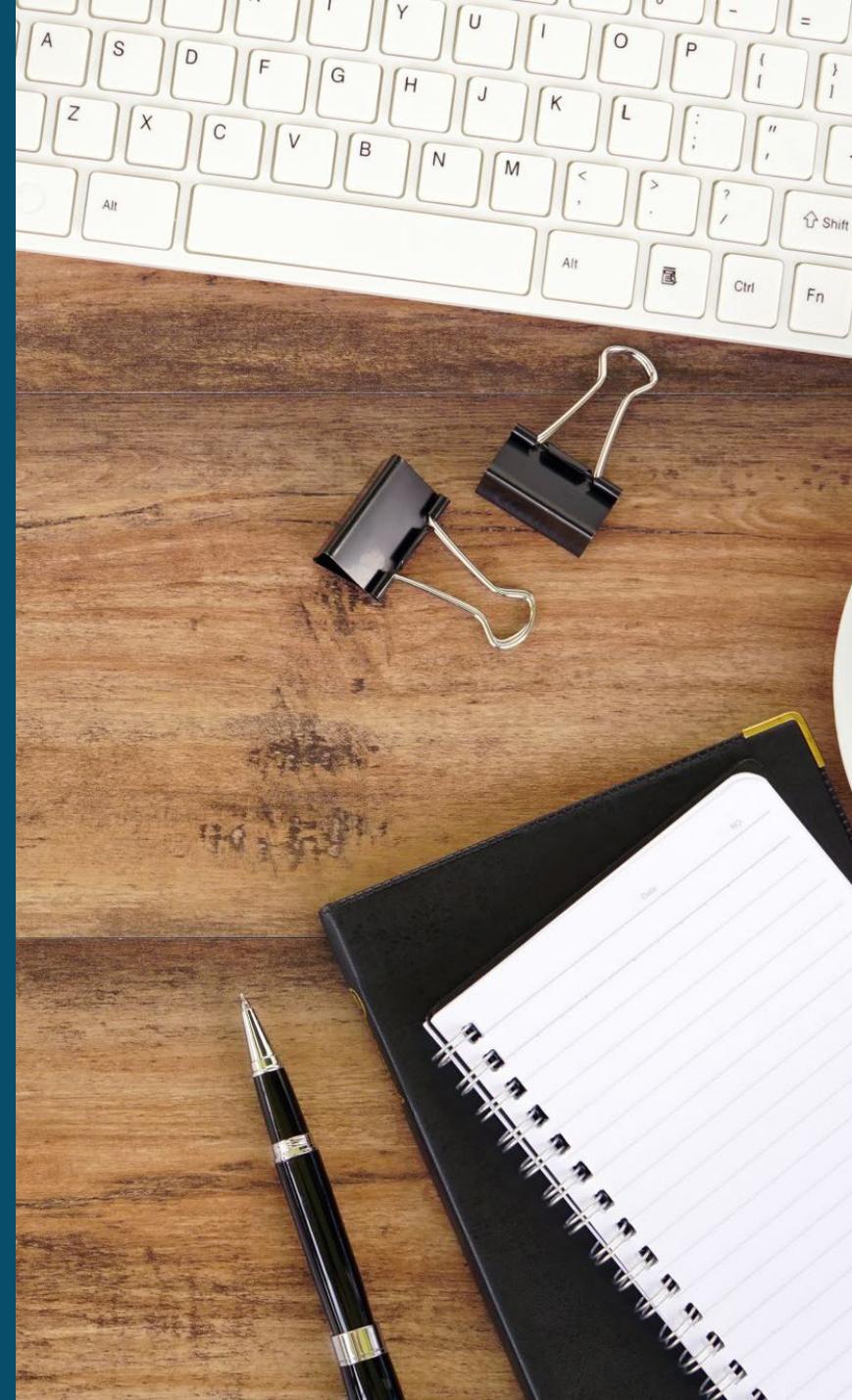


Council Work Session - 457(b) Recordkeeper RFP Scoring

Committee Recommendations

Jim Parrish - HR Director

September 2025



Current 457(b) Providers



- **Mission Square (formerly ICMA-RC)**

- Established plan in 1984
- 273 participants
- \$14.8 million plan assets

- **Nationwide**

- Established plan in 2008
- 325 participants
- \$22.7 million plan assets

A 457(b) deferred compensation plan is a tax-advantaged supplemental retirement savings plan that allows local government employees to defer income taxes on contributions. Enrollment is optional and is 100% employee funded.

