



Department of Employee Trust Funds

P.O. Box 7931
Madison, WI 53707-7931

**Appendix 3
Program Agreement**

The Wisconsin Deferred Compensation Program (WDC) is one of the ten largest supplemental defined contribution retirement savings plans for public sector employees in the United States. It is available to all State and University of Wisconsin employees, as well as employees of local governments and school districts in Wisconsin that have elected to offer the WDC. The WDC provides eligible Employees with the opportunity to invest a portion of their annual earnings on a before or after-tax basis to supplement retirement income, provides ongoing financial education and services, and offers flexible distribution options.

The Wisconsin Department of Employee Trust Funds (Department) and the Deferred Compensation Board (Board) have statutory authority for administration and oversight of the WDC. The Board contracts with a third-party administrator (TPA) for a full range of services and functions related to the WDC, including marketing, customer service, recordkeeping and overall plan administration.

The WDC Program terms and conditions are governed by the following:

- [Wisconsin Statute § 40.80, 40.81, & 40.82](#) and WI Admin. Code ETF [Chapter 70](#).
- Wisconsin Plan and Trust document:
<https://etf.wi.gov/boards/deferredcompensation/plantrust/direct>
- Investment Policy Statement:
<https://etf.wi.gov/boards/deferredcompensation/13investpolicystatement/direct>
- Investment Option Selection and Reimbursements Policy:
<https://etf.wi.gov/boards/deferredcompensation/optionselectreimbursement/direct>

TABLE OF CONTENTS

TABLE OF CONTENTS	1
DEFINITIONS AND ACRONYMS	2
1 DISCLOSURES.....	3
2 RECORDKEEPING REQUIREMENTS	4
3 STAFF AND WISCONSIN PRESENCE	5
4 PARTICIPANT COMMUNICATION AND EDUCATION.....	6
5 ELECTRONIC INTERFACES.....	6
6 PARTICIPANT STATEMENTS.....	7
7 ACCOUNTING AND INVESTMENT FLEXIBILITY	7
8 EMPLOYER SERVICES	8
9 LEGAL AND ADMINISTRATIVE SERVICES.....	8
10 INVESTMENT PRODUCT EVALUATION AND MONITORING	9
11 RECORDS RETENTION.....	10
12 CONTRACTOR PERFORMANCE GUARANTEES	10
13 CONTRACTOR RESPONSIBILITIES UPON TERMINATION OR EXPIRATION.....	15
14 ADMINISTRATION RESPONSIBILITIES OF THE DEPARTMENT	16

DEFINITIONS AND ACRONYMS

Board means the Deferred Compensation Board.

Business Day means each Calendar Day except Saturday, Sunday, and official State of Wisconsin holidays.

Capital Preservation means an investment option where the primary goal is to preserve capital and prevent loss.

Calendar Day or Day means a period of twenty-four hours starting at midnight.

Calendar Year or Year means the time period from January 1 to December 31.

Contract means the written agreement resulting from the successful Proposal and subsequent negotiations that shall incorporate, among other things, this RFP and all Appendices, Addendums, and Forms, the successful Proposer's Proposal as accepted by the Department, an updated and executed Appendix 1 – Pro Forma Contract, its exhibits, subsequent amendments and other documents as agreed upon by the Department and the Contractor.

Contractor means the Proposer who is awarded a Contract from this RFP ETJ0061.

Department or ETF means the State of Wisconsin Department of Employee Trust Funds.

Eligible Beneficiaries has the meaning given in s. [40.02 \(8\)](#).

Employee means any person who receives earnings as payment for personal services rendered for the benefit of any employer including officers of the employer and is eligible to participate in the deferred compensation program

Equity Wash Provisions means contractual provisions in certain competing investment options (ex. a stable value option) that requires any transfer a Participant makes from the fund to a competing option to be first directed to any other investment option not designated as a competing option for a set period of time.

Investment Product means any insurance or annuity contract, bank or credit union account, mutual or money market fund, collective investment trust (CIT), or other type of investment vehicle.

Investment Provider means any company that manages and offers investments products.

Participant means an individual who is currently deferring compensation, or who has previously deferred compensation under the WDC by salary reduction and who has not received a distribution of his or her entire benefit under the WDC. Only individuals who perform services for the employer as an employee may defer compensation under the WDC. See WDC Plan and Trust Document.

Plan or Program means the State of Wisconsin Deferred Compensation Program created and regulated under Chapter 40 of the Wisconsin State Statutes.

Program Agreement means this document, RFP Appendix 3, the specific agreement that describes the Deferred Compensation Program offered to Employees.

