



RETIREMENT SYSTEMS OF ALABAMA

Request For Proposal

RSA-1 / PEIRAF Deferred Compensation System

Procurement RFP

RFP ID#: 14-010

2/21/2014

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The Retirement Systems of Alabama (RSA) is issuing this Request for Proposal (RFP) for the purpose of soliciting proposals from qualified vendors (hereinafter referred to as Respondents) to provide specified services to the RSA. This RFP provides information related to the program services, the current operating environment, specifications for program services, Vendor instructions, general terms and conditions, special terms and conditions, and evaluation.

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1. GENERAL INFORMATION

1.1 INTRODUCTION

The Retirement Systems of Alabama (RSA) is an umbrella organization consisting of the Employees' Retirement System of Alabama (ERS), The Teachers' Retirement System of Alabama (TRS), and The Judicial Retirement Fund (JRF); and it also administers the Public Education Employees' Health Insurance Plan (PEEHIP), the RSA-1 Deferred Compensation Plan and the Public Employees' Individual Retirement Account Fund. The various benefit plans were all adopted by the Alabama State Legislature at varying times. TRS was originally created in 1939 and began operation in 1941; followed by ERS which began operation in 1945. JRF began in 1975, followed by PEIRAF in 1981, RSA-1 in 1986 and PEEHIP in 1983. These retirement benefit programs provide for retirement benefits for public employees at the state and local level in the State of Alabama, including education employees. RSA-1 allows public employees to participate in a voluntary tax deferred savings plan, and PEEHIP provides a variety of health insurance benefits to public education employees.

The TRS and ERS are multiple-employer public employee retirement plans which provide retirement, disability, and death benefits to employees of participating employers. Each is governed by a Board of Control consisting of both elected and ex-officio members. The TRS Board also serves as the PEEHIP Board and the investment committees of both the TRS and ERS Boards serve as the RSA-1 Board. JRF is administered as part of the ERS and has no independent Board. Each major program area has staff designated to that particular program. The RSA provides administrative and support services with Accounting, Information Technology, Legal, Office Services, Member Services, Field Services, Communications, and Human Resources all servicing all of the program areas.

The RSA's IT functions have evolved from an NCR based system with a mainframe and "dumb" terminals to a Microsoft operating system with server based operations. Most business division users are equipped with current technology PC's running dual monitors. The current multi-varied IT functions at RSA, which have been developed in-house or by contractors over the years, are a mix of programming technologies, and some are quite old. The RSA underwent a conversion from primarily paper documents for member records to microfiche records in the 1975-76 time frames; and subsequently switched to digital image records in 1996-98.

1.2 PURPOSE

The Retirement Systems of Alabama (RSA) has issued this Request for Proposals (RFP) to seek proposals from qualified firms (Vendors) to provide a software package for the Alabama 457 Deferred Compensation Plans known as RSA-1 / Public

Employees' Individual Retirement Account Fund (PEIRAF), in accordance with the specifications, terms and conditions of the RFP. "Services" include, without limitation, providing a software package to administer the daily functions of RSA-1 and any other tangible and intangible items required to provide or produce associated administrative services at a reasonable cost. This new technology will be required to interface with the RSA Pension Administration System (PAS), any applicable Enterprise Content Manager (ECM) system, the Customer Relationship Manager (CRM) system, Member Portal, Employer Portal and warrant systems as well as the various accounting system solutions / functions applicable in a seamless manner.

The successful Respondent will need to demonstrate exceptional credentials and expertise necessary to provide an industry approved automated Deferred Compensation Management System, Administrative Support as needed by RSA in the implementation and utilization of the proposed solution and other associated support as required. To be considered, each Respondent proposal must meet the standards and requirements set forth in Section 5, Qualifications and Experience.

1.3 RFP NAME

The RSA has assigned the following RFP Identification Name, and it must be referenced in all communications regarding the RFP:

RFP 14-010: RSA -1/PEIRAF Deferred Compensation System Procurement RFP

1.4 PROPOSAL DEADLINE

Proposals must be submitted no later than the Proposal Deadline date and time, which is detailed in Section 2, RFP Schedule of Events. Respondents must reply to the RFP and associated exhibits, attachments, or amendments. Failure of the Respondent to submit a Proposal as required before the deadline may result in the Proposal being considered non-responsive and may cause the Proposal to be disqualified.

The Respondent assumes the risk of the method of delivery chosen. The RSA assumes no responsibility for delays caused by any delivery service. Postmarking by the due date will not substitute for the actual receipt of the Proposal by the RSA. Proposals will not be accepted when delivered by facsimile and email transmission. Proposals must be submitted in the proper format as outlined in Section 4, Proposal Format and Content.

1.5 DEFINITIONS

Account shall mean the Account or Accounts maintained by the Plan Administrator reflecting the interest of a Participant or Beneficiary under the Plan.

Active Participant shall mean an Eligible Employee who has entered into a Participation Agreement with the Employer and has not terminated the Deferral of Compensation under the Participation Agreement, and shall include any Participating Employee as defined in Alabama Code § 36-27A-5.

Beneficiary shall mean the person or entity designated to receive Plan benefits in the event of the Participant's death, in accordance with Article V of the RSA-1 Plan Document.

Compensation shall mean all payments made to a Participant by the Employer as remuneration for services rendered which would be includible in income for Federal tax purposes, subject to the provisions of the Internal Revenue Code. Compensation shall include accumulated sick and vacation pay and back pay paid before or after Severance from Employment, subject to the limitations of Treasury Regulation Section 1.457-4(d).

Deferral shall mean the amount of Compensation which a Participant agrees to contribute to an Account. With limited exceptions, such amounts are not subject to Federal and State income taxes until distribution.

Effective Date shall mean the date this amended and restated Plan is effective upon execution by the Plan Administrator.

Eligible Employee shall mean all individuals who perform services for an Employer and all persons who are eligible to participate under Alabama Code § 36-27A-5. Supernumeraries (as defined by Alabama law) shall continue to be Eligible Employees until the end of their supernumerary service. Individuals who have a Severance from Employment may not defer compensation under the Plan, unless reemployed as an Eligible Employee.

Employer shall mean an Employer of Eligible Employees.

Inactive Participant shall mean any Participant who is not currently having Compensation deferred or any Participant upon his or her Severance from Employment who leaves his or her contributions in the Account as set forth in Alabama Code § 36-27A-5. A Beneficiary is not and cannot be an Inactive Participant.

Includible Compensation shall mean the amount of an Eligible Employee's compensation, as defined in IRC Section 415(c)(3) for the taxable year that is attributable to services rendered for the Employer. Includible Compensation is reduced for employer pick-up contributions under IRC Section 414(h).

Investment Exchange shall mean the movement of existing funds (investment balance of a set date) between Investment Options. Investment exchanges do not change the designated Investment Options for future Deferrals.

Investment Option shall mean the various financial products offered as investments under the Plan.

Normal Retirement Age shall mean (a) any age elected by the Participant for purposes of making a catch-up contribution and beginning no earlier than the earliest age at which a Participant has the right to retire under the Employer's applicable pension plan, if any, without the Employer's consent and to receive immediate retirement benefits without actuarial or similar reduction because of retirement before some later age specified in such pension plan and ending no later than age 70½, or (b) if no such election is made, age 70½. In the case of a Participant who does not participate in a pension plan, Normal Retirement Age shall be any age elected by the Participant which shall be no earlier than age 65 and no later than age 70½.

Participant shall include any Active Participant or Inactive Participant.

Participation Agreement shall mean an agreement in the form determined by the Plan Administrator, entered into between an Eligible Employee and the Employer pursuant to which an Eligible Employee elects to participate in this Plan and becomes an Active Participant.

Plan Administrator shall mean the RSA-1 Board of Control as defined by Alabama Code § 36-27A-2 (the "Board"), which may delegate to others the authority to perform the duties of Plan Administrator, in accordance with the plan document.

Severance from Employment shall mean the employee ceases to be employed by any Employer or the employee is considered severed from employment pursuant to the Heart Act of 2008.

