



Sample Search Vendor Summary Report

A Xerox Company

buckconsultants

Background

Client seeks to retain a firm to handle defined contribution administration/recordkeeping related to one 403(b) plan covering 1700 eligible employees and a small 457(b) plan with two accounts and 2 current participants. It is Client's intention that the new administrator be chosen by early May 2010 and be ready to "go live" by January 1, 2011.

Client currently relies on Diversified and American Funds for its 403(b) plan. Diversified's 403(b) services are structured under a group contract; American Funds are structured as individual contracts. The plan investments offered with Diversified are comprised of an array of the Transamerica Partners and Transamerica Asset Allocation investment options and include a Schwab Personal Choice Retirement Account.

Client is seeking to structure their administration through one provider going forward to streamline operations and administration. In addition, a thorough review of the services provided in the market place today is warranted to ensure participants are paying the lowest cost possible for the services delivered and that Client is partnering with a best in class organization. Further, the Plan Committee is focused on ensuring that they understand the total cost of recordkeeping and administrative services and, separately, the amounts paid to fund these costs. The Plan Committee has engaged Buck Consultants and BilkeyKatz Investment Consultants to assist them in these efforts.

DC Plan Demographics and Features

QUALIFIED DEFINED CONTRIBUTION PLAN SUMMARY New Plan Features effective January 1, 2011	
PLAN FEATURE	SAVINGS PLAN
Number of Eligible Participants	1700 (includes 573 Union Employees)
Actively contributing	Diversified 340 American Funds 74 Intend to implement automatic enrollment for non union new hires 2011 (non safe harbor)
Number of Account Balances	Diversified 588 American Funds 90
Eligibility Period	Immediate participation
Pay Frequency	Bi-weekly
Pre-Tax Contributions	Statutory limits both dollar and percentage option
Pre-Tax Catch-Up	Available
Rollovers	Allowed
Non Elective Employer Contribution	Annual contribution 2% of plan eligible wages
Company Match	50% on first 6%
Company Retirement	Normal Retirement Age 65; Early Retirement Age 55

DC Plan Demographics and Features (continued)

QUALIFIED DEFINED CONTRIBUTION PLAN SUMMARY New Plan Features effective January 1, 2011	
PLAN FEATURE	SAVINGS PLAN
Termination	Lump sums Installments monthly, quarterly, and annual installments desired Balances <= \$1,000 to be distributed after 30 days notice
Vesting: Company Retirement	Immediate
Forfeitures	N/A
Investments	Transamerica through Diversified and American Funds
Loans	Permitted in Diversified and restricted to employee pre-tax and after-tax contributions and rollovers. Limited to one general purpose loan.
In-Service Withdrawals	Age 59 ½, After-tax and Hardship Withdrawals
Payroll Processing	Client provides the plan recordkeeper a bi-weekly transmission of all employee contributions, employer contributions and loan deductions for all employees.
Plan Transfers	Permitted – may change prospectively
Non Qualified 457(b)	Diversified 2 Accounts 2 Participants actively contributing

Organizational Overview

	Principal	VALIC	Diversified	Mass Mutual
Years in Retirement Business	65 years	54 years	57 years	Over 60 Years
Tenure of team	15 yrs Client Srvs Mgr 6 yrs Client Srvs Assoc	28 yrs. Relationship Mgr	On average 10 yrs Turnover 7.5% past 3 yrs.	Turnover in Retirement Services is 8%
Average client duration	9 years	14 years	10 years	10 years
Number of clients assigned to a team	10 to 15	10 to 15	15 to 20 16 current client assignments to team leader	30 – 35 average for Account Manager
Total value of recordkeeping assets	\$86B	\$61B	\$37.4B	\$44B
Total number of participants in all DC plans	2.2M	2.1M	1.3M	Over 1M
Number of 403(b) Plans	1,365 68.4% < 100 ptps	19,466 86.7% < 100 ptps	877 55.3% < 100 ptps	107 43% < 100 ptps
Representative requirements	100% are Series 6 licensed	On-site financial advisors Series 6 or 7 and 63 licensed	All CCCR are Series 6 licensed	All CRS are Series 6 licensed

Service Standards

	Principal	VALIC	Diversified	Mass Mutual
Contributions	Same business day if received before 3 pm CT	Same business day	Within 24 hours of receipt of data	Same business day if received before 4:00 pm ET
Investment Transfers Rearrange Balances	Same business day if received before 3 pm CT	Same business day if received before 4 pm ET	Same business day	Same business day if received before 4 pm ET
Sponsor and Participant Reports	Sponsor reports Transmitted electronically to Sponsor site based on Clients needs 4 – 7 days upon receipt of all necessary information	Ptp statement mailed 10 business days after quarter end, available online 24/7 10 days for customized sponsor requests	Ptp statements 5 business days	Ptp statements mailed 10 business days after quarter end, available online 24/7 for any time period up to 2 years
Distributions	One day via web 5 days via form request	3 days via form	Same day upon receipt of completed forms	Forms only 5 days
Loans	One day via web 5 days via form request	3 days via form	Same day	Didn't answer question correctly
Participant Service Center	RS Mon – Fri 8 am – 10 pm ET	CS Mon-Fri 7 am – 8 pm CT RECS Mon-Fri 7 am – 7 pm Sat 9 am – 6 pm	CCCR Mon-Fri 8 am to 9 pm	CSR Mon-Fri 8:00 am to 8:00 pm ET
Transaction Confirmations	Next business day following effective date of transaction	Web site is immediate, written confirmation two business days	Next business day for transfers and plan changes, mailed with check for loans/distributions	Didn't answer question correctly

