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Town of Canton Defined Contribution Retirement Plan

Request for Information



Disclosure

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Overview of Project

- The purpose of this project is to assist the Town of Canton in gaining insight into the prevailing Defined Contribution retirement plan services marketplace as it compares to their current program. For our analysis, an RFI questionnaire was distributed to five retirement plan recordkeeping firms:
 - Empower (Incumbent)
 - AIG
 - MissionSquare Retirement
 - Voya
 - Principal (declined to quote)
- The incumbent, Empower, and the finalists, MissionSquare and Voya are reflected in the following pages

All information in this report has been provided by Empower, MissionSquare, and Voya. Fiducient Advisors is not responsible for any errors or omissions. For additional details, please refer to the various vendor responses to the Request for Proposal.



Provider Comparison Matrix

Expenses

	Empower	MissionSquare	Voya
Estimated Plan Pricing: Without proprietary investments	0.55% or \$252 per participant	0.15% or \$91 per participant	0.18% or \$134 per participant
Estimated Plan Pricing: With proprietary investments	Proposed A: 0.50% or \$245 per participant Proposed B: 0.67% or \$307 per participant	Proposed A: 0.08% or \$58 per participant Proposed B: 0.03% or \$18 per participant	0.09% or \$65 per participant
Proprietary investment requirement	Proposed A: Current stable value assets frozen with the 3.00% crediting rate; All new contributions to GWIFA Series IV Proposed B: Remain in current product with current stable value assets and contributions retaining the 3.00% crediting rate.	Proposed A: MissionSquare PLUS Fund as sole stable value fund Proposed B: MissionSquare PLUS Funds as sole stable value fund and MissionSquare Retirement Target Funds as sole suite of target date funds	Voya Fixed Account 457/401-II as the plan's stability of principal option
How many education days are included in the required revenue and what are the requirements of each day? What is the fee, per day, for additional education days?	Included: 4 days Additional days: \$500 per day	Included: 4 days Additional days: Negotiated based on specific needs	Included: Retirement Education Specialist team; requirement is onsite meetings are available for groups of 10 or more employees per meeting for transition meetings. Ongoing meetings: 15 attendees per meeting. There's no minimum for virtual meetings Additional days: \$1,000 per day for individual financial advisor services

Current required revenue: 0.30% Program & Admin Fee & revenue generated by investments (approx. 0.67% as of 12/31/21)



Provider Comparison Matrix

Expenses; Continued

	Empower	MissionSquare	Voya
Return of excess contributions	Included	Included	Included
Minimum required distributions	Included	Included	Included
Ad hoc plan level reports	Included	Included	Dependent on report
Sending checks/wires/ACH debits New Enrollments	Checks: Included ACH: \$15 Overnight/express: \$30	Checks: Included Wires: \$15 ACH: Included	Included
Enrollment kits mailed to plan sponsor	Included	Included	Included
Enrollment kits mailed to participant	Empower does not mail to participants; kits will be mailed to plan sponsor	Plan sponsor covers cost of shipping to participants	Included
Enrollment posters, payroll stuffers, flyers	Included	Included	Included
Comprehensive enrollment outsourcing	Included	Included	Included
Investment changes	Included	Included	Included
Investment Advice	Online: No fee My Total Retirement: 0.25% - 0.65%	Online: No fee	Online: No fee Morningstar Managed Accounts: 0.50%



Provider Comparison Matrix

Expenses; Continued

	Empower	MissionSquare	Voya
Trustee Services	Included	Included	Included
Generating and distributing QDIA notices	\$2 per notice	Included	Included
Payroll deferral percentage tracking	Included	Included	Included
Loan maintenance	\$50	\$50	\$25
Loan origination fee	\$75	\$75	\$75
In-service, non-hardship withdrawals	\$50	Included	Included
Hardship distribution	N/A	Included	Included
Terminated distributions Hardship approval	\$50	Included	Included
QDRO processing	\$75	\$250	Included
QDRO qualification	\$400	Included in QDRO processing	Included



Provider Comparison Matrix

General Account Offerings

	Empower	MissionSquare	Voya
<p>The Town of Canton Defined Contribution Retirement Plan currently has a General Account with a guaranteed rate of 3.00%. Do you have a similar product on your platform? If so, please describe and provide a comparison of the current and proposed product</p>	<p>As the incumbent , Empower would maintain the current Guaranteed Interest Account with a guaranteed rate of 3.00%.</p> <p>The proposed Great-West Investments Fixed Account Series IV had an annualized net crediting rate of 1.60% as of 2Q22 and will be 1.75% 3Q22.</p>	<p>MissionSquare does not offer a General Account. We do offer a Stable Value PLUS Fund as a diversified, pooled fund designed specifically for participants who seek stability of principal and a competitive crediting rate. While the MissionSquare PLUS Fund does not have a guaranteed rate, it seeks to offer a competitive level of income consistent with providing capital preservation and meeting liquidity needs. A key objective of the fund is to provide capital preservation by limiting the risk of loss of principal and delivering stable returns. The Fund features four tiers and over 1,000 securities to provide for investment diversification and to reduce risk.</p>	<p>Yes, Voya also has a General Account product that they make available to our public sector customers. Voya has the ability to customize credited interest rates based on customer preference and specific plan characteristics. Voya's proposal to the Town of Canton takes into consideration the provision of a competitive credited interest rate for those participants who desire a stable return on their investments balanced with a competitive record keeping fee for those participants who may not utilize the Fixed Account or have a lower allocation to fixed.</p> <p>Accordingly, Voya has proposed the following credited interest rates for the Voya Fixed Account:</p> <ul style="list-style-type: none">• Year 1: 2.75%• Year 2: 2.50%• Year 3: 2.50%• Years 4+: Portfolio Rate, currently 1.75%



Provider Comparison Matrix

Overview & Company Experience

	Empower	MissionSquare	Voya
What is the total value of assets for DC plans for which you provide daily valuation recordkeeping services?	\$1 billion	\$70 billion	\$510.6 billion
How many Defined Contribution Plans do you administer?	64,660	6,827	51,905
What is the average value of assets for DC plans for which you provide daily valuation recordkeeping services?	\$17 million	\$10.2 million	\$9.8 million
Location(s) of call centers	Greenwood Village, CO Overland Park, KS Andover, MA Milwaukee, WI Enfield, CT Phoenix, AZ	Washington, DC Jefferson City, MO	Windsor, CT Chandler, AZ
Total # of Plans between 100 - 999 participants	DC Plans: 10,170 401(a) Plans: 297 Non-Qual Deferred Comp Plans: 45	DC Plans: 1,335 401(a) Plans: 350 Non-Qual Deferred Comp Plans: 0	DC Plans: 4,174 401(a) Plans: Not provided Non-Qual Deferred Comp Plans: 37
Total # of Plans between \$1M - \$19M	DC Plans: 40,460 401(a) Plans: 705 Non-Qual Deferred Comp Plans: 318	DC Plans: 2,947 401(a) Plans: 873 Non-Qual Deferred Comp Plans: 0	DC Plans: 19,497 401(a) Plans: Not provided Non-Qual Deferred Comp Plans: 166
What percentage of your Plans utilize automatic enrollment?	31%	Less than 1%	12%