Required Beginning Date (RBD) shall mean the date upon which a Participant or spousal Beneficiary must begin taking withdrawals or distributions from the Plan. For a Participant who has had a Severance from Employment, withdrawals must begin no later than April 1 of the calendar year following the calendar year in which the Participant attains age 70 1/2 . If the Participant has not had a Severance from Employment as of such date, then no later than April 1 of the calendar year following the calendar year in which the Participant has a Severance from Employment. For a spousal Beneficiary, distribution of the Account must begin by that later of December 31 of the year following the Participant's death or December 31 of the year in which the Participant would have attained age 70 1/2.

Required Minimum Distribution (RMD) shall generally mean minimum amounts that a retirement plan account owner must withdraw annually starting with the year that he or she reaches 70 ½ years of age or, if later, the year in which he or she retires.

Trust shall mean the fund established pursuant to Alabama Code § 36-27A-5.

Unforeseeable Emergency shall mean severe financial hardship of the Participant or Beneficiary resulting from an illness or accident of a Participant or Beneficiary, the Participant's or Beneficiary's spouse, or the Participant's or Beneficiary's dependent (as defined in IRC Section 152(a), without regard to Section 152(b)(1), (b)(2) and (d)(1)(B)), loss of the Participant's or Beneficiary's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, as provided in regulations under IRC Section 457, which hardship is not eligible to be relieved by reimbursement or compensation (by insurance or otherwise), liquidation of the Participant's assets (to the extent the liquidation would not itself cause severe financial hardship), or cessation of Deferrals under the Plan. Unforeseeable Emergency under the Internal Revenue Service Regulations applicable to this type of plan does not include money for college tuition or purchase of a home.

Withdrawal Date shall mean that date upon which withdrawal payments begin from an Account.

Withdrawal Option shall mean the withdrawal payment method selected by the Participant or Beneficiary from an Account.

1.6 COMMUNICATIONS REGARDING RFP

1.6.1 RFP Coordinator

The RFP Coordinator is the sole point of contact in the Agency for this procurement. Throughout the duration of the procurement process, all questions and other communications concerning the procurement are to be directed, in writing, to the contact listed below. Unauthorized contact regarding the procurement with other RSA staff representatives, or the RFP evaluators after issuance of this RFP may disqualify the Respondent.

Name:	Edward Davis
Delivery Address: (Via US Postal Service)	PO Box 302150, Montgomery, AL 36130-2150
Delivery Address: (Via Courier - UPS/FedEx)	201 South Union Street, Montgomery, AL 36104
Phone Number:	334-517-7130
Fax Number:	334-517-7001
E-Mail Address:	Edward.Davis@rsa-al.gov

Respondents may submit written questions to the Agency, via the RFP Coordinator by e-mail during the question and answer period. Questions must be received by e-mail by the date indicated below.

Submitted questions / requests for clarification must:

- Cite the Subject RFP Name Identified in Section 1.3
- List the section number in question and
- List the RFP Page Number

The Agency will respond to all questions by posting the questions and the answers on the Retirement Systems of Alabama (RSA) Web site by the date indicated below. The Agency will be bound only to written answers to questions. The RSA reserves the right, at its sole discretion, to determine appropriate and adequate responses to Respondent questions / requests for clarification.

1.6.2 RFP Website

This RFP, and all notices, amendments, and public communication regarding this RFP will be posted at the following websites:

<http://www.rsa-al.gov>

<http://rfp.alabama.gov>

Reasonable effort will be made to maintain reliable and efficient access to this site and its associated content. However, the RSA is not liable for any Respondent's problems or errors (including but not limited to missed deadlines) that may arise due to temporary technical failures related to this website.

1.6.3 Letter of Intent

A letter of the RSA's intent to issue this RFP was posted on February 14, 2014 and placed on RSA's website at <http://www.rsa-al.gov>.

The Respondent is asked to reply with a Notice of Interest by March 3, 2014 via e-mail indicating their interest to be included in future electronic email notifications related to the RFP. Respondent's replies to the Letter of Intent requested will be utilized to collect applicable correspondence information for interested Respondent.

Submittal of a Letter of Intent IS NOT a prerequisite for submitting a proposal, but IS NECESSARY to facilitate notifications to Respondents via e-mail of applicable RFP Amendments and / or communications.

1.6.4 Disclaimers

All statistical and fiscal information contained in the RFP and its exhibits, including amendments and modifications thereto, reflect the best and most accurate information available to the RSA at the time of RFP preparation. No inaccuracies in such data must constitute a basis for an increase in payments to the Respondent, a basis for delay in performance, nor a basis for legal recovery of damages- actual, consequential or punitive - except to the extent that such inaccuracies are shown by clear and convincing evidence to be the result of intentional misrepresentation by the RSA.

This RFP does not obligate the RSA to contract for services specified herein. The Respondent is advised that a contract is valid and enforceable only if sufficient

funds have been appropriated to conduct the stipulated undertaking. Additionally, that contract is subject to any additional restrictions, limitations, or conditions enacted, which may affect the provisions, terms, or funding of the contract in a timely manner

1.6.5 Licensure

Before an Agreement pursuant to this RFP can be contracted, the Respondent must hold all applicable business and professional licenses required to transact business in the State of Alabama. The RSA may require Respondents to submit proof of licensure accordingly.

1.6.6 Compliance with Beason-Hammon AL Taxpayer / Citizen Protection Act (Act 2012-491)

Act 2012-491 of the Alabama Legislature, codified as Code of Alabama, §§31-13-1 et seq., regulates illegal immigration in the State of Alabama. Effective April 1, 2012, all contracts with the State or a political subdivision thereof must comply with the provisions of that law whether or not the Vendor has a presence in Alabama or the work will be performed outside of the State. Compliance with Act 2012-491 is due upon contract award and not part of the RFP process. Information regarding Act 2012-491 can be found at the following website:

<http://immigration.alabama.gov/>

Compliance with Act 2012-491 is due upon contract award and not part of the RFP process.

1.7 PROJECT WORK ENVIRONMENT

The Retirement Systems of Alabama Executive Headquarters Building, 201 South Union Street, Montgomery, Alabama 36104 is the primary location where major work and project operations are to be performed, completed, and managed.

All costs associated with travel to Montgomery by the Respondent for the project, as well as associated costs for lodging and per diem, must be inclusive as part of the Respondent's Cost Proposal but should not be broken out separately. The Respondent is expected to cover travel and related costs for the project and will not be reimbursed by the State of Alabama. All requests for consideration of alternative work sites based

upon Project Roles and/or limited client/user interaction must be reviewed by the RSA and require RSA's express approval.

1.7.1 Workspace

The RSA will provide workspace for Respondent's staff in a cohabitated workspace (shared by RSA Staff and Respondent's staff) located in the RSA Executive Headquarters Building. As such, the RSA will provide for all rent, utilities, and office furniture for this workspace. Details related to this arrangement are subject to review during contract negotiations.

1.7.2 Workdays and Hours

The RSA and the Respondents team members must work on a Monday through Friday schedule. A normal work day would begin at 8:00 a.m. and end at 5:00 p.m. Central Standard Time. The RSA staff does observe State Approved Holidays that could be in excess of those provided by the Respondent's own policies. The Respondent must ensure sufficient, onsite coverage during 90% of the normal business hours of the RSA to facilitate effective management and oversight of the project and prompt resolution of related issues that may arise. The RSA does acknowledge that there may infrequently be times that a normal workday is not possible, the Respondent must still prepare the submitted proposal based upon the expectation that the RSA's staff will predominantly work according to the outlined schedule, only taking off for all State Approved Holidays. The RSA's expected schedule must be taken into consideration for planning the Respondent's proposed Staffing Model for the project. At any time during the project, the RSA reserves the right to modify the workdays and hours to best meet the needs of the project. If Respondent team members in other Time Zones are required to work with RSA staff, they will be expected to accommodate the RSA's standard work hours.

