



OFFICE OF THE ILLINOIS STATE TREASURER
MICHAEL W. FRERICHS

on behalf of the
Illinois Secure Choice Savings Board

**REQUEST FOR INFORMATION
RETIREMENT SAVINGS ARRANGEMENT
CLEARINGHOUSE
370-200-19-010**

September 4, 2018

Responses due by 2:00 p.m. CT on September 24, 2018

Mr. Jim Underwood
Chief Procurement Officer
400 West Monroe Street, Suite 401
Springfield, IL 62704

**Office of the Illinois State Treasurer
on behalf of the Illinois Secure Choice Savings Board
Retirement Savings Arrangement Clearinghouse
370-200-19-010**

TABLE OF CONTENTS

I. <u>INTRODUCTION</u>	3
II. <u>BACKGROUND</u>	3
III. <u>RFI PROCESS AND SCHEDULE</u>	4
IV. <u>QUESTIONS</u>	Error! Bookmark not defined.

I. INTRODUCTION

The Office of the Illinois State Treasurer (“Treasurer’s Office”) is issuing this Request for Information (“RFI”) to assist the Treasurer’s Office and the Illinois Secure Choice Savings Board (“Board”) in determining whether there is sufficient interest by private sector vendors to participate in and furnish the funding necessary to establish and maintain a Retirement Savings Arrangement Clearinghouse (“Clearinghouse”). The Clearinghouse would be designed to perform the following functions: (1) assist Illinois employers in identifying private sector providers of retirement arrangements who elect to register with the Clearinghouse (“Providers”), and (2) serve as an alternative to participation in the Secure Choice Savings Program (“Secure Choice”) if adopted by an employer. The Clearinghouse would be established and maintained by the Board, which would prescreen and approve all retirement savings arrangements presented on the Clearinghouse. The actual cost of maintaining the vendor registration system and Clearinghouse, and the costs associated with publicizing the availability of the Clearinghouse to eligible employers, would need to be borne equally by Providers, based on the total number of Providers.

Retirement savings arrangement vendors responding to this RFI (“Respondents”) must submit their responses to this RFI (“Responses”) by 2:00 p.m. CT on September 24, 2018. The Treasurer’s Office intends to work with its Chief Procurement Officer (“CPO”) to utilize the information collected through this RFI to determine if sufficient private sector interest exists to fund, participate and provide all advertising for the Clearinghouse.

II. BACKGROUND

This Section provides background on Secure Choice and the Board.

A. Secure Choice

On January 5, 2015, the Illinois Secure Choice Savings Program Act, 820 ILCS 80/1 et seq., (“Act”) was signed into law. Secure Choice is a retirement savings initiative that applies to all employers that have been operating in Illinois for at least two (2) years, have at least 25 employees, and do not offer a qualified retirement savings option (“Employer”). If Employers do not provide a retirement savings program to their employees (“Employee”), they will automatically enroll their Employees into Secure Choice. Employees may opt-out of Secure Choice entirely. Those Employees who do not opt-out (“Participant”) will be enrolled into a default target date Roth IRA with a default 5% payroll deduction but can change their fund option or contribution amount at any time. Accounts will be owned by Participants and be portable. The total fees for the administration of Secure Choice cannot exceed 0.75% of the Participant’s account.

B. Board

The Act creates a seven-person Board, responsible for implementing and overseeing the management of Secure Choice, with the Illinois State Treasurer designated as the Chair. Specific responsibilities of the Board are delineated in Section 30 of the Act, 820 ILCS 80/30. The Treasurer serves as the administrative agency for the Board, vested with authority over the Illinois Secure

Choice Administrative Fund. The Treasurer’s Office provides administrative, legal, and programmatic assistance to the Board.