Self-Directed Brokerage Account (SDBA) means an Investment Product that permits knowledgeable investors to invest in a range of mutual funds not found in the WDC core lineup.

Services means all work performed, labor, actions, recommendations, plans, research, and documentation provided by the Contractor necessary to fulfill that which the Contractor is

obligated to provide under the Contract as described in this document, Appendix 3 – Program Agreement and the Wisconsin Plan and Trust Document as may be amended and restated.

Short-term trading restrictions refers to timeframe limitations placed on “in-and-out” buying or selling of an investment product by an Investment Provider or as required by federal or state law.

WDC means the Wisconsin Deferred Compensation Program.

1 DISCLOSURES

The Contractor shall:

- 1.1 Accurately and fully disclose all fund expense and revenue sharing arrangements associated with all funds being offered by the WDC. Fixed or general account products will not be excluded from this requirement. Contractor must provide an accurate assessment of product expenses and revenue remitted to the Contractor.
- 1.2 Accurately and fully disclose all expenses and revenues associated with any service made available under the WDC. This includes services such as managed accounts, investment advice, financial planning and self-directed brokerage accounts.
- 1.3 Carry fiduciary insurance or errors and omissions insurance sufficient to cover any claims incurred by the WDC.
- 1.4 Carry cyber security insurance or errors and omissions insurance sufficient to cover any claims incurred by the WDC.
- 1.5 Make Participants whole at the Contractor's expense and not at the expense of the WDC or the Participants, if an error is the result of the Contractor.
- 1.6 Provide staff assistance to the WDC and perform tasks and schedule assistance in a mutually agreed upon manner.
- 1.7 Provide hardware and software necessary for staff to access the WDC's electronic records and ensure that its staff and Department staff are trained to use this system to obtain information on employees and employers participating in the WDC.
- 1.8 Assist in resolving system access issues for the Department and employers including, but not limited to password, authorization problems, slow response time and system downtime.
- 1.9 Share data and provide strategic coordination in developing an annual strategic plan with the Department and Board that outlines yearly goals and tactics to achieve those goals.
- 1.10 Perform other duties as agreed upon between the Contractor and the Department which are necessary for the efficient and effective operation of the WDC.
- 1.11 Furnish the Department with an annual report itemizing administrative costs (percentage of total and actual dollar amounts) incurred by the Contractor for marketing, processing transaction costs, forms/printing costs, etc. specifically for the WDC.
- 1.12 Maintain an administrative expense account to handle all expenses relating to the WDC. Revenues from Participant fees as well as the interest generated on the account are deposited into the administrative expense account. The recordkeeping of this administrative account is the responsibility of the Contractor.

The Contractor maintains this account and provides a monthly report to the Department detailing all generated revenues and expenses.

- 1.13 Make payments for WDC expenses from the administrative expense account by the Contractor as requested by the Department.
- 1.14 Ensure Contractor and none of its officers, agents or employees receive or handle any funds deferred by Participants under the WDC except as stated in the Contract.
- 1.15 Not establish any other public employee deferred compensation plan for any employing bodies that could also be included in the WDC, unless there is prior approval by the Department and an impartial comparison of the WDC to any other plan has first been presented. In the event that the Contractor administers "other" plans in Wisconsin, the Contractor shall provide detail of how many "other" plans are established and for existing "other" plans, the Contractor will furnish a report detailing the number enrolled and the amount deferred on an annual basis.
- 1.16 Notify the Board and Department in writing if the Contractor experiences a change in ownership or enters bankruptcy proceedings during the period prior to the award of a Contract pursuant to the RFP, or during the term of the Contract. The Board must be notified in writing at the time the event occurs or is identified. Willful failure to notify the Board upon receipt of an SEC Form 13g shall constitute cause for canceling the Contract. Failure to notify the Board of bankruptcy proceedings shall constitute cause for canceling the Contract. For the purpose of this section, "change of ownership" does not include a sale or transfer of Contractor's publicly held securities unless an individual partnership, corporation, associate group of investors or legal entity obtains an ownership interest of the Contractor in the amount of five percent (5%) or more.