457(b) Review Process



Consultant
brought on
to review
457(b) plan

Oct. 2023

- We wanted to ensure our 457(b) plans were following best practices.
- Mariner was brought in to review our providers and provide guidance on possible improvements and analyze our current plans.

457(b) Review Process



- **First ever 457(b) oversight committee formed by employees representing multiple departments.**
 - This oversight committee is a recommending body.
 - The City Manager then supports and recommends to City Council.
- **With consultant's help, we receive quarterly investment reports for the first time, revealing:**
 - Our fees are significantly higher than average open market fees.
 - Some investment options favored the provider over the individual.

457(b) Review Process



- Council adopts oversight committee's charter and investment policy statement.
- Acting by and through the City Council, using input and recommendations from the 457(b) Oversight Committee and/or the City Manager as appropriate
- Committee works to create custom investment menu that favors employees, not the provider.
- Committee defines performance metrics for our investments.

457(b) Review Process



Consultant brought on to review 457(b) plan

Oct. 2023



Employee oversight committee formed

Jan. 2024



Council adopted committee charter

Aug. 2024



RFP released for new 457(b) provider

Feb. 2025

457(b) Review Process



Consultant brought on to review 457(b) plan

Oct. 2023



Employee oversight committee formed

Jan. 2024



Council adopted committee charter

Aug. 2024



RFP released for new 457(b) provider
9 respondents

Feb. 2025



Conducted interviews with the 4 finalists

July 2025

New 457(b) Provider Recommendation: Voya



VOYA
FINANCIAL

Committee
recommends
new provider

Sep. 2025

- **Lower Fees**
 - Reduced from \$225,000 to \$12,000
- **Proven Results with Similar Cities**
 - Voya has successfully transitioned: 72 plans from Mission Square and 491 plans from Nationwide
- **Better Value for Employees**
 - Lower fees and higher projected balances over time
- **Stronger Fiduciary Protections**
 - Supports fiduciary stewardship by minimizing participant-paid costs
 - Transparent reporting, enhanced oversight
- **Innovative Participant Experience**
 - User friendly tools, tailored education programs
- **Dedicated Service Team**
 - Provide ongoing employee support and education

RFP Finalists & Scoring

	Total	Cost	Firm Experience / Qualifications / Proposed Service Team	Plan Sponsor Services / Participant Services,	Recordkeeping & Administration Systems	Transition/Implementation	A - RFP Phase Two: Interview (if desired)
Supplier	/ 125 pts	/ 30 pts	/ 20 pts	/ 20 pts	/ 20 pts	/ 10 pts	/ 25 pts
Voya Retirement Insurance and Annuity Company	104.72	25	16.89	16.56	14.22	8.222	23.83
Nationwide	102.06	30	16.56	15.78	17.44	8.444	13.83
Empower	101.72	25	16.22	16.22	16.67	8.444	19.17
MissionSquare Retirement	92.39	25	17.28	16.44	14.56	8.111	11

Financial Impact & Member Experience



Lower Fees

- Plan fees drop from \$225,000 to \$12,000 per year
- Savings go back to plan participants



Investments

- No more steerage to the provider's proprietary funds
- Access to the highly ranked funds across the market
- Lower-cost, historically better-performing investment options
- Self-directed investing available



Simpler Experience

- No more choosing between two vendors
- One provider with better education, tools, and support

Recommendation & Council Action

Tonight, on the regular session consent agenda, you will have an item to award the RFP to Voya for 457(b) Recordkeeping services.

- Oversight Committee and Mariner recommend Voya as sole recordkeeper
- Consolidation results in:
 - **~94% reduction** in plan administrative fees
 - Improved participant experience and access to investment tools and education
 - Stronger governance and reduced fiduciary risk
- This change represents a prudent and proactive step in managing our retirement plan

Thank you.

Appendix

Transition to Voya

Transition Begins

Accounts will be automatically transferred to Voya

Oct. 2025

Transition & Mapping Phase

Current investments will be mapped to new investment options

Oct.-Nov. 2025

Transition Complete

Your money will be in the same or better funds with better fees

Dec. 2025

First Voya Contribution

Voya will support transitions every step of the way

Jan. 2026