1.7.3 Dress Code

Respondent team members are expected to present a business like appearance during business hours and to dress conservatively and professionally. The Respondent's staff must adhere and comply with the RSA Dress Code Policy. This policy will be provided by RSA.

1.7.4 Office Equipment

The RSA will provide the following business equipment for Respondent's team members located in the RSA building:

- Personal computers with access to relevant RSA networks and applications.
- High-speed wireless connection points with access to the Internet if available depending on the location and security concerns.
- Telephones for conference calls, local calls or long distance for RSA business if necessary.
- Printers and photocopying machines.

VPN access will be provided for Respondent's team members as needed and with RSA approval. The Respondent must provide a list of all applicable software applications needed to support their work effort for the duration of the project. The RSA, in its sole discretion, will determine what is reasonable and necessary to meet the forgoing requirements. Specifics of this arrangement are subject to review during contract negotiation.

2. RFP SCHEDULE OF EVENTS

The RFP Schedule of Events represents the RSA's prospective schedule to be undertaken. Unless otherwise indicated, these specified dates and times will remain in effect as outlined for the RFP. All applicable time references are based upon the standard Work Day of RSA, noted to be 8:00 a.m. until 5:00 p.m., Central Time (CST).

RSA reserves the right, at its discretion, to adjust this schedule as needed. Notification of any adjustment to the Schedule of Events will be provided via the RFP website defined in Section 1.6.2.

Estimated Schedule of Procurement Activities (Agency Reserves Right To Revise)

Event	Date	Time
Public Notification of Intent to Issue RFP	2/14/2014	
Issuance of RFP (PDF)	2/21/2014	
Deadline for Submitting Vendor Questions	3/3/2014	2 PM CST
RSA Response to Vendor Questions	3/11/2014	5 PM CST
Deadline for Submitting Proposals	4/18/2014	2 PM CST
Proposal Opening	4/18/2014	2 PM CST
Oral Presentations (<i>tentative</i>)	5/20/2014-5/22/2014	TBD
Recommendation from Evaluation Committee	5/27/2014	

3. BID REQUIREMENTS

It is the RSA's desire to enter into a fixed price contract with one vendor to provide a 457 Deferred Compensation System and an IRA plan (PEIRAF), Customization, Installation and Maintenance Support services per specifications outlined in this RFP. The fees proposed must cover all costs associated with the system implementation and ongoing support for a period of three (3) years with the option to renew for two (2) additional one-year extensions at the discretion of the RSA. The estimated beginning date will be August 1, 2014; however the selected Vendor must start at a time denoted by the RSA within thirty (30) days of the formal announcement. All fees for the five year period will be negotiated prior to the start of the contract.

As aforementioned, the RSA reserves the right to extend this contract for two (2) additional one (1) year periods with a total contract term of no more than five (5) years, provided that the RSA notifies the Vendor in writing of its intention to do so at least thirty (30) days prior to the contract expiration date. An extension of the term of this contract will be enacted through an amendment to the contract. This contract may be terminated by either party upon providing ninety (90) days written notice of intent to terminate the contract.

4. PROPOSAL FORMAT AND CONTENT

All proposals must be on 8 ½ x 11-inch paper and placed in binders with tabs separating the major sections of the proposal. All proposal pages must be numbered unless otherwise specified. Foldouts containing charts, spreadsheets and oversized exhibits are permissible if necessary to adequately respond. All responses and reference supporting documentation must be written in English. All specified major sections below must reference the RFP Sections to which the Respondent is replying. The sections must include, in the order indicated below:

- **General Qualifications and Experience** (*Refer to Section 5 of RFP*)
 - Respondent General Qualifications and Experience
 - Financial Stability
 - References
 - State and Local 457(B) Deferred Compensation Plan Contractual Experience
 - Staffing
 - Risk Assessment

- **Solution Requirements** (*Refer to Sections 10 and 11 of RFP*)
 - **Solution**
 - **Project Management**
 - **Technology**
 - **Business Requirements**

- **Fee Proposal** (*Refer to Section 7 of RFP*)

The Respondent must structure its reply in the same sequence, using the same labeling and numbering that appears in the RFP section in question. For example, the Proposal would have a major section entitled “General Qualifications and Experience” Within this section, the Respondent would include their Qualifications and Experience, addressing each of the numbered sections in sequence, as they appear in the RFP (i.e.: 5.1, 5.1.1, 5.1.2...) and so on. The response to each Section must be preceded by the Section text of the RFP followed by the Respondent’s reply.

Proposals must not include references to information located elsewhere, such as Internet websites. Information or materials presented by the Respondent outside the formal response or subsequent discussion / negotiation, if requested, WILL NOT be considered, and WILL HAVE NO BEARING on any award.

4.1 USE OF ELECTRONIC VERSIONS OF THE RFP

This RFP and its exhibits are available by electronic means on the RFP websites:

<http://www.rsa-al.gov/>

<http://rfp.alabama.gov>

If utilized by such means, the Respondent acknowledges and accepts full responsibility to ensure that no changes are made to the language and intent as stipulated by the original RFP. In the event of conflict between a version of the RFP in the Respondent possession and the version maintained by RSA, the version maintained by RSA must govern.

4.2 SUBMISSION

Proposals must be submitted no later than the Proposal Deadline time and date, which is detailed in Section 2, RFP Schedule of Events. Respondents are required to submit three (3) bound hard copies of their response along with one (1) unbound copy of the original and one (1) electronic copy on (CD/DVD or USB flash drive) in .PDF format. The unbound copy should be marked "Master Copy." Facsimile and electronic transmissions ARE NOT acceptable. All responses must be submitted in a sealed envelope or box and must be marked "**Proposal in Response to RFP 14-010: RSA-1 / PEIRAF Deferred Compensation System Procurement RFP - Do Not Open**". Respondents assume the risk for the method of delivery chosen, and postmarks will not be considered as date received for purposes of this RFP. The RSA accepts no responsibility whatsoever for failure to deliver or late delivery by postal or commercial courier services. Failure by the postal or commercial courier services to meet the response deadline may result in disqualification.

Respondents must reply to the RFP and must include any relative exhibits, attachments, or amendments. A Respondent's failure to submit a Proposal as required before the deadline may result in the Proposal being considered non-responsive and may cause the Proposal to be disqualified.

The proposal, whether mailed or hand delivered, must arrive at the Agency no later than 2:00 PM., Central Time, on the proposal due date. The proposal should be sent to the address noted in Section 4.2.1 below. The envelope should be clearly marked to the attention of the RFP Coordinator and indicate the RFP Number: 14-010.

4.2.1 Location

Proposals must be received at the location below by the date and time specified as the Deadline for Submitting Proposal in Section 2, RFP Schedule of Events.

Retirement Systems of Alabama

ATTN: Edward Davis, RFP Coordinator

(Via US Postal): P.O. Box 302150 Montgomery, AL 36130-2150

OR

(Via Courier UPS/FedEx): 201 South Union Street, Montgomery, AL 36104

It must be the Respondent's sole risk to assure delivery at the designated location by the designated time. A Proposal received after the deadline may not be accepted and may be disqualified from further consideration.

4.2.2 Multiple Proposals and Joint Ventures

MULTIPLE PROPOSALS: Respondents must not submit multiple Proposals in response to this RFP. A Respondent is allowed to submit a Proposal in reply to this RFP as the Respondent and may participate in other Proposals as a Subcontractor. There is no limitation regarding the number of Proposals naming a Respondent as a Subcontractor.

JOINT VENTURES: Joint Ventures are not acceptable in response to this RFP. If multiple Respondents are proposing to jointly perform the project, the proposal must be submitted in the form of a Prime Contractor / Subcontractor(s) arrangement.

SUBCONTRACTOR DEFINITION: The RSA defines a Subcontractor as any third party contracted by the Respondent to perform the contract work described in the RFP, whether a small portion of the work or a large portion of the work. If anyone or company other than the awarded Respondent performs the work, that person / company would be a subcontractor

4.2.3 Proposal Submittal

Separately bound sections for General Qualifications and Experience, Solution Requirements, and Cost must be included as a part of each Respondent's Proposal; and must be in accordance with Section 4.2. These sections must be separate and complete so that evaluation of each one may be accomplished independent of the others.