2 RECORDKEEPING REQUIREMENTS

The Contractor shall:

- 2.1 Provide necessary recordkeeping functions and accounting procedures for the WDC.
- 2.2 Ensure Contractor's recordkeeping system is in compliance with all applicable local, State and federal statutes and regulations.
- 2.3 Properly receive, disburse, control and audit Participant accounts and ensure timeliness, accuracy and confidentiality of records.
- 2.4 Offer all the investment options utilized by the WDC on the Contractor's trading platform. See Wisconsin Deferred Compensation Program Fact Sheet <http://etf.wi.gov/publications/et8904.pdf> for the investment option list.
- 2.5 Maintain and provide secure online access to a system for Participants and employers participating in the WDC to view their information, request changes and complete transactions.
- 2.6 Maintain a system that contains, at a minimum, the following Participant Information:
 - (a) The full name, Social Security Number or member ID number, phone number, email and mailing address of each WDC Participant. Social Security numbers may be incorporated into the data file and may be used for identification purposes only and not disclosed or used for any other purpose. The Contractor must always keep a record of Social Security numbers for providing data and other reports to the Department or its

authorized contractors. Any costs incurred by the Department because of Contractor's failure to comply with this requirement shall be paid by Contractor.

- (b) The Participant's gender identification, date of birth, and date of hire.
 - (c) The Participant's employer(s).
 - (d) All Participant beneficiary designations.
 - (e) The type of contribution/deferral amounts selected by the Participant.
 - (f) The amount of each contribution/deferral selected by the Participant.
 - (g) The investment options to which the contributions were originally directed.
 - (h) The dates of any transactions or other updates.
 - (i) Other data as mutually agreed upon by the Contractor and the Department.
- 2.7 Maintain each employer's name, primary contact, email, phone number, address, and be capable of retrieving a list of Participants of that employer in the record keeping system.

3 STAFF AND WISCONSIN PRESENCE

The Contractor shall:

- 3.1 Designate a "state director" or plan manager who shall be available to the Department as needed to confer in person or by telephone regarding current questions on WDC operations, claims, and unusual problems. This individual will be based in Wisconsin and regularly attend meetings as determined by the Department. The Contractor shall abide by Section 27.0 Identification of Key Personnel and Personnel Changes of the Department Terms and Conditions – Appendix 2.
- 3.2 Agree that compensation or remuneration for the Contractor or the Contractor's staff will not be received from any State or local employees, the Department or Investment Providers for performing Services required or permitted under the Contract.
- 3.3 Agree that a salary-based compensation structure is required for all representatives allocated to the WDC; commission-based compensation or financial incentives to promote any Investment Products or services will not be permitted.
- 3.4 Agree that Contractor's sole compensation for performing the Services under the Contract shall be the monthly amount agreed to in the Contract. Any amounts paid by Investment Providers for reimbursement for recordkeeping services, material reimbursements, etc., will be totaled and reduce, dollar for dollar, the monthly disbursement to the Contractor from the WDC's administrative expense account.
- 3.5 Provide a customer service office dedicated to the WDC located in Madison, Wisconsin. The Contractor must agree to obtain Department approval prior to determining location (if an office in Madison has not already been established). The Contractor will be responsible for establishing its own local office, including any applicable rent. This office must provide service to Participants between 8:00 a.m. and 4:30 p.m. Central Standard Time (CST) every Business Day. This office must be staffed by employees working solely on the WDC/for the WDC (no other service offerings/sales).
- 3.6 Employ WDC representatives "field staff" across Wisconsin at a level to be mutually agreed upon by the Contractor and the Department prior to the beginning of the Contract.

These staff will report to the Contractor's state director or plan manager and represent only the WDC when meeting with Participants and employers.

4 PARTICIPANT COMMUNICATION AND EDUCATION

The Contractor shall:

- 4.1 Provide numerous education presentations in various formats (paper, electronic, in-person, virtual and online) as agreed upon by the Department and develop materials to support these presentations.
- 4.2 Submit drafts of all literature, forms, website, digital recordings, eLearnings, video presentations, etc. regarding the WDC to the Department for approval. All WDC literature and other written or visual aids prepared by the Contractor for use with the WDC shall at all times be the property of the Department, and the Contractor shall not obtain or reserve any proprietary or literary rights on its own with respect thereto and, upon request of the Board, shall execute any assignments necessary to release any such proprietary rights.
- 4.3 Be responsible for the cost of printing, labels and postage for the mailing of all WDC communications to Participants as may be required during the course of each plan year.
- 4.4 Conduct annual surveys with Participants, at the direction of the Department.
- 4.5 Contact all eligible Employees throughout Wisconsin annually and offer them an opportunity to elect participation in the WDC.
- 4.6 Work with the Department, other State agencies, and local Employers to communicate the benefits of the WDC through bulletins, brochures, benefit fairs, emails, websites, recorded presentations, live webinars and other appropriate channels.
- 4.7 Offer appropriate financial education for Participants, including personalized retirement planning services and investment guidance using methods listed in 4.2.
- 4.8 Offer online/electronic enrollment for Participants.
- 4.9 Not sell and/or promote any products not directly affiliated with the WDC unless given specific, written authorization by the Board to do so.

