

VIRGINIA COLLEGE SAVINGS PLAN

RESPONSE TO BIDDER QUESTIONS REGARDING REQUEST FOR PROPOSAL FOR STATE-FACILITATED AUTOMATIC INDIVIDUAL RETIREMENT ACCOUNT SAVINGS PROGRAM ADMINISTRATION RFP 22-02

1. To be clear, can state-sponsored investment plans be included in calculation of length of service, participant accounts, and assets under management? Or, is it just limited to IRAs and Defined Contribution plans (i.e., 401ks, etc.)?

Answer: State-sponsored investment programs, including 529 college savings programs and ABLE programs, also can be included in the calculation of length of service, participant accounts, and assets under management.

2. Does the state intend to pursue legislation that will reduce the employer threshold of 25 employees, and allow for inclusion of both full-time and part-time employees within the existing eligible employee definition?

Answer: VA529 intends to recommend changes and technical amendments to the enabling statute to 1) reduce the threshold of eligible employees of an eligible employer, and 2) amend the definition of “Eligible Employee” in the enabling statute to allow for inclusion of both full-time and part-time employees.

3. With respect to the Eligible Employer condition (ii) requiring 25 or more Eligible Employees, what is VA529’s intent to bring that down to a lower threshold?

Answer: See Answer to Question #2.

4. Does the state have a sense of how many investment funds/options it intends to offer, as the number, type and construction can have a significant impact on expenses for fund accounting, performance and other NAV services? Does it expect it will be similar to the number of options offered by other state-administered auto-IRA programs?

Answer: VA529 expects the investment funds/options offered to Participants will be similar to the number of options offered by other state-administered auto-IRA programs.

5. The RFP includes references to mobile-responsive participant and employer portals/sites. Could you provide greater detail about the extent to which you expect employers and/or savers to be able to navigate the program on a mobile device? Are there specific actions or transactions you expect both employers and savers to be able to accomplish within these portals/sites on a mobile device?

Answer: To the extent the Firm uses responsive design when developing program websites, the mobile-responsive participant and/or employer portals/sites should allow users to perform similar transactions to those available through the website, as permitted. Alternatively, a Firm may consider development of a mobile app for Program participants to enhance the user experience and drive engagement.

6. The requirement for online chat exists in a few areas. Can you share what you would be looking for in a chat feature.

Answer: Online chat is one of several methods listed to assist eligible employees and participants with servicing their account. For more information, see Account Servicing section on page 10 of RFP. Provided the other methods listed are available to participants, the lack of an online chat feature will not remove a bidder from consideration.

7. Are there specific roles & responsibilities that are being requested for marketing support?

Answer: Although VA529 is interested in a collaborative approach to marketing and outreach activities, the Firm should identify all aspects of marketing support available to ensure the Program creates awareness, educates and promotes participation and creates a positive perception among employers and savers.

8. Section 4.3.2 #21 “Identify any payroll deduction processes that are done manually.” By manual, do you mean employers who run payroll without the help of a payroll vendor? Or something else?

Answer: To clarify, the reference is to employers who run payroll without the help of a payroll vendor or who use a payroll vendor that is not integrated with the Firm’s system. Identify and describe the manual tasks that these employers must perform, if any, as well as any assistance provided by your Firm.

9. Will the data for mandated employers be sourced from a state agency? If so, which one, and have interdepartmental agreements been reached?

Answer: Correct. The data relevant to identifying mandated employers shall be collected from the Virginia Employment Commission (VEC) or other state agencies, as applicable. The enabling statute establishes that procedures for receiving and providing information data for Program administration shall be collected from other state agencies, including the Department of Labor and Industry, the Department of Taxation, and the Virginia Employment Commission, as appropriate. It is the intent of the Program to pursue and/or have an interdepartmental agreement finalized with VEC by no later than June 30, 2022.

10. Please describe the development process and timeline for enforcement provisions related to this mandate (to ensure employer compliance).

Answer: Although the enabling statute includes a provision for the development of enforcement mechanisms and penalties for noncompliance, as well as exploration and, as appropriate, establishment of incentives to encourage participation, the appropriate mechanism and/or agency to assume authority for enforcement has yet to be formalized.

11. Who is responsible for monitoring the 30-hours-per-week requirement for eligible employees? How will this requirement apply to individuals who may have varying schedules and may work over 30 hours some weeks but not others?

Answer: Although the requirements and procedures have yet to be formalized, VA529, as Program sponsor, shall establish the requirements, procedures and appropriate enforcement and oversight mechanisms necessary for the effective monitoring of this requirement to the extent that determination of employee eligibility and participation in the

Program does not create an undue administrative burden on Participating employers nor adversely impacts the administration and operation of the Program.

12. For automatic enrollment, who would have authority to establish the IRAs on the participant's behalf? Is it the Board's intention that the Board/Commonwealth would act in this capacity?

Answer: Authority for automatic enrollment comes from State statute. Operationally, the IRAs would be automatically established using data uploaded by an employer.

13. Can you please tell me if VRS is a requirement (as referenced on page 26 of the RFP)?

Answer: Refer to item #21 on page 13 (Section 4.2, Scope of Work) for more information regarding this requirement.