Respondents must submit three (3) bound hard copies of their response along with one (1) unbound copy of the original marked "Master Copy.", and one (1) electronic copy (CD/DVD or USB flash drive) in .PDF and Microsoft Word format of the entire Proposal to RSA in a sealed package and clearly marked:

"Proposal in Response to RFP 14-010: RSA-1 / PEIRAF Deferred Compensation System Procurement RFP - Do Not Open"

The softcopy CD/DVD or USB flash drive version of the Proposal must contain the following:

- One (1) complete copy of the Proposal in searchable Adobe Acrobat PDF format
- One (1) complete copy of the Proposal in Microsoft Word 2010 or later format
- Each Respondent provided attachment in Microsoft Word 2010 or later format or Acrobat PDF format

4.2.4 Section Coversheets

The first page of each major Section (as referenced in Section 4.0 Proposal Format and Content) must be a dated Cover Sheet identifying the Respondent and proposed solution with an original ink signature of the person(s) legally authorized to bind the Respondent to the Proposal. Proposals without signatures of persons legally authorized to bind the Respondent to the Proposal may be rejected. The Cover Sheet must clearly identify the major section and assigned RFP number. The Cover Sheet must also include the name of the contact person and contact information of the person authorized to act on behalf of the Respondent (do not number this page).

4.2.5 Table of Contents (TOC)

The Cover Sheet must be followed by the “Table of Contents,” which must list all sections, subsections and page numbers.

4.3 RESPONSIVENESS

All proposals will be reviewed by the RFP Coordinator to determine compliance with administrative requirements and instructions specified in this RFP. The Respondent is specifically notified that failure to comply with any part of the RFP may result in rejection of the proposal as non-responsive. Any Proposal that does not meet the requirements and provide all required documentation may be considered non-responsive.

The Agency also reserves the right, however, at its sole discretion to waive minor administrative irregularities.

4.4 REQUIRED REVIEW / WAIVER OF OBJECTIONS BY RESPONDENT

Respondents should carefully review this RFP and all attachments for comments, questions, defects, objections, or any other matter requiring clarification or correction (collectively called “Questions”). Questions concerning the RFP must be made via e-mail directly to the RFP Coordinator and must be received by RSA no later than the Deadline for Respondent Questions detailed in Section 2, RFP Schedule of Events. Respondents are encouraged to submit any identified RFP errors and / or omissions by the RSA. This will allow issuance of any necessary amendments and help prevent the opening of defective Proposals upon which a contract award could not be made.

Protests based on any objection will be considered waived and invalid if these faults have not been brought to the attention of the RSA, in writing, by the Deadline for Respondent Questions as defined in Section 2.

4.5 REVISIONS TO THE RFP

In the event it becomes necessary to revise any part of this RFP, addenda will be posted on the websites listed in Section 1.6.2. For this purpose, the published questions and answers and any other pertinent information will be considered an addendum to the RFP and also posted on the website. If the changes are of major / extensive concern, RSA may, at its discretion, withdraw this RFP and may / may not

issue a follow-up replacement RFP. Failure to incorporate addenda in submitted responses may result in the Respondent's proposal being categorized Non-Responsive and may result in disqualification.

4.6 MOST FAVORABLE TERMS

RSA reserves the right to make an award without further discussion of the proposal submitted. Therefore, the proposal should be submitted initially on the most favorable terms that the Respondent can propose. The Respondent may not amend a submitted proposal, and may not submit supplemental material or information, unless specifically requested by the RSA. RSA does reserve the right to contact a Respondent for clarification of its proposal. Responses consisting solely of marketing materials are not acceptable and will be rejected.

The Respondent should be prepared to accept this RFP for incorporation into a contract resulting from this RFP. Contract negotiations may incorporate some or all of the Respondent's proposal. It is understood that the proposal will become a part of the official procurement file on this matter without obligation to RSA.

4.7 ORAL PRESENTATIONS

RSA reserves the right to request an oral presentation that may require a software demonstration of the Respondent's technology and presentation of the proposed Technical Service Team. RSA must not be liable for any costs associated with the presentation. This presentation must show the capabilities of a Respondent to provide the solution as outlined in the Respondent's Proposal. Respondents will be provided details as to the format and content of the oral presentation as part of the invitation. These presentations could include requests for additional information and may be part of the evaluative process. Additionally, in conducting presentations, RSA may use information derived from Proposals submitted by competing Respondents without disclosure of the identity of the other Respondent. Oral Presentations may be used as part of the overall Respondent evaluation as defined in Section 8.3.

4.8 COSTS TO PROPOSE

RSA is not liable for any costs incurred by the Respondent in preparation of a proposal submitted in response to this RFP, in conduct of a presentation, or any other activities related to responding to this RFP. As such, RSA will not pay any costs associated with the preparation, submittal, or presentation of any Proposal.

4.9 PROPOSAL WITHDRAWAL

Respondents may withdraw a submitted Proposal at any time. To withdraw a Proposal, the Respondent must submit a written request, signed by a Respondent representative authorized to sign the resulting contract, to the RFP Coordinator. After withdrawing a previously submitted Proposal, the Respondent may submit another Proposal at any time up to the deadline for submitting Proposals, as detailed in Section 2, RFP Schedule of Events.

4.10 PROPOSAL AMENDMENT

The RSA will not accept any amendments, revisions, or alterations to Proposals after the deadline for Proposal submittal unless such is formally requested, in writing, by the RSA.

4.11 PROPOSAL ERRORS

The Respondent is liable for all errors or omissions contained in their Proposal. Respondents will not be allowed to alter Proposal documents after the deadline for submitting a Proposal. If a Respondent needs to change a previously submitted Proposal, the Respondent must withdraw the entire Proposal and may submit the corrected Proposal before the Deadline for Submitting Proposals as defined in Section 2.

4.12 INCORRECT PROPOSAL INFORMATION

If the RSA determines that a Respondent has provided, for consideration in the evaluation process or contract negotiations, incorrect information which the Respondent knew or should have known was materially incorrect, that Proposal may be determined non-responsive, and the Proposal may be rejected.

4.13 CLARIFICATION OF PROPOSAL

The RSA reserves the right to request clarifications of any / all Respondents if they are necessary to properly clarify compliance with the requirements of this RFP. RSA will not be liable for any costs associated with such clarifications. The purpose of any such clarifications will be to ensure full understanding of the Proposal as submitted. Clarifications will be limited to specific sections of the Proposal identified

by the RSA. If clarifications are requested, the Respondent must put such clarifications in writing within the time frame specified by the RSA in the request.

4.14 REJECTION OF PROPOSALS

The RSA reserves the right at its sole discretion to reject any and all proposals received without penalty and not to issue a contract as a result of this RFP.

Any Proposal received which does not meet the requirements of this RFP, may be considered to be Non-Responsive, and the Proposal may be rejected. The Respondent must comply with all of the terms of this RFP and all applicable State laws and regulations. The RSA may reject any Proposal that does not comply with all of the terms, conditions, and performance requirements of this RFP.

The RSA reserves the unilateral right to amend this RFP in writing at any time. The RSA also reserves the right to cancel or reissue the RFP at its sole discretion. If an amendment is issued it must be provided to all Respondents submitting the specified Letter of Intent. The Respondents must then reply to the final written RFP and any exhibits, attachments, and amendments.

4.15 DISCLOSURE OF PROPOSAL CONTENTS

Proposals and supporting documents are kept confidential until the evaluation process is complete and a contract has been awarded. Respondents should be aware that any information in a Proposal may be subject to disclosure and/or reproduction under Alabama law. Designation as proprietary or confidential may not protect any materials included within the Proposal from disclosure if required by law. Respondents should mark or otherwise designate any material that it feels is proprietary or otherwise confidential by labeling the page as "CONFIDENTIAL" on the bottom of the page. Respondents must also state any legal authority as to why that material should not be subject to public disclosure under Alabama open records laws and is marked as Proprietary Information. By way of illustration but not limitation, "Proprietary Information" may include trade secrets, inventions, mask works, ideas, processes, formulas, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques.