5 ELECTRONIC INTERFACES

The Contractor shall:

- 5.1 Provide a customized WDC Web site at the URL www.wdc457.org, available 24/7 and optimized for mobile devices.
- 5.2 Make a call center available M-F from 7 am to 9 pm, Central Standard Time (CST) and Saturdays between 8 am and 4:30 pm, CST, excluding holidays.
- 5.3 Provide an Integrated Voice Response (IVR) system available 24/7.
- 5.4 Provide a customized mobile app for the WDC throughout the term of the Contract, available 24/7. If Contractor does not currently offer a customized mobile app, Contractor must agree to develop and offer one and make available throughout the term of the Contract.

6 PARTICIPANT STATEMENTS

The Contractor shall:

- 6.1 Create and distribute a quarterly consolidated account statement to all Participants that provides detail on all cash flow (contributions, distributions and other transactions), fees and charges, personal rate of return, performance of all WDC Investment Products (monthly, quarterly, 1, 3, 5 and 10 year) and expense ratios, and indicate if the Participant is using the asset location service or a managed account service.
- 6.2 Include customized messages from the WDC in the quarterly consolidated statement distributed to all Participants.
- 6.3 Include individual Participants' defined benefit pension estimates as available from the Wisconsin Retirement System with the Participant's WDC account information during the term of the Contract.

7 ACCOUNTING AND INVESTMENT FLEXIBILITY

The Contractor shall:

- 7.1 Maintain all individual Participant records.
- 7.2 Develop a system of reporting and submitting deferrals, transfers and withdrawals to Investment Providers.
- 7.3 Submit Participant deferrals to each Investment Provider no later than the next Business Day after the date received.
- 7.4 Maintain adequate records and submit reports to allow the Department to monitor transactions.
- 7.5 Not make restrictions on the number of trades a Participant may make in a month, quarter, and year, subject to excessive trading restrictions required by Investment Providers.
- 7.6 Be able to apply Short-term trading restrictions in accordance with Investment Provider policies.
- 7.7 Cooperate with the Board and the Department in applying the procedures established in [ch. ETF 70.08\(3\), Wisc. Admin. Rules](#) for terminating any Investment Product that the Board determines is no longer acceptable for inclusion in the WDC.
- 7.8 Not have other agreements with Investment Providers participating in the WDC without prior notification to and consent of the Board except for marketing affiliations, broker, or dealer agreements and loan agreements that are fully disclosed to the Department. If the Contractor has affiliations with Investment Providers, these will either be eliminated from consideration or the Contractor must provide the Department and the Board with a separate review and analysis from a qualified independent third-party that will be paid for and provided by the Contractor with approval from the Board.
- 7.9 Agree to no front-end charges and/or no back-end charges to Participants. In addition, there will be no restrictions or penalties associated with any Plan- or Participant-initiated transfers or withdrawals (including those due to Contract termination) with the exception of Capital Preservation (stable value or others) Equity Wash Provisions.

- 7.10 Provide complete disclosure regarding agreements and pending agreements with any Investment Provider.

8 EMPLOYER SERVICES

The Contractor shall:

- 8.1 Provide all employers eligible to participate in the WDC with annual information about the WDC to keep them informed of WDC procedures and to review current questions.
- 8.2 Provide participating employers with continuing services, including but not limited to periodic assistance and training for processing new enrollments forms, submitting deferral amounts, processing changes to Participant accounts, etc.
- 8.3 Assist all participating employers with such technical, administrative, and other services as necessary for the employer to offer the WDC to its Employees.
- 8.4 Cooperate with all participating employers to withhold and report WDC payroll deductions and transmit information and payments from eligible Employees to the Contractor.
- 8.5 Provide all participating employers with a report to verify accounting of deferrals for each specific employer and illustrate the portion of the WDC assets attributable to their employees.
- 8.6 Conduct annual surveys with participating employers, at the direction of the Department.
- 8.7 Develop and implement a plan for offering the WDC to non-participating local employers annually, including visits, mailings, and customized reports to inform the non-participating local employers of WDC features and changes and benefits.