C. Retirement Savings Arrangement Clearinghouse

The Clearinghouse would be a state-established and maintained virtual marketplace that would enable Illinois employers to find retirement savings or pension plans. The marketplace could display a diverse array of plans – including SIMPLE and SEP IRAs, open MEPs, and potentially even 401(k) plans and defined benefit (DB) plans – offered by different Providers that would need to register, and on a pro-rata basis, bear equally the actual total cost of establishing, maintaining and advertising the Retirement Savings Arrangement Marketplace. Retirement arrangements would be pre-screened, ensuring that the options presented to employers meet certain standards (e.g. fees) and provide unbiased information about retirement plan options. The Clearinghouse merely lists plan options, meaning the State is not considered a plan sponsor and would not take on any of the employer’s legal or administrative responsibilities. Registration would be offered to vendors once annually, and renewal of registration would be required at least once every five years after the initial registration for Providers that wish to continue to participate in the Clearinghouse. The Board would provide public notice prior to the initial registration, annual registration, and registration renewal periods.

III. RFI PROCESS AND SCHEDULE

This Section outlines the process and schedule associated with this RFI.

A. Schedule

The following is the schedule for this RFI:

Date	Event
September 4, 2018	RFI published on the Treasurer’s Office website
September 10, 2018	Notice of intent to participate in the Optional Respondent Tele-Conference due by 2:00 p.m. CT.
September 11, 2018	Optional Respondent Tele-Conference at 2:00 pm CT.
September 13, 2018	All Respondent questions due by 5:00 p.m. CT.
September 18, 2018	Responses to all questions posted on the Treasurer’s Office website by 5:00 p.m. CT.
September 24, 2018	Responses to the RFI due at 2:00 p.m. CT.

These dates are subject to change at the CPO’s discretion.

B. Contact information

The CPO is the sole point of contact concerning this RFI.

Respondents should submit questions about the intent or content of this RFI and request clarification of any and all procedures used for this RFI prior to the submission of a response. Respondents must submit their questions in writing by e-mail to the CPO by 5:00 p.m. CT on September 13, 2018: junderwood@illinoistreasurer.gov.

C. Respondent Teleconference

Each Respondent must e-mail notice of intent to attend the Respondent Teleconference to Jim Underwood at junderwood@illinoistreasurer.gov prior to 2:00 p.m. CT on September 10, 2018. Attendance at the Respondent Teleconference is optional. The Respondent Teleconference shall be on September 11, 2018 at 2:00 p.m. CT. Teleconference details will be emailed after notice of intent to participate has been received.

D. Response Submittal

All Responses to the RFI must be submitted by either e-mail, mail, or messenger to the following Chief Procurement Officer Jim Underwood, no later than 2:00 p.m. CT on September 24, 2018:

E-mail: junderwood@illinoistreasurer.gov

Address: Mr. Jim Underwood
Chief Procurement Officer
Office of the Illinois State Treasurer
400 West Monroe Street, Suite 401
Springfield, IL 62704

Responses should include answers to the questions in Section IV of this RFI, along with any other information the Respondent deems appropriate for inclusion.

E. RFI Process

1. Questions about this RFI

Respondents must submit questions about the intent or content of this RFI and request clarification of any and all procedures used for this RFI prior to the submission of a Response. Respondents must prepare their questions in writing and send them by e-mail to the above contact person by the deadline for questions listed above.

2. Internet/E-mail Communications

The Treasurer's Office may also communicate with Respondents via e-mail. Each Respondent should provide an e-mail address with its response for ease of communication throughout this RFI process.

3. Verbal Communications

Any verbal communication from the Treasurer's Office, the Board, or its contractors concerning this RFI is not binding on the Treasurer's Office or the Board and shall in no way alter of the terms of this RFI.

4. Amendment

If it is necessary to amend this RFI, the Treasurer's Office will post amendments on the Treasurer's Office website:

http://www.illinoistreasurer.gov/Office_of_the_Treasurer/Procurement/Procurement_Opportunities

5. Respondent's Costs

The cost of developing a Response is each Respondent's responsibility and may not be charged to the Treasurer's Office or the Board.

6. Withdrawal of Response

A Respondent may withdraw its Response at any time prior to the deadline for receipt of Responses. The Respondent must submit a written withdrawal request, addressed to the CPO and signed by the Respondent's duly authorized representative.

7. Modification of Response

A Respondent may submit an amended Response before the deadline for receipt of Response. Such amended Response must be a complete replacement for the previously submitted Response and must be clearly identified as such in the transmittal letter to the CPO.