Information contained in the Cost Proposal section MAY NOT be marked confidential. It is the sole responsibility of the Respondent to indicate information that is to remain confidential. The RSA assumes no liability for the disclosure of

information not identified by the Respondent as confidential. If the Respondent identifies its entire Proposal as confidential, RSA may deem the Proposal as non-responsive and may reject it.

4.16 PROPRIETARY INFORMATION / PUBLIC DISCLOSURE

Proposals submitted in response to this competitive procurement will become the property of RSA. All proposals received will remain confidential until the contract, if any, resulting from this RFP is signed by the Chief Executive Officer of RSA, or his Designee, and the Vendor; thereafter, the proposals will be deemed public records as defined in Section 41-13-1 of the Code of Alabama except as exempted in that chapter.

Respondents are advised that permissible exceptions from public disclosure in Alabama are very narrow in scope and strictly construed. Any information in the proposal that the Respondent desires to claim as proprietary and exempt from disclosure under the provisions of the Alabama Code must be clearly designated in the Cover Transmittal Letter. The information must be clearly identified and the particular exemption from disclosure upon which the Respondent is making the claim must be cited. Also, each page containing the information claimed to be exempt from disclosure must be clearly identified by the word "Confidential" printed on the lower right hand corner of the page. Marking the entire proposal exempt from disclosure or as confidential will not be honored.

If a public records request is made for the information that the Respondent has marked as "Confidential" the Agency will notify the Respondent of the request and of the date that the records will be released to the requester unless the Respondent obtains a court order enjoining that disclosure. If the Respondent fails to obtain the court order enjoining disclosure, the Agency will release the requested information on the date specified. If a Respondent obtains a court order from a court of competent jurisdiction enjoining disclosure pursuant to law, the Agency will maintain the confidentiality of the Respondent information per the court order.

NOTE: The proposal of the selected Vendor will be incorporated to the resulting contract, either directly or by attachment. Therefore, as part of a public state agency contract, the entirety of the successful Respondent's proposal will be subject to public disclosure regardless of any claim of confidentiality or previously applicable statutory exemption. Nevertheless, should a successful Respondent obtain a court order from an Alabama State court of competent jurisdiction prohibiting disclosure of parts of its proposal prior to the execution of the contract incorporating the same, RSA will comply with the court order. The burden is upon a successful Respondent to evaluate and anticipate its need to maintain confidentiality and to proceed accordingly.

Timeliness will be of the essence; a delay in execution of the contract to accommodate a petition to the courts will not be allowed.

4.17 COPYRIGHT PERMISSION

By submitting a Proposal, the Respondent agrees that RSA may copy the Proposal for purposes of facilitating the evaluation of the Proposal or to respond to requests for public records. By submitting a Proposal, the Respondent consents to such copying and warrants that such copying will not violate the rights of any third party. The RSA must have the right to use ideas or adaptations of ideas that are presented in Proposals.

4.18 BID RESPONSE STIPULATIONS

4.18.1 Terminology

The use of the terms “shall” or “must” in the RFP constitutes a “required” or “mandatory” requirement and mandates a response from the Respondent. Failure by the Respondent to reply to any of these requirements in the entire RFP may be considered non-responsive, and if deemed non-responsive may be rejected by the RSA.

The Respondent must reply with “ACKNOWLEDGE AND WILL COMPLY” to each section in the RFP that constitutes a “required” or “mandatory” requirement but does not request a specific answer or information.

The use of the term “may” in the RFP constitutes information or material that is not “required” or “mandatory” but may be submitted or complied with at the Respondent’s discretion. Not answering something that is stated with “may” will not be considered non-responsive.

If the Respondent cannot reply with “ACKNOWLEDGE AND WILL COMPLY,” then the Respondent must reply with “EXCEPTION.” (See Section 12.2)

Where a section asks a question or requests information (e.g.: “The Respondent must provide...”) the Respondent must respond with the specific answer or information requested.

4.18.2 Commitment of Funds

The Chief Executive Officer of RSA is the only individual, who may legally commit the Agency to the expenditures of funds for a contract resulting from this RFP. No cost chargeable to the proposed contract may be incurred before receipt of a fully executed contract.

4.18.3 Supporting Prerequisite Certifications

The four documents listed below and attached in Exhibits 1 - 4 must be completed and accompany all other RFP Documentation submitted to RSA. These forms are required by mandate of Alabama State Law.

- **EXHIBIT 1: STATE OF ALABAMA DISCLOSURE STATEMENT:** This disclosure statement is required by Alabama Code Section 41-16-82 and must be completed and submitted with the RFP.
- **EXHIBIT 2: STATE OF ALABAMA CONTRACT TERMS:** Vendors must be willing to agree to the contract terms required of all state of Alabama contracts, as set forth in the attached contract shell document.
- **EXHIBIT 3: IRS FORM W-9:** Vendors must provide the RSA with a completed Internal Revenue Service Form W-9, Request for Taxpayer Identification Number and Certification.
- **EXHIBIT 4: IMMIGRATION COMPLIANCE CERTIFICATE:** Vendors must complete and submit a Certificate of Compliance with the Beason-Hammon Alabama Taxpayer and Citizen Protection act (Act 2011-535, as amended by Act 2012-491). Vendors that are Alabama entities and/or employ persons within the state of Alabama will also be required to provide a copy of the entire E-Verify MOU.

4.19 TERMS AND CONDITIONS

The Respondent specifically is charged with knowledge of RSA's specific reservations of rights set out in this RFP and the RSA's General Terms and Conditions for Professional Services Contracts attached as Exhibit 2 in addition to the terms and conditions stated herein. By submitting a proposal the Respondent

affirmatively acknowledges and agrees that the terms and conditions in This Section and Exhibit 2 without any exception must become part of any contract awarded under this RFP.

The Respondent must read the provisions listed below and reply with any exceptions the Respondent takes to any provision. Unless otherwise indicated within this Section of the Respondent's proposals, the Respondent accepts and agrees that the following provisions must become part of any contract awarded under this RFP:

4.19.1 Indemnification

To the fullest extent permitted by law, the Respondent shall indemnify, defend, and hold harmless The Retirement Systems of Alabama, the State of Alabama and their affiliates, and their respective administrators, officers, directors, agents and employees (the "Indemnitees"), from and against any and all claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from the Respondent's performance of services under this Agreement and/or any other of the Respondent's acts and/or omissions under this Agreement. Without limiting the foregoing in any manner, the Respondent shall indemnify, defend, and hold harmless the Indemnitees from and against any and all claims, damages, losses and expenses, including but not limited to attorney's fees, (a) incurred as a result of the Respondent's violation of any law, rule or regulation; (b) arising out of, or related to, the Respondent's breach of warranty or representation; or (c) arising out of, or related to, the Respondent's negligent or willful misconduct. For all claims against the Indemnitees by any employee, agent, or any other person directly or indirectly employed by the Respondent, the indemnification obligation under this paragraph shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Respondent or its agents, under worker's compensation laws, disability benefits laws or other employee benefits laws. Respondent agrees that the RSA will not indemnify the Respondent under the terms of the contract.

4.19.2 Governing Law

Respondent agrees that the final Agreement shall be governed by and construed in accordance with Alabama law, without giving any effect to the conflict of laws provision thereof.

4.19.3 Independent Contractor

Respondent acknowledges that it is an independent contractor, and neither the Respondent nor its employees are to be considered employees of RSA or entitled to benefits under the State of Alabama Merit System.

4.19.4 Not A Debt Of The State Of Alabama

It is agreed that the terms and commitments contained therein shall not be constituted as a debt of the State of Alabama in violation of Article 11, Section 213 of the Constitution of Alabama, 1901, as amended by Amendment Number 26.