9 LEGAL AND ADMINISTRATIVE SERVICES

The Contractor shall:

- 9.1 Provide all necessary legal and administrative services to the Board and the Department on Internal Revenue Code and SEC regulations relating to Section 457 plans or other federal tax laws and legislation.
- 9.2 Perform or agree to develop processes to complete Participant transactions in accordance with federal and State law and the WDC Plan and Trust document, including but not limited to:
 - (a) Enrollments
 - (b) Beneficiary changes
 - (c) Deferring funds to selected investment options
 - (d) Allocation exchanges between options
 - (e) Terminated/separated distributions including lump sums
 - (f) Required minimum distributions
 - (g) Rollovers into and out of the WDC
 - (h) De minimus distributions
- 9.3 Perform or agree to develop processes to complete certain Participant transactions:

- (a) Domestic relations orders and alternate payee accounts
- (b) Financial emergency hardship distributions
- 9.4 Work with the Department as needed on all administrative matters required for the efficient and effective operation of the WDC.
- 9.5 Develop, revise, and implement WDC policies and procedures, under the direction of the Department, as may be required to comply with changes in federal or State law or regulations.
- 9.6 Comply with all applicable State and federal laws and administrative rules affecting the operation of the WDC.
- 9.7 Provide counsel and defense on contested claims. In addition, the Contractor shall work with the Department on all legal matters associated with the WDC.
- 9.8 Provide counsel and defense for the Contractor when the Contractor has been named as a defendant by a plaintiff. In accordance with Wis. Stat. § 40.03(3), this representation shall not extend to the State, Department, or Board absent a special, express agreement for that purpose.
- 9.9 Provide assistance to the Department on legal matters associated with the WDC, including technical and legal questions that relate to proposed legislation, administrative rule and code changes, Contract changes and Department and Board recommendations when requested by the Department and within reasonable limitations given Contractor's staff and resources.
- 9.10 Fully cooperate with the Department and the Board regarding any claim or litigation against any or all of the State, Department, or Board regarding a matter pertaining to the WDC, including but not limited to providing relevant records, technical assistance and witnesses if necessary, to the defense of such litigation. With respect to any litigation to which the Department and the Board is not a party, the Contractor shall keep the Department and the Board fully apprised concerning particulars of any litigation or threatened litigation directly concerning the WDC or benefits thereunder, including settlement discussions. In litigation to which the Department and the Board are not a party, the Contractor shall have sole responsibility regarding any claim or litigation filed by a Participant or the Participant's Beneficiary.

10 INVESTMENT PRODUCT EVALUATION AND MONITORING

The Contractor shall:

- 10.1 Provide expertise to the WDC in the areas of monitoring and evaluating Investment Providers and products, including providing objective analysis and recommendations regarding retaining, removing, and adding Investment Products.
- 10.2 Provide analyses that include detail as to how an Investment Product meets the Board's established selection and evaluation criteria as found in the [WDC Investment Policy Statement](#).

- 10.3 Prepare quarterly evaluations of all investment products offered by the WDC for presentation at one of the Board's annual meetings. The reports will include a detailed analysis of the performance of the investment products compared to appropriate indices; how the Investment Product meets the Board's established selection and evaluation criteria, information on the credit worthiness of the Investment Provider offering the product; evaluation of the products continued ability to meet other predetermined criteria; and recommendations for retaining or replacing Investment Products offered.
- 10.4 Assist with an annual evaluation of the Board's Investment Policy Statement, reviewing this document and offering suggestions for improvements where appropriate.

11 RECORDS RETENTION

The Contractor shall:

- 11.1 In addition to the records retention requirements specified in RFP Appendix 2 – Department Terms and Conditions, the Contractor shall retain information/documents related to the WDC according to the Department's records retention schedules, which may change from time to time. As of the date of this document, the applicable schedules are in RDC #00101, Deferred Compensation Program and require items to be maintained for 7 years.

12 CONTRACTOR PERFORMANCE GUARANTEES

The Contractor shall:

- 12.1 Quarterly, review and report to the Department on all performance standards. Penalties for performance standards identified as not in compliance will be assessed annually by the Department.
- 12.2 Meet performance standards at least ninety-five percent (95%) of the time. For each standard that has not been met at least ninety-five percent (95%) of the applicable measurement period (i.e., each quarter or each year), a monetary penalty of one percent (1%) of the monthly Administrative Fee (without upper limitation) will be paid to the Board.
- 12.3 Acknowledge that the Department, at its discretion, may waive any penalty.
- 12.4 Acknowledge that penalty amounts assessed shall be accompanied by documentation from the Department identifying the specific area of non-compliance.
- 12.5 Have fifteen (15) Calendar Days from the date of receipt of the Department's penalty documentation to refute the penalty in writing to the Department.
- 12.6 Have (30) Calendar Days from date of receipt of the Department's payment request to pay the amount due. If the Contractor agrees with the facts and penalty amount calculated, the penalty shall be assessed as stated above.
- 12.7 Provide a defense or explanation of the issue if the Contractor disagrees with the facts and/or penalty calculation.
- 12.8 Agree to meet with the Department in the event the Department disagrees with the Contractor's explanation, within fifteen (15) Calendar Days from the date of receipt of the Contractor's defense or explanation of the issue to resolve the disagreement. The Department has final authority on the assessment of penalties.

