



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

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PROCUREMENT & WAREHOUSING SERVICES
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Superintendent of Schools

February 11, 2020

TO ALL PROSPECTIVE PROPOSERS

Reference: Q20-010 - Third Party Administrator for Tax Sheltered Annuities

The Superintendent's Insurance and Wellness Advisory Committee is requesting a search for companies that are able to supply the above service for the Benefits and Employment Services Department. This request will be listed for seven (7) days on Demandstar in accordance with School Board Policy 3320 – Purchasing Policies, Part II, Rule I and Florida Statute 120.57(3) for single source services. Prospective proposers are requested to provide information regarding their ability to provide this work for SBBC.

If your firm is able to provide the Scope of Services provided in this quotation, please email this form to me directly at my email address stated below, as soon as possible and reference the quotation number referenced above. If you have any questions, please email the questions to me.

Sincerely,

Charles V. High Digitally Signed

Charles V. High, C.P.M., A.P.P., MBA
Purchasing Agent IV

/cvh
Enclosure

VENDOR: Are you able to provide these services as stated in this quotation? Yes No

Vendor Name: _____ Contact Name: _____

Email Address: _____

Email this response form to: Charles.high@browardschools.com

Q20-010 - Third Party Administrator for Tax Sheltered Annuities

INTRODUCTION

The School Board of Broward County, Florida's (SBBC) third-party administrator provides common remitting services allowing SBBC to combine multiple provider remittances into one deposit via wire transfer and transmit remittance data utilizing a secure web-based application. SBBC maintains full control of remittance funds and significantly reduces administrative tasks and errors during the process. The common remitting services allow contribution remittances to be deposited within 24-48 hours while offering the maximum protection possible for private participant information. Wells Fargo serves as the bank transfer agent for the remitting services. All details of each transaction are available to the Division at any time online. The Division can also download each transaction folder to their servers for internal audit at any time. The bank verifies receipt of funds by investment providers and data details are transmitted to each vendor electronically with email notification of the amount and where to retrieve the data. Every submission to each investment provider is available to them at any time on the common remitter system to ensure that the provider can credit funds immediately, regardless of any transmission errors. All vendors receive the standard file layout of employee remittance information through one of three means,

- 1) Secure email attachment,
- 2) FTP push to provider or
- 3) FTP pull from the common remitting system login provided to the investment providers.

The common remitting system automatically calculates and forecasts contribution limits for participants. Its initial work to gather and compile historical contribution data allows the common remitting system to accurately calculate eligibility for service based catch-up options for 403(b) and determines eligibility for age-based additional amounts for 403(b). This data facilitates the automated processes for the common remitting system. Contribution testing is done year round with the common remitting system. The system will complete a separate year-end audit each year to verify that all contributions were made within applicable limits. Should a violation occur, TSA Consulting Group (current vendor) will work with all vendors to resolve all contribution issues.

The common remitting system was built to incorporate error corrections for remittances both prior to the remittance being sent and after finding the errors subsequent to remittance submission. The system also incorporates a communication and contact protocol with the vendor companies to effectively communicate remittance issues and to find common and successful resolutions.

Currently, SBBC has a Salary Reduction Agreement sent by the agent from each company to the Payroll Department. Employees of the District contribute to these investments through salary reductions each payroll period. The Payroll Department enters the amount into the payroll system and the deduction is withheld during the payroll run. After the payroll is run, a report or file is generated for each vendor listing the employees and amount. The file containing employees and amounts is sent to vendors via their secure internet sites. Payments are transferred via Automatic Clearing House (ACH). The vendor must have the capability of reporting and producing various types of reports at the request of SBBC at no additional cost.

SBBC is seeking the Third Party Administrator to remit employees' salary reduction contributions to all SBBC inactive and active vendors. In addition, SBBC is seeking to continue to outsource all functions regarding, recordkeeping and administration of these services. The objectives of the Third Party Administrator will be as follows:

- ✓ Shorten the time period between when a 403(b) and 457(b) deduction is taken and when that deduction is credited to the employee's 403(b) or 457(b) account.
- ✓ Send payment and account/payment information electronically through a single transaction.
- ✓ Ensure accuracy of qualified and non-qualified contributions.
- ✓ Streamline 403(b) and 457(b) program administration procedures.
- ✓ Provide full recordkeeping services.
- ✓ Augment communication between SBBC and 403(b) and 457(b) vendors.
- ✓ Auditing employee contributions for compliance.
- ✓ Providing reports as requested by SBBC.
- ✓ Provide website and web-based educational/informational materials/brochures and hardcopies, as requested by SBBC.
- ✓ Conduct educational seminars, as requested by SBBC.

SCOPE OF WORK

1. Provide customer service lines with a 754/954 Area Code for employees, as well as a toll-free line for employees residing outside the 754/954 area code. Within the schools themselves, employees do not have access to dial a 1-800 number; the number must be a 754/954 number.
2. Accept SBBC's self-billing statement. The process is as follows: District Information Technology staff will develop a query that will run after each payroll to produce a file in the third-party administrator's common remitter system format. Payroll or benefits personnel will then log on to the system and upload the data. Once reports are reviewed, these personnel will send the remittance report to treasury detailing the amounts needing to be transferred to the clearing account. Treasury will transmit the total amount of funds required for the payroll contributions. The District deposits the total remittance in its own clearing account, which has been established at Wells Fargo Bank, the night before the remittance instructions are submitted. The next morning the remittance is submitted and processed with the funds being immediately debited from the clearing account for ACH transfers. If the instructions through the common remitting system are submitted by 10:00 am Eastern Time, the vendors being paid via ACH transfer receive the contributions within 24 hours for crediting to participant accounts. For those vendors who cannot receive their funds via ACH with electronic contribution data, Wells Fargo Bank will issue checks with contribution details and mail them the same day. Authorized District personnel will receive confirmations on all transactions. In the event that it is necessary to correct an excess contribution, TSA will correct the error, according to applicable revenue procedures, between January and April 15th of the following calendar year. Contribution corrections usually require the participant to be notified by the third-party administrator and verified by the District. If the correction is then determined to be necessary, the refund is sent by the provider directly to the participant along with appropriate tax reporting by the provider. The third-party administrator monitors the requirements to establish 403(c) accounts for excess contributions and can facilitate the opening of a 403(c) account, if necessary.
3. Vendor agrees to provide a bilingual customer service representative, at no additional cost, if requested by SBBC.
4. Vendor will be required to administer and maintain the 403(b)/457(b) Program in accordance with all appropriate federal and state statutes then in effect.
5. The Benefits Department shall review and approve all communication materials, including direct mailing. postage and production costs are to be paid by the Vendor.

6. Vendor should be able to accept data and payment in an electronic format established by SBBC.
7. SBBC requests that the Vendor perform all administrative functions and maintain all required paperwork, such as distributions, etc.
8. Vendor will verify necessary data needed to document loans, hardships, surrender, and rollover for each employee.
9. Vendor shall agree to supply SBBC with standardized reports, upon request, for both industry data and based on SBBC specific membership. These reports will include, but will not be limited to cash flow data, member enrollment information on a monthly basis, etc.
10. Provide employee information statements as requested.
11. Vendor pays for all fees, ACH, bank transactions and bank maintenance, etc. for the SBBC established account.