4.19.5 Conflicts With Law

It is further agreed that if any provision of this Agreement shall contravene any statute or Constitutional provision or amendment, either now in effect or which may, during the course of this Agreement, be enacted, then that conflicting provision in the Agreement shall be deemed null and void.

4.19.6 Sole Remedy

Respondent's sole remedy for settlement of any and all disputes arising under the terms of this Agreement shall be limited to filing a claim with the Board of Adjustments for the State of Alabama.

4.19.7 Open Records

Respondent acknowledges that RSA may be subject to Alabama open records laws or similar state and/or federal laws relating to disclosure of public records and may be required, upon request, to disclose certain records and information covered by and not exempted from such laws. Notwithstanding anything to the contrary contained in Respondent's proposal or final Agreement, Respondent acknowledges and agrees that RSA may comply with those laws without violating any provision of Respondent's proposal or final Agreement.

4.19.8 Immigration

Respondent agrees that by signing this contract, the contracting parties affirm, for the duration of the agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama. Furthermore, a contracting party found to be in violation of this provision shall be deemed in breach of the agreement and shall be responsible for all damages resulting therefrom.

4.19.9 Insurance

Respondent shall maintain or obtain (as applicable), with respect to the activities in which Respondent engages pursuant to this Agreement, professional liability (errors and omissions) insurance and general liability insurance in amounts reasonable and customary for the nature and scope of business engaged by such party. Respondent shall deliver to RSA evidence of such insurance on or before the Effective Date of the Agreement and annually thereafter.

4.19.10 Access To Facilities

Respondent and its employees or agents shall have the right to use only those facilities of the RSA that are necessary for its performance of services under this Contract and shall have no right of access to any other facilities of the RSA.

4.19.11 Site Security

Respondent and its employees or agents on-site must comply in all respects with physical, fire, and other agency security regulations as well as complying with all agency practices, standards, and policies. For example, contractors must use all state resources appropriately as identified in agency and state policies.

4.19.12 English Language Proficiency

Respondent and subcontractor resources must read, write, and speak English proficiently. The RSA reserves the right to require replacement of resources

based on deficient oral and / or written English skills as determined by the RSA.

4.19.13 Failure To Honor

If a Respondent to whom a contract is awarded refuses to accept the award (contract) or, fails to deliver in accordance with the contract terms and conditions, RSA may, in its discretion, suspend the Respondent for a period of time from entering into any contracts with RSA.

4.19.14 Intellectual Property

All materials developed under the terms of this Agreement including, but not limited to: reports, brochures, pamphlets; spreadsheet based tools / analyses / macros, software object and source code, software modifications, audio or video recordings and press releases; but excluding Respondent's work papers, must become the property of the RSA and must not be used by the Respondent for any purposes other than those contemplated by this Agreement without the written consent of the RSA, which must not be unreasonably withheld. Notwithstanding anything in this Agreement to the contrary, the Respondent must retain sole and exclusive ownership of and all right, title and interest to, without limitation, its know-how, concepts, techniques, methodologies, ideas and trade secrets that existed prior to this Agreement.

4.19.15 Interest Of Respondent

The Respondent covenants that it presently has no interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Respondent further covenants that in the performance of this Contract no such person having such interest must be employed or engaged.

4.19.16 Invoice Frequency

Invoicing frequency will be restricted to no more frequently than once monthly.

4.19.17 Warranties

The Respondent warrants to the RSA that: (a) all work and deliverables must conform in all respects to all of the requirements of this Contract; (b) all system installation and modifications must conform to the standards of the software Vendor or Vendors proposed by the Respondent; (c) no system installation or modification must void or alter any applicable software vendor maintenance support obligation or warranty; and (d) all work performed must be free from all defects in design and workmanship and be fit for its intended purpose.

4.19.18 Transition

The RSA must provide a 30 calendar day transition time between notice of termination for convenience and contract termination date when written notice of termination is given. The Respondent must be required to act in good faith to affect the transition without interruption of the progress of the work and the services provided by the RSA-1 Plan Administration Services.

4.19.19 U.S. Funds

All proposed prices must be in U.S. dollars.

4.19.20 Use Of RSA Resources

Respondent shall have no authority to use RSA resources unless provided herein or with RSA's express written approval.

4.20 THE RETIREMENT SYSTEMS OF ALABAMA RIGHTS

4.20.1 Contract Award

RSA intends to award the contract to the Respondent with the best combination of attributes based on the evaluation criteria listed in Section 8 of this RFP.

RSA reserves the right to award a contract to the next most qualified Respondent (s). RSA also reserves the right to contract with more than one Respondent.

The selected Vendor is responsible for obtaining licensing with the Department of Revenue, and complying with any other state or federal regulations necessary to conduct business in Alabama, prior to performing services for RSA.

4.20.2 Publicity

No informational pamphlets, notices, press releases, research reports, and/or similar public notices concerning this project may be released by the selected Vendor without obtaining prior written approval from RSA.

4.20.3 Waivers

RSA reserves the right to waive specific terms and conditions contained in this RFP. It will be understood by Respondents that the proposal is predicated upon acceptance of all terms and conditions contained in this RFP unless the Respondent has obtained such a waiver, in writing, from the RFP Coordinator prior to submission of the proposal. Any waiver, if granted, will be granted to all Respondents.

4.20.4 Records Retention

After the date of the announcement of the selected vendor, RSA will retain one master copy of each proposal which does not result in a contract for a period of 7 years. RSA will retain copies of the proposal(s) from the selected Vendor for a period of 7 years from the expiration date of contracts resulting from this procurement.

4.20.5 Period of Performance

The period of performance of any contract resulting from this RFP is tentatively scheduled to begin on or about August, 2014 and to end on July, 2017 with the option of two (2) one year extensions. Full implementation and service are expected to begin August, 2014. Contract negotiations will begin upon selection of an Approved Vendor.

5. GENERAL QUALIFICATIONS AND EXPERIENCE

5.1 TRANSMITTAL LETTER

5.1.1 The Proposal Transmittal Letter must be an offer of the Respondent in the form of a standard business letter on business letterhead. The Proposal Transmittal Letter must reference and respond to the following subsections in sequence and include corresponding documentation as required. Following the cover sheet and table of contents, the Transmittal Letter must be the first page of the Proposal.

5.1.2 The letter must be signed by a company officer empowered by the Respondent organization to bind the Respondent to the provisions of this RFP and any contract awarded pursuant to it. The Proposal Transmittal Letter must be properly signed and notarized or it may be rejected.

5.1.3 The letter must state that the Proposal remains valid for at least one hundred and eighty (180) days subsequent to the Deadline for Submitting Proposals (Section 2, RFP Schedule of Events) and thereafter in accordance with any resulting Contract between the Respondent and RSA.

5.1.4 The letter must provide the complete legal entity name and Federal Employer Identification Number (FEIN) of the firm making the Proposal.

5.1.5 The letter must provide the name, physical location / mailing address (a PO Box address is unacceptable), E-mail address, and telephone number of the person RSA should contact regarding the Proposal.

5.1.6 The letter must state whether the Respondent or any individual who will perform work under the Contract has a possible conflict of interest (i.e. employment by the State of Alabama or RSA) and, if so, must state the nature of that conflict. RSA reserves the right to cancel an award if any interest disclosed from any source could either give the appearance of a conflict of interest or cause speculation as to the objectivity of the offer. Such determination regarding any questions of conflict of interest must be solely within the discretion of RSA.

5.1.7 The Letter must state unequivocal understanding of the general information presented in all Sections and agree with all requirements / conditions listed in the RFP. Any and all exceptions to mandatory requirements of the RFP must be defined in Attachment 12.2, Respondent Exceptions.

5.1.8 The letter must state that the Respondent has an understanding of and will comply with the Business Associate Agreement as set out in Attachment 12.4.

5.1.9 The letter must state that the Respondent has an understanding of and will comply with the General Terms and Conditions as set out in Sections 4.19 and Exhibit 2.