- 12.9 Agree that in the event of Contract termination, the penalties assessed to the Contractor shall be determined as provided above, except that any penalty payment owed to the Department shall be due from the Contractor at the time the assessment of the penalty is resolved.
- 12.10 Agree that all reports submitted to the Department will include combined data for the entire WDC, which includes all State and local employers. Some report details must be provided in three parts: State Participant information, local Participant information and combined total. Examples of reports include but are not limited to quarterly Plan status, performance standards, account reconciliations, exchange activity, annual Plan reports and website and call center statistics.
- 12.11 Provide reports to the Department electronically or send via Secure File Transfer Protocol (SFTP) or other agreed upon method.

WDC Report	Reporting Requirement Details: From Contractor/When Due/Description
1. Quarterly Unallocated Plan Account Reconciliation	Due 45 Business Days after the end of a quarter. Includes, at a minimum, the following in a mutually agreed upon format: <ul style="list-style-type: none"> a) Beginning balance b) Deposits c) Withdrawals d) Ending balance e) Other items as agreed upon or deemed necessary for accurate reconciliation
2. Annual Financial Report	Contractor to provide the Department with a copy of Contractor's annual financial report as completed by an independent CPA firm.
3. Annual Independent Service Auditor's Report	Due 30 Business Days after receipt by Contractor of audit/assessment results regarding information security. Contractor to provide the Department with a copy of Contractor's annual independent service auditor's report on management's description of Contractor's system and the suitability of the design and operating effectiveness of controls (SOC 1, Type 2). See Appendix 2 – Department Terms and Conditions Section 6.0 for full requirement.
4. Strategic Plan	Contractor and Board will jointly develop an annual strategic plan. Due when calendared at an annual Board meeting. The approved plan will contain measurable goals. Performance objectives will be established as mutually agreed upon by Contractor and the Board.
5. Participant Statements	Participant statements will be mailed within fifteen (15) Business Days of the end of each calendar quarter, or within ten (10) Business Days after receipt of information in good order from third party sources, whichever is later. Each Participant will receive a statement from Contractor of his or her plan account summarizing all activity for the previous calendar quarter, including, but not limited to the following: <ul style="list-style-type: none"> a) Beginning and ending account balances b) All transactions processed during the quarter, including transactions c) Interest or change in value d) Fees and/or charges, if applicable e) Transfers and withdrawals for each of the investment options for the quarter f) Quarterly personal rate of return on investments

WDC Report	Reporting Requirement Details: From Contractor/When Due/Description
	<ul style="list-style-type: none"> g) Account balance translated into an estimated monthly retirement income amount h) Indication of participation in the Self Directed Brokerage Option <p>Such statements will be available on the website for each statement period. Such information shall be available up to the prior eight (8) quarters for Participants electing electronic statement delivery.</p>
6. Quarterly Plan Review	<p>Due within 45 Business Days of end of quarter. Contractor to provide quarterly information and year-to-date information containing the following:</p> <ul style="list-style-type: none"> a) Plan transactions and assets b) Contributions c) Withdrawals, including financial emergency hardship distributions (new applications received, approved, denied or pending) d) Periodic payments e) Summarization in dollars and units/shares the investment option grand totals, including date added to plan, quarter end Participant accounts, average quarterly deferral and net exchange activity by option f) Summarization in dollars and units/shares the investment options grand totals by money type, asset class and pre-tax or post-tax (Roth) contributions g) Enrollment – new State and local Participants and total new Participants h) Total Participant accounts: State, local and total i) Current Participants using the target date funds j) Current Participants utilizing the Self Directed Brokerage Option k) Current Participants using the managed accounts services by <ul style="list-style-type: none"> i) Age ii) Gender iii) Assets l) Website Activity: number of Participants accessing the Plan website including distinct users and usage for previous quarter and year-to-date m) Call Center Usage: number of Participants accessing the automated voice response system, inquiries by type, changes by type, transfers to client service representatives for previous quarter and year-to-date n) New employer adoptions, including name of employers, date adopted and date set up as well as number of employees o) Summary of revenue sharing, including amounts received by investment options and distribution data (which funds, how many Participants average reimbursement) p) Other items as mutually agreed upon
7. Plan Summary Report	<p>Due 45 Business Days after the end of a quarter. Contractor to provide reports including detail on all transactions in a mutually agreed upon format, including:</p> <ol style="list-style-type: none"> 1. Summary Reports: <ul style="list-style-type: none"> a) Account summary b) Participant summary by investment option and money source