8. Response to RFI is State Property

On the response due date, all responses and related material submitted in response to this RFI become the property of the State of Illinois.

9. CPO May Cancel the RFI

If the CPO determines it is in the Treasurer's Office best interest, he reserves the right cancel or modify the RFI.

IV. RESPONSE

A. Response Format

All Responses should focus on clarity and completeness of response. Responses must be submitted in a document or envelope bearing the title "Request for Information Retirement Savings Arrangement Clearinghouse 370-200-19-010."

B. Questions to be Addressed in the Response

The Respondent must answer the following questions:

1. The actual cost of establishing the vendor registration system and the Clearinghouse would be borne equally by Providers, based on the total number of Providers. Each Provider would pay a one-time establishment fee equal to a pro rata share of the establishment costs charged to Providers that register prior to a specified date, as determined by the Board. Provide an estimate of what Respondent would be willing to pay for the initial establishment of the registration system for Providers and the Clearinghouse given the hypothetical scenarios of total number of Providers below (including Respondent):

Total Number of Providers: 1 \$_____

Total Number of Providers: 2-5 \$_____

Total Number of Providers: 6-10 \$_____

Total Number of Providers: 10-15 \$_____

Total Number of Providers: 15+ \$_____

2. The actual cost of maintaining the Providers registration system and the Clearinghouse, and the costs associated with publicizing the availability of the Clearinghouse to eligible employers, would be borne equally by Providers, based on the total number of Providers. Each Provider would pay a renewal fee equal to a pro rata share of the maintenance costs, as determined by the Board. Provide an estimate of what Respondent would be willing to pay for annual maintenance and advertising given the hypothetical number of Providers below (including Respondent):

Total Number of Providers: 1 \$_____

Total Number of Providers: 2-5 \$_____

Total Number of Providers: 6-10 \$_____

Total Number of Providers: 10-15 \$_____

Total Number of Providers: 15+ \$_____

3. Each Provider would pay an administrative fee for each retirement investment product it offers to employers on the Clearinghouse, which shall represent the actual costs associated with processing the information related to the investment option and presenting it on the Clearinghouse, as determined by the Board. Provide an estimate of

- what Respondent would be willing to pay as an administrative fee for each retirement investment product sold to employers.
4. Would Respondent be willing to submit a response if an RFP is issued for the Clearinghouse? (Answer a. and b. below only if your answer to question 4 is yes).
 - a. If the answer to 4 is yes, provide a thorough description of the types of retirement savings arrangements Respondent anticipates offering on the Clearinghouse.
 - b. If the answer to 4 is yes, provide an overview of the ability, experience, and commitment of Respondent to provide retirement counseling and education services, including, but not limited to, access to group meetings and individual counseling by various means, including telephone and telecommunications devices for the deaf (TDD), Internet, and face-to-face consultations by registered representatives.
 5. To allow Illinois employers to make an apples-to-apples comparison among the different retirement savings arrangements that would be offered on the Clearinghouse and Secure Choice, would Respondent be willing to provide and break out the details of all-in total cost for employers and/or employees in terms of a total annualized asset based fee and have these costs displayed in comparison to both other savings arrangements offered on the Clearinghouse and Secure Choice?
 6. In order to effectively track the use and efficacy of the Clearinghouse, how would the Respondent recommend Providers track and report data to the Board, including but not limited to, the number of employers that accessed a plan via the Clearinghouse and the number of employees from each employer who enrolled in the plan. Would the Respondent be willing to provide, or recommend that the Board collect, any additional information?
 7. How would Respondent insure that your firm's savings arrangement details, costs and investment performance information were up-to-date and accurate on the Clearinghouse on an ongoing basis?
 8. Based on shifting consumer trends, what would be Respondent's approach to providing marketing materials, enrollment forms, and disclosures in languages other than English?
 9. What would be Respondent's recommended approach on marketing to employers of low-income and underrepresented populations?
 10. Please provide any additional information not requested above which Respondent deems important and relevant to this RFI.