5.2 MANDATORY QUALIFICATIONS

The Mandatory Respondent Qualifications must reference and reply to the following subsections in sequence and include corresponding documentation as required:

5.2.1 The Respondent must provide written confirmation that they comply with the provisions of this RFP, without exceptions unless otherwise noted. If Respondent fails to provide such confirmation, RSA, at its sole discretion, may determine the Proposal to be a non-responsive, and if deemed non-responsive the Proposal may be rejected.

5.2.2 The Respondent must complete RFP Section 12.1, Certificate of Compliance, to comply with the listed conditions.

5.2.3 Act 2001-955 requires an Alabama Disclosure Statement to be completed and filed with all proposals, bids, contracts, or grant proposals to the State of Alabama in excess of \$5,000. Respondents must go to the URL: <http://www.ago.state.al.us/Page-Vendor-Disclosure-Statement-Information-and-Instructions> to download a copy of the Alabama Disclosure Statement. The Alabama Disclosure Statement must be filled out and must be submitted with the Proposal and attached to the Respondent Qualifications and Experience section.

5.2.4 The Respondent must acknowledge and comply that the Respondent has a continuing obligation to disclose any change of circumstances that will affect its qualifications as a Respondent.

5.2.5 The Respondent must affirmatively state that it meets all of the following minimum experience requirements:

5.2.6 Respondent must have experience providing software for organizations to administer 457 Deferred Compensation Plans with at least 100,000 total active members and distributees and of similar composition and complexity to the RSA-1 and PEIRAF Plans.

5.2.7 Respondent must have five (5) or more years of experience implementing 457 Deferred Compensation Plan Technology solutions. The implementations must be with Plans in the United States.

5.2.8 Respondent must have successfully completed at least three (3) implementations of the proposed solution within the last five (5) years.

5.3 GENERAL QUALIFICATIONS AND EXPERIENCE

To evidence the Respondent's experience in delivering services similar to those required by this RFP, the General Respondent Qualifications and Experience must reference and respond to the following subsections in sequence and include corresponding documentation as required:

5.3.1 A brief, descriptive statement indicating the Respondent's credentials to deliver the services sought under this RFP. The Respondent must be a Direct Provider of Software and Services (not a third-party broker).

5.3.2 A brief, descriptive statement agreeing to provide the specified minimum software functionality, administrative capacity, communication and record keeping abilities as well as all other requirements as stated in the RFP.

5.3.3 A brief description of the Respondent's background and organizational history:

5.3.4 Number of years in business;

5.3.5 A summary to include the location of the Respondent's headquarters and the number of branch locations within the State of Alabama;

5.3.6 A brief statement of how long the Respondent has been performing the services required by this RFP;

5.3.7 Location of offices and personnel which will be used to perform services procured under this RFP;

5.3.8 A description of the number of employees and client base;

5.3.9 Whether there have been any mergers, acquisitions, or sales of the Respondent company within the last five years (if so, an explanation providing relevant details);

5.3.10 Form of business (e.g. LLC, Inc., etc.);

5.3.11 A statement as to whether any Respondent employees to be assigned to this project have been convicted of, pled guilty to, or pled nolo contendere to any felony; and if so, an explanation providing relevant details;

5.3.12 A statement from the Respondent's counsel as to whether there is pending or current litigation which would impair Respondent's performance in a Contract under this RFP.

5.3.13 A statement as to whether, in the last ten years, the Respondent has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors; and if so, an explanation providing relevant details;

5.3.14 A statement as to whether the Respondent has ever been disqualified from competition for any contracts including government contracts; and if so, an explanation providing details.

5.3.15 A statement as to whether the Respondent has ever been dismissed from any contracts including government contracts because of unsatisfactory performance; and if so, an explanation providing relevant details.

5.3.16 A detailed statement of relevant 457 Deferred Compensation Plan experience in the public sector within the last five (5) years. The narrative in response to this section must thoroughly describe the Respondent's experience with providing the services sought under this RFP. In this Section, the Respondent may also provide sample documents describing the Respondent's experience.

5.3.17 The Respondent must accept certain written contract terms as supplied by RSA. The Respondent must have the approval of their legal representative to the contract format, terms and conditions prior to finalization of the contract. Respondent must provide a copy of their normal contract with the RSA required written contract terms included as a format for RSA review.

5.4 SUBCONTRACTOR GENERAL QUALIFICATION AND EXPERIENCE

The Respondent must be responsible for ensuring the timeliness and quality of all work performed by Subcontractors. If no Subcontractors will be proposed, the Respondent must indicate so in this Section. Subcontractor work cannot consume more than 15% for the total hours or proposed cost of the contract.

For each proposed Subcontractor, the Respondent must provide the following:

5.4.1 Subcontractor firm name;

5.4.2 Percentage of total work the Subcontractor will be providing based upon proposed cost;

5.4.3 Written statement signed by the Subcontractor that clearly verifies that the Subcontractor is committed to render the services required by the contract;

5.4.4 A brief, descriptive statement indicating the Subcontractor's credentials to deliver the services sought under this RFP;

5.4.5 A brief description of the Subcontractor's background and organizational history;

5.4.6 Number of years in business;

5.4.7 A brief statement of how long the Subcontractor has been performing the services required by this RFP;

5.4.8 Location of offices and personnel which will be used to perform services procured under this RFP;

5.4.9 A description of the number of employees and client base;

5.4.10 Whether there have been any mergers, acquisitions, or sales of the Subcontractor's company within the last five years (if so, an explanation providing relevant details);

5.4.11 Form of business (e.g. LLC, Inc., etc.);

5.4.12 A statement as to whether any Subcontractor employees to be assigned to this project have been convicted of, pled guilty to, or pled nolo contendere to any felony; and if so, an explanation providing relevant details;

5.4.13 A statement as to whether there is any pending litigation against the Subcontractor; and if such litigation exists, attach an opinion of counsel as to whether the pending litigation will impair the Subcontractor's performance in a Contract under this RFP;

5.4.14 A statement as to whether, in the last ten years, the Subcontractor has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors; and if so, an explanation providing relevant details;

5.4.15 A statement as to whether the Subcontractor has ever been disqualified from competition for any contracts including government contracts; and if so, an explanation providing details.

5.4.16 A statement as to whether the Subcontractor has ever been dismissed from any contracts including government contracts because of unsatisfactory performance; and if so, an explanation providing relevant details.

5.4.17 A detailed statement of the work the Subcontractor will perform. The narrative in response to this section must thoroughly describe the Subcontractor's experience with providing the services sought under this RFP. In this Section, the Subcontractor must also provide sample documents describing the Subcontractor's experience.

5.5 FINANCIAL STABILITY

Documentation of financial responsibility and stability; said documentation must include:

5.5.1 A letter signed by an Executive Member of the Respondent's organization such as the Chief Executive Officer or Chief Financial Officer or by a company officer empowered to bind the Respondent to the provisions of this RFP and any contract awarded pursuant to it attesting that the information provided pursuant to this Section is to his/her knowledge correct and complete.

5.5.2 Audited financial statements of the Respondent prepared in conformity with Generally Accepted Accounting Standards of the United States for most recent three (3) years to include:

- Opinion of certified public accountants
- Balance sheets
- Income statements
- Cash flow statements
- Changes in shareholders' equity statements
- All notes pertaining to such financial statements
- Management's discussion and analysis of such financial statements

5.5.3 The percentage of the Respondent's revenue and profits from providing the type of services to be performed requested in this RFP.

5.5.4 Documentation of the most recent credit rating determined by an accredited credit bureau, such as Dun and Bradstreet, Moody's, Standard and Poor's, etc.

5.5.5 Statement that Respondent has no significant unrecorded contingent liabilities that could affect the company's financial viability.

5.5.6 Statement from Respondent indicating that the Respondent is current on all taxes (federal, state, local, employment) including, but not limited to, taxes on income, sales, property, employment, etc.

5.5.7 For subcontractors providing ten percent (10%) or more of the scope of services based upon proposed cost, the Subcontractor is required to submit the same financial stability information as the Respondent.

