



SVVSD Optional Retirement Plans Transition Summary Report

June 12, 2013

- Since 2011, SVVSD Financial Services has been exploring solutions to address various concerns surrounding the District's 403(b) and 457 optional retirement plan offerings to District Employees, including:
 - Lack of oversight and tracking of offerings, products, and fees imposed on employees by multiple providers
 - Methodology and suitability of sales and marketing of retirement products to employees by providers
 - How to evaluate the performance of existing providers
 - How to handle complaints against providers
 - How to fairly evaluate potential new 403(b) or 457 providers
 - How to improve participation and education for Employees in the plan(s)
 - Ensuring compliance with IRS regulations and other laws

- During the summer of 2012, Financial Services retained a fee-based independent financial services plan consultant, Innovest Portfolio Solutions, LLC. to assist the District with addressing these issues.

- In September 2012, at the recommendation of Innovest, a retirement committee was assembled that was tasked with directing the future of the retirement plan offerings of the District. The members of this committee who participated in the entire process are:
 - Tony Whiteley, District Accountant, Financial Services (Plan Administrator)
 - Jim Berthold, Lead Driver, Transportation
 - Kristen England, Secretary, Heritage Middle School
 - Trip Merklein, President, SVVEA
 - Eric Ottem, Assistant Principal, Silver Creek High School
 - Kathleen Vanbuskirk, Secretary, Longmont High
 - Terry Schueler, Chief Financial Officer
 - Linda Lohmann, Administrative Assistant to the Superintendent

- The Retirement Committee first met on September 20, 2012, and has met nine times since then. Meeting agendas included:
 - Education of committee on current environment, fiduciary duty, and oversight responsibilities

- Analysis of fees of providers in plans offered by SVVSD
 - Employee survey design and results regarding optional retirement plans
 - Discussion on ideal plan design/environment for SVVSD
 - Decision to go out for RFP to solicit new providers
 - Evaluation of RFP and responses
 - RFP discussion and analysis, vendor presentations
 - Evaluation of Colorado PERA optional retirement plan offerings
 - Decision on course of action and Board of Education recommendation
- On May 14, 2013, after a considerable amount of time and energy, the Retirement Committee voted 7-1 on a final recommendation. The committee recommends that the District's existing 403(b) and 457 plans be "frozen," resulting in no new additional participants or contracts being added to the plan going forward. Existing participants may continue contributing to their established retirement accounts. In the future, any employees who wish to participate in a deferred compensation retirement savings plan may enroll in the Colorado PERAPlus 401(k) or 457 plans. The benefits of taking this course of action include the following:
 - PERAPlus is the lowest-cost optional retirement savings plan for Employees
 - Clear, consistent education by a single organization—education meetings are coordinated by the District but provided by PERA at no cost
 - Reduced fiduciary responsibility by SVVSD and the Retirement Committee
 - Removed need to retain portfolio consultant for plan/investment oversight
 - Reduced administrative and compliance burden on the Financial Services Department
 - Removed sales culture surrounding District retirement plan offerings
 - Least disruptive option to existing participants; old plan will eventually phase-out through attrition
- It is recommended that the existing 403(b) and 457 plans be frozen as soon as is practicable. The District already affords Employees access to the PERAPlus 401(k) plan, and has taken steps to establish affiliation with the PERAPlus 457 plan. Communication and implementation strategies include:
 - Letters to all existing providers ensuring they are aware of the change and to confirm their intent to continue servicing their existing participants
 - District-wide e-mails, Leadership Updates, and meeting agenda items in various groups to communicate changes to employees
 - District retirement plan website updates and direct e-mails
 - Scheduling of regular PERA optional retirement plan meetings for education and communication
 - Additional PERA enrollment information to be included in new-hire packets