Recordkeeping and Administration Features

	Principal	VALIC	Diversified	Mass Mutual
Reallocation by percent and dollar	Yes	Yes	Yes	No, percent only
View balances in multiple plans	Yes using Total Retirement View	Yes using VALIC Online and also can be reported on ptp statements	Yes if recordkept on Diversified's RK system	Yes for assets recordkept at Mass Mutual
Provide consolidated participant statement	Yes for assets recordkept at Principal	Yes for data in all plans [unclear in sample statement if multiple plans]		Yes for assets recordkept at Mass Mutual
QDRO Processing	Client responsible for qualifying the order	Can assist in qualifying the order	Can assist in qualifying the order	Can assist in qualifying the order
Beneficiary designation	On line available Forms if signature required	Yes by form; future enhancement will expand to on-line	On line available Customer Contact Center Forms if approved by Plan Sponsor	On line available If spousal consent required, transaction is suspended until signature is received
Provide administration manual	N/A	Yes	Yes	Yes
Signature ready 5500	No; however they provide reporting and assistance to auditors	Yes	Yes they will continue to provide this service to Client	Yes
Compliance and regulatory services	Client TPA required for testing, limit monitoring, and applicable corrections plan documents, SPD	Annual ACP test, limit monitoring annually	ACP testing 2x per year, limit monitoring during the year 402(g) and annually 415, offers prototype plan & individually designed	ACP testing 2x per year, limits monitoring at year end, offers prototype plan

Participant Support

	Principal	VALIC	Diversified	Mass Mutual
Enrollment*	Form, VRU, Online	Online, VRU, Financial Advisor	Online, VRU [doesn't specifically note forms]	Online, VRU, e4
Customized communications	Current services offered are considered customized	Available if needed \$75 per hour plus printing and shipping costs	Current services offered are considered customized	Available fees determined on a case by case basis
Planning tools	1. RetireView Ibbotson	2. Financial Planning Center	3. Diversified Direct and Retire Track	4. Express Solution
One on one	Representatives available in local office for one on one meetings	Through financial advisors [see proposed calendars in response for on site visits]		
Advice Provider	Principal Managed Account Program Addition fee	Guided Portfolio Services Additional Fee	Diversified Managed Account Additional fee	Morning Star Advice Online Additional fee
Email inquiries	Yes and responses are handled immediately; those that require research are typically handled within 24 hrs	Yes and responses are typically provided within 24 hrs	Yes and responses are typically provided within 24 hrs	Yes 24-48 hrs to respond Question
E-delivery Statements	Not provided in response	Available if ptp elects	Available if ptp elects	Available later in 2010

1. Helps educate and guide ptps to make investment choices that align with their individual goals
2. Financial planning courses, life events planning tools, customized analysis of ptps current financial situation
3. Helps employees analyze their current situation and make decisions to improve their strategy
4. Nine question risk-based questionnaire. Tool 'scores' ptps into one of five model portfolios and allocate assets accordingly.

* For those employees not automatically enrolled in the plan or who have declined initial auto enrollment.

Systems and Operations

	Principal	VALIC	Diversified	Mass Mutual
Platform	IBM CPU developed and maintained internally	V-System developed and maintained internally	DB2 Diversified owns and maintains the system internally	HP-UX developed and maintained internally
Back up	Application sub-system information and data is backed-up daily off-site. Backup copies of software and data are maintained onsite and a secure office in an alternate location	Full backups weekly; differential backups daily. Backup files maintained one on site one off site	Daily back ups are sent off site	Full backups daily. Backup files maintained one on site, one at a secured third party location, one in an underground vault
History maintained online	Active participant transaction details are kept for 10 years	Two years	All current and historic financial transactions available online	All current and historic financial transactions available online
Auditor	Annual audit Ernst & Young	Annual audit Ernst & Young	Annual audit Ernst & Young	Annual audit KPMG
Trust/Custody	Principal Trust Company Directed Trust Services	AIG Federal Savings Bank	State Street Bank and Trust Company	State Street Bank and Trust Company

