be ending the existing contracts with all our current 457(b) Plan Providers (Nationwide, Fidelity, MassMutual, and ICMA-RC) in 2019 once the installment of Voya Financial® is complete. You will retain your account with your current 457(b) Plan Provider until the transition date (projected for July 2019), at which point your account will be automatically transferred to Voya Financial®. **You do not need to do anything.** The transition to Voya Financial® is a very detailed process, but we and Voya Financial® will be communicating to our plan participants throughout this process. We are excited to be moving in this direction because it will create better opportunities for you as you ***“Pay Yourself First”*** and plan for your retirement.

BACKGROUND:

- The Board currently has four 457(b) plan providers (Fidelity, MassMutual, Nationwide, and ICMA-RC), that employees can choose to invest with. **The Board has a fiduciary responsibility to ensure that the plan(s) we offer our employees is/are highly effective, equitable and transparent.**
- EHB sought the help of an independent retirement plan consultant, Montgomery Retirement Plan Advisors, to review the plans’ investments, costs, and employee services currently being provided by the four plan providers. What we found was the following:
 - Lack of transparent fees for employees and variance of fees across providers and funds.
 - Less than desired onsite service support for employees from providers.
 - Lower performing fund line ups for employees to invest.
 - Need for marketing enhancements to help employees with investments.
- Based on our initial research and recommendation from our independent consultant, **we found that offering a single high-quality 457(b) plan provider would significantly lower costs for employees and enhance communications and on-site employee services.** We’ve learned that the national trend among other cities and counties is overwhelmingly toward hiring just one 457(b) plan provider for these reasons.
- We then conducted a Request for Proposal (RFP) to identify a single 457(b) plan provider and received nine competitive responses. All nine responders proposed offering significantly lower costs and extensive on-site employee services if they were selected to be the sole 457(b) plan provider.
- The RFP selection committee conducted in-person interviews with three finalists and selected **Voya Financial®** as our new plan provider.

EXPECTED RESULTS:

- Key benefits the new single 457(b) Plan Provider will provide include:
 - Significant fee-related cost savings for plan participants.

- Highly-rated investment funds selected from well-known mutual fund families such as, but not limited to, Fidelity, Vanguard, T. Rowe Price, and American Funds.
- Ongoing selection and monitoring of the investments by Montgomery Retirement Plan Advisors to ensure that employees are only offered carefully screened and high performing investment funds.
- Regular on-site employee support and financial training from Voya Financial® 457(b) representatives.

NEXT STEPS:

- The transition to Voya Financial® is a complex process, but we expect the transition to occur in July 2019. We will communicate with you about specific dates as we get closer to the transition.
- **Over the next few months you will receive a series of updates and Voya Financial® information, and you will be invited to attend employee meetings to learn about the new program. In the meantime, your 457(b) account remains the same. There is no action needed at this time.**
- **Transition of Accounts:**
 - No accounts or payroll contributions will be directed to Voya Financial® until the effective transition date, which is expected in mid-July. Your account will stay with your current provider (Fidelity, MassMutual, Nationwide, or ICMA-RC) until that time.
 - There will be a period of approximately 1 week where fund changes cannot happen on the current platforms, entitled “blackout period”, while the vendors are transferring the funds and account allocations. **We will communicate that with you ahead of time.**
 - Your current 457(b) account will automatically transfer to Voya Financial® on the established transition date. However, before this happens, you will have the opportunity to meet with Voya Financial® representatives to learn more about the product offering and how to access your personalized investment dashboards.
 - **Your current investments will be mapped and transferred to similar funds offered in the new Voya Financial® fund menu (e.g. current bond fund to new bond fund) or to a suitable alternative if no similar fund is available.** You will receive detailed information from Voya regarding this mapping process prior to the funds moving to Voya.

This is an exciting next step for our employees investing in their retirement and we encourage you to reach out to us at Employee Health Benefits with any questions.