WDC Report	Reporting Requirement Details: From Contractor/When Due/Description
	<ul style="list-style-type: none"> c) Forfeiture/asset holding account <p>2. Transaction Reports:</p> <ul style="list-style-type: none"> a) Contributions b) Additional deposits c) Additional activity d) Unallocated contributions/deposits e) Refunds f) Transfer balancing g) Withdrawals h) Prior period contributions i) Fees/withdrawal charges <p>3. Other items as mutually agreed upon.</p>
8. Annual Investment Policy Statement (IPS) Review	<p>Due for Board meetings when calendared.</p> <ul style="list-style-type: none"> a) The WDC's Investment Policy Statement will be reviewed and discussed at least annually with the Board and/or the Investment Committee. Contractor will provide comments and offer suggestions for changes where appropriate. b) Contractor will use custom benchmarks where applicable.
9. Plan Investment Performance and Expense Ratio Review	<p>Due within 60 Business Days of end of quarter. Year-end draft due within 75 Business Days of end of year, final due within 90 Business Days of end of year.</p> <p>The review will use the WDC's Investment Policy Statement as the foundation for evaluation and analysis and include at least two presentations to the Board in person. As mutually agreed upon, reports will include but are not limited to:</p> <ul style="list-style-type: none"> a) Quarterly information and year-to-date information in a mutually agreed upon format. b) Measuring each investment option's compliance with the Investment Policy Statement. For those funds that are not compliant, a performance attribution analysis will be conducted and presented to the Board and/or Investment Committee. c) Including data on WDC core investment options including the date the fund was added to the WDC, performance benchmarking, expense ratio information, quarter end asset summary, total number of Participant accounts. d) Other items as mutually agreed upon.
10. Performance Standards Report Standards to be met at least ninety-five percent (95%) of the time. For each standard that has not been met at least ninety-five percent (95%) of the applicable measurement period (i.e.,	<p>Due 45 Business Days after end of quarter.</p> <p>Provide requirements, standards and quarterly results (number and percentage at standard) in a mutually agreed upon format for the following:</p> <ul style="list-style-type: none"> a) Enrollment applications (processed within 5 Business Days, established within 31 Calendar Days) b) Deferral changes (processed within 5 Business Days, established within 31 Calendar Days) c) Allocation changes d) Fund transfers e) Lump sum distributions f) Complaints/error resolution

WDC Report	Reporting Requirement Details: From Contractor/When Due/Description
<p>each quarter or each year), a monetary penalty of one percent (1%) of the monthly Administrative Fee (without upper limitation) will be paid to the Board.</p>	<ul style="list-style-type: none"> g) Employer presentations: existing and potentially eligible local government employers to be contacted at least once annually h) Employee presentations and contacts: current participating local government employees to be contacted and offered a presentation at least once annually i) New employee presentations and contacts: potentially eligible local government employees to be contacted regarding eligibility to use the WDC at least once annually j) Participant fees assessed monthly and deposited on the date assessed or the next Business Day thereafter k) Board administrative account payments: paid as soon as practicable, but no later than within 15 Business Days after the end of the quarter from receipt unless insufficient funds available l) Participant quarterly reports: Released to Participants within 15 Business Days from the end of each quarter, or within ten (10) Business Days after receipt of information in good order from third party sources, whichever is later m) Website availability and statistics: Website available 24 hours a day, except for routine maintenance of the system n) Call center statistics including automated voice response system and client service representatives: All telephone calls and the automated voice response system combined will be answered within ninety (90) seconds on average at least ninety percent (90%) of the time on an on-going average annual calendar year basis. On average for the calendar year, there will be less than one percent (1%) of calls that receive a busy signal, and the abandoned call rate will average less than five percent (5%) for the calendar year o) Other items as mutually agreed upon.
<p>11. Annual WDC Plan Review</p>	<p>Due within 120 Calendar Days of the end of the calendar year. The review will include the following statistics and demographic information as mutually agreed upon:</p> <ul style="list-style-type: none"> a) Total number of eligible, enrolled, and active Participants by State, local, and total b) New enrollments by gender and age c) Participating employers, including State, local, and total d) Summary of assets, deferrals, earnings/withdrawals e) Contribution history f) Asset allocation of Plan assets identifying percent of total assets and number of Participants utilizing each investment option: <ul style="list-style-type: none"> • Fixed • Bond • Balanced, including target date funds • Equity (domestic, international, and total) • Self-Directed Brokerage Option • Managed Account Service, including information on account balance, age and gender g) Communication and education update containing such items as: <ul style="list-style-type: none"> • Number of individual counseling sessions and group participant meetings (including attendees) • Survey results