Principal Noteworthy Items

- Willing to put fees at risk if performance standards are not met
- Rely on TPA to assist in hardship withdrawals if all assets not record kept by Principal
- RMD processed by request
- Recommended plan features and options
 - Ability to recordkeep accrued benefits and apply alternate forms of benefits to all or part of the benefit
- Conduct monthly audits to assess the quality of data entry. Three step review process of select information review
- Clients with outside contracts must approve each loan
- Certain loan, distributions and withdrawal transactions may not be available via the ptps web site or IVR
- Sales and Account Executive Director located in Pittsburgh
- Percentage of participant calls requiring follow up 6.5%

VALIC Noteworthy Items

- Willing to put fees at risk if performance standards are not met (provided detailed service benchmark)
- VALIC Financial Advisors provides all enrollment, communication and educational services
- Use SPARK Institute Best Practices for 403(b) Information Sharing
- VALIC will provide all plan operation and administrative services to Client, including coordination with American Funds
- Complete processing of RMDs including employee notification
- Recommended plan features or options
 - Customized fund line up
 - Comprehensive employee communication and education
- Trading restrictions
 - Transfers/exchanges/redemptions greater than \$5000 are permitted every 30 calendar days.
 - Does not apply to plan transfers, contributions, loans/withdrawals, and automatic rebalancing
- Percentage of calls requiring follow up 1%
- Records and transactions are subject to scheduled audits by internal auditors

Diversified Noteworthy Items

- Willing to put fees at risk if performance standards are not met maximum \$5K
- 403(b) Ready Aggregator Website tool is used to administer the plan in a compliant fashion for hardship and loan requests and fully outsource this function. Ptp required to transfer assets to Diversified to complete the transaction.
- Recordkeeping and admin services are closely monitored by an Audit Department that reports issues to parent company AEGON USA
- Use SPARK Institute Best Practices for 403(b) Information Sharing
- Complete processing of RMDs including employee notification
- Recommended plan features or options
 - Enhanced investment fund lineup
 - Customized communication program
- Percentage of calls requiring follow up 3%

Mass Mutual Noteworthy Items

- Will make participant whole by crediting lost earnings for missed deadlines
- Push e-mail capability notifies sponsor of data errors
- Process RMDs through Automated Services
- Trading restrictions
 - International fund for 30 days following a purchase/sale transaction
- Percentage of participant calls requiring follow up <1%
- Provided a plan design analysis covering the key features in the plan
- e4 interactive handheld device customized with ptp information, used in enrollment and educational seminars

Vendor Fee Schedules

Category	Fee Basis	Principal	VALIC	Diversified	Mass Mutual
Recordkeeping Fees – Thrift Plan	1,700 Ptps / \$12.5MM	One time set up fee waived .15% of assets PPPY plus revenue share	.54% of assets PPPY less revenue share	.76% of assets PPPY less revenue share	Quoted \$0.00 Expect to receive 41 bps from suggested investment lineup
Recordkeeping Fees – Non-Qualified Plan	2 Ptps / \$50K	\$500 Set up \$1,500 Annual \$50 PPPY ¹	Did not provide	Included	\$2,850 Annual fee
Benefits Disbursement	20 (est)	Included	Included	Included	\$40 per event
Loan Set Up and Annual Maintenance	12 50	\$40 Set up \$61 if CCC \$32 Annual Maintenance	\$50 Set up \$30 Annual Maintenance	\$75 Set up	\$125 Set up
Educational Meetings	Per Year	Included	Included	Included	Included
DRO Determination	5 Per Year	Included	Included	Included	\$350
Brokerage Accts	5 Ptps	Fee not provided	\$50 PPPY	Fee not provided	\$100 PPPY with account
Managed Accounts [highest bps provided]		Asset based fee not provided	Portfolio Advisor ('PA') \$25 PY Guided PA 0.60%	Additional fees apply, fees not provided	\$10

Service Contract Terms

Principal	VALIC	Diversified	Mass Mutual
Guaranteed for 3 deposit years	5 year contract	3 year contract; fees reviewed 12 mths following implementation	3 year contract
Contract terms valid for 120 days		Contract terms valid for 90 days	Contract terms expires June 24, 2010
13 meeting days yr 1 4 days thereafter	Comprehensive communications calendar provided	8 meetings annually Location must have a minimum of 25 ptps	Meeting mentioned but TBD with Client Location must have a minimum of 25 ptps
<ul style="list-style-type: none"> •If there is a greater than 25% change in the number of ptps, fees may be recalculated for the remainder of the deposit year •Does not factor in cost for TPA assistance. 	<ul style="list-style-type: none"> •If there is a greater than 20% increase/decrease in the number of ptps, a review of plan charges may be in order •Did not provide fees for Non Qualified Plan administration 	<ul style="list-style-type: none"> •Fee includes a prototype plan document; initial drafting no charge 	<ul style="list-style-type: none"> •\$200 if hardship approval is outsourced to Mass Mutual •\$40 distribution fee includes refunds of excess contributions from ACP testing failures •If there is a greater than 20% increase/decrease in the number of ptps, a review of plan charges may be in order •Recommend the use of their prototype document to minimize out of scope fees