WDC Report	Reporting Requirement Details: From Contractor/When Due/Description
	<ul style="list-style-type: none"> • Summaries of strategic plan and other special projects or initiatives • Local services provided (calls received, walk ins) • Number of new employers • Automated voice response system and website usage • Other items as mutually agreed upon <p>h) Demographic analyses containing items such as:</p> <ul style="list-style-type: none"> • Changes in the utilization of investment options used • Number of Participants by Account Balance, including previous year and historical, if available • Utilization by account size • Average account values to include annual deferral amount and account size • Yearly comparisons • Other items as mutually agreed upon
12. Annual Administrative Cost Report	Due 120 Business Days after end of the calendar year. Provided to the Department to include marketing and Plan administration costs for the local Madison, Wisconsin office.
13. Turnover Plan	Contractor will provide the Board a complete turnover plan within 6 months of Contract begin date. After that, the turnover plan will be updated as deemed necessary by both Contractor and the Department.
14. Updated Plan of Actions and Milestones	Due on last Business Days of May and November each year. Contractor must submit an updated plan of Actions and Milestones (POA&M) to the Department to show progress in meeting its obligations under the Information Security Agreement.
15. Results of Information Security Audits/ Assessments	Due 30 Calendar Days after receipt by Contractor of audit/assessment results regarding information security. Contractor will provide the Department the reports or certifications resulting from the audits or assessments of its management, operational and technical information security controls against an industry-standard information security control set. These audits or assessments are to be performed at least annually. Within thirty (30) Calendar Days of receipt of such results, Contractor will submit a plan of Actions and Milestones (POA&M) and any other relevant documentation to the Department which documents Contractor's intention to remediate the findings in the audit or assessment report.

13 CONTRACTOR RESPONSIBILITIES UPON TERMINATION OR EXPIRATION

In addition to other requirements under the Contract, at the termination or expiration of the Contract, the Contractor shall:

- 13.1 Turn over all physical and electronic files and all required data pertaining to the WDC in an electronic media format, acceptable to the Department, that includes a record layout and data description of the information contained on the electronic media or in an alternative format mutually agreeable to the Department and the Contractor. The Contractor must provide historical transaction information for all Participants so that quarterly account statement information can be recreated and future inquiries regarding domestic relations orders, Beneficiary claims, etc. can be addressed.

- 13.2 Cooperate with both the Department and the new Contractor in meeting any reasonable requests.
- 13.3 Provide the Department with a Turnover Plan within six (6) months of the Contract begin date. After that, the Turnover Plan will be updated as deemed necessary by the Contractor and the Department.
- 13.4 Provide the Department with a final report for each of the reports and files normally provided during the term of the Contract. Final reports will provide information for the period from the last report or file date to the Contract end date and will be due within one hundred eighty (180) Calendar Days from the Contract end date.
- 13.5 Allow and cooperate with an independent audit of the WDC prepared by a Certified Public Accounting firm that is acceptable to the Board for the business reporting period from the last WDC audit to the Contract termination date that provides an audit of all business activities for that period and financial position as of the Contract termination date, in addition to the audit requirements in Department Terms and Conditions, Section 6.0.

14 ADMINISTRATION RESPONSIBILITIES OF THE DEPARTMENT

The Department shall:

- 14.1 Require local employers seeking to offer the WDC to their employees to adopt and file a resolution under terms and conditions determined by the Board and on forms prescribed by the Department as required in [ETF 70.11, WI Admin. Code](#).
- 14.2 Assist the Contractor in communicating the provisions of the WDC to all eligible State and local employers and eligible Employees or Participants in the WDC.
- 14.3 Be responsible for making all decisions, or providing the Contractor with the Board's decisions, that are necessary for the appropriate operation of the WDC, including determinations regarding: The classification of any person as being an eligible Employee, the fact and date of separation of an Employee from public sector service, and the status of leave or temporary layoff during which no earnings are received.
- 14.4 Assist the Contractor, when necessary, to determine Eligible Beneficiary(ies). All decisions relating to determination of Eligible Beneficiary(ies) will be the responsibility of the Department.
- 14.5 Administer the appeal process by which interested parties may contest the Department's determinations related to the WDC. These appeals are ultimately decided by the Board.
- 14.7 Make payments for contractual costs to the Contractor on a monthly basis, as agreed upon by Department and Contractor and stated in the Contract.
- 14.8 Provide the Contractor with the following annual reports:
 - (a) all local employers eligible to offer the WDC to their employees; and
 - (b) defined benefit pension (WRS) estimate information for actively employed WDC Participants.