5.6 INSURANCE COVERAGE

The Respondent must indicate as a condition of contract award, that the Respondent will provide proof of insurance with a Certificate of Insurance executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below.

The Respondent must, at their own expense, obtain and keep in force insurance coverage, which must be maintained in full force and effect during the term of the contract. The Respondent must furnish evidence in the form of a Certificate of Insurance that insurance will be provided, and a copy must be forwarded to RSA within 15 days of the contract effective date. The Respondent must at all times during

the term of the contract carry and maintain insurance in amounts reasonable and customary for the nature and scope of business engaged by such party.

5.6.1 Liability Insurance

Commercial General Liability Insurance (CGL): Vendor will maintain general liability insurance and, if necessary, commercial umbrella insurance, in amounts reasonable and customary for the nature and scope of business engaged by such party. If CGL insurance contains aggregate limits, the general aggregate limit will be at least twice the “each occurrence” limit. CGL insurance will have products-completed operations aggregate limit of at least two times the “each occurrence” limit. All insurance will cover liability assumed under an insured contract (including the tort liability of another assumed in a business contract), and contain separation of insured’s’ (cross liability) condition.

Additional Provisions:

Above insurance policy will include the following provisions:

Additional Insured. The RSA, its agents and employees will be named as an additional insured on all general liability, excess, umbrella and property insurance policies. All insurance provided in compliance with this contract will be primary as to any other insurance or self-insurance programs afforded to or maintained by the state.

Cancellation: The RSA will be provided written notice before cancellation or non-renewal of any insurance. The insurer will give the RSA 45 days advance notice of cancellation or non-renewal. If cancellation is due to non-payment of premium, the RSA will be given ten days advance notice of cancellation.

Identification: Policy must reference the RSA’s contract number and the RSA’s name.

Insurance Carrier Rating: All insurance and bonds should be issued by companies admitted to do business within the state of Alabama and have a rating of A. Any exception will be reviewed and approved by the RSA, before the contract is accepted or work may begin.

Excess Coverage: By requiring insurance herein, the RSA does not represent that coverage and limits will be adequate to protect the Respondent and such coverage and limits will not limit Vendor's liability under the indemnities and reimbursements granted to the RSA in this contract.

5.6.2 Workers' Compensation Coverage

The Vendor will at all times comply with all applicable workers' compensation, occupational disease, and occupational health and safety laws, statutes, and regulations to the full extent applicable. The RSA will not be held responsible in any way for claims filed by the Vendor or their employees for services performed under the terms of this contract.

5.6.3 Errors, Omissions, or Malpractice Insurance

As applicable, the Respondent will carry and maintain Errors & Omissions Insurance with limits reasonable and customary for the nature and scope of business engaged in by such party.

5.7 REFERENCES

5.7.1 Respondent State and / or Local Public 457 DCP Contractual Experience

The Respondent must provide three (3) State and / or Local Governmental entities as references for which the Respondent served as the prime contractor, within the last five (5) years. The RSA will contact these references to verify the Respondent's ability to perform the services sought under this RFP. The Respondent must notify all contacts prior to the submission of the Proposal that representatives from RSA will directly contact the references for scheduling interviews. For each reference, the Respondent must provide:

1. Client Name
2. Contract number

3. Time period of the project and/or contract. Must be stated in the form of "from-to" dates (e.g., "Jan. 09 -- March 11"). Do not state this as a length of time (e.g., "two years"), without start and end dates.
4. Procuring State Agency, Local entity, or Organization
5. Number of members served by the 457 Plan Solution
6. Maximum number of Respondent staff assigned to project (over entire period of client service);
7. A description of the Respondent's roles and responsibilities, including a brief narrative detailing the scope of services provided.
8. Projected cost and actual cost of the project;
9. Contact name, telephone number, and E-mail for each reference

5.7.2 Subcontractor State and / or Local Public 457 DCP Contractual Experience

For each Subcontractor proposed, the Respondent must provide a list of three (3) most recent contractual relationships with other State and / or Local Governmental entities with similar scope and size for which the Subcontractor has been engaged. The listing must include:

1. Client Name
2. Contract number
3. Time period of the project and/or contract. Must be stated in the form of "from-to" dates (e.g., "Jan. 09 -- March 11"). Do not state this as a length of time (e.g., "two years"), without start and end dates.
4. Procuring State Agency or Local entity

5. Number of members served by the 457 Plan Solution
6. Maximum number of Subcontractor's staff assigned to project (over entire period of client service);
7. A description of the Subcontractor's roles and responsibilities, including a brief narrative detailing the scope of services provided.
8. Projected cost and actual cost of the project;
9. Contact name, telephone number, and E-mail for each reference

5.8 STAFFING

The RSA is not restricted in any way from contracting with Respondent's agents, contractors or subcontractors. Likewise, the RSA must not be prohibited from soliciting for employment or employing Respondent's employees.

The Respondent must provide the following information for the staff to be assigned to the RSA for the duration of contract time.

5.8.1 Project Organization Chart

The Respondent must provide a project organization chart that, at a minimum, identifies each key position for your proposed solution. Personnel occupying key positions must be dedicated full-time to the project unless otherwise indicated. The RSA reserves the right to interview and approve the individuals assigned to those positions, as well as to approve any later reassignment or replacement, although such approval will not be unreasonably withheld.

For each position shown in the project organizational chart, the following must be provided (referencing the subsections in sequence):

- Title
- Name

- Designation as a Key or Non-Key position. The Project Manager and individuals leading teams would be Key. Senior technical positions will also be Key and any other positions where the sudden departure of the incumbent would affect the team's ability to stay on schedule;
- Description of project role and responsibilities;
- Percentage of time to be assigned; and
- Percentage of time to be spent onsite.

5.8.2 Key Positions

At a minimum, the Key Positions must include Account Executive, Project Manager, Solution Architect, Implementation Manager, and other Key Positions as determined by the Respondent. Though the Respondent may use different position titles, the Respondent must clearly specify the duties of each Key Position holder.

The Respondent must affirm that the Respondent's staff if needed must be able to meet with the RSA in person, teleconference, webinar, or any other way deemed satisfactory to the RSA through the duration of this project.

For each position designated as a Key position, the Respondent must provide:

- Name and title of the individual proposed to that position;
- Description of project role and responsibilities;
- Completed Key Position Resume Sheet for each individual as provided in Attachments 12.3 (All Key Position Resume Sheets must be attached to the Respondent Qualification and Experience Section);
- Designation of the individual as a Contract employee (compensation paid by an organization other than the Respondent submitting this Proposal) or staff (compensation paid by the Respondent submitting this Proposal).

- Key personnel commitments made in the Vendor's Proposal or approved work plan shall not be deleted or changed without prior written approval of the RSA unless due to resignation, military recall, or death of named personnel in which case the RSA shall be notified. Replacements for personnel who have terminated employment are subject to approval by the RSA. The RSA reserves the right to request replacement of any individual working under the Contract. The RSA shall approve, in advance and in writing, any permanent or temporary changes to or deletion from the Contractor's named key personnel.

5.8.3 Staffing Time

The Respondent must indicate the normal time required to start work after a Contract is awarded and provide assurances as to the availability of staff for Key positions within that timeframe. The Respondent must also indicate the normal timeframe for filling Non-Key positions.

5.8.4 Employment Certification

By submission of this information, the Respondent is certifying that the individuals submitted are currently employed within the Respondent organization or have been contacted by the Respondent and have agreed to join the Respondent organization upon Contract award. The RSA reserves the right to contact and / or interview submitted personnel prior to Contract award, and the RSA reserves the right to approve or reject such personnel.

5.9 RISK ASSESSMENT

The RSA is responsible for the safety and security of over 300,000 active and retired members' personal information. It is the responsibility of the RSA to ensure sensitive information remains in good hands at all times. The RSA has developed a risk assessment in accordance with ISO security standards to assess potential vendor risk for this project. Each Respondent must first review the criteria stated below before completing the project.

The Respondent must acknowledge and comply that they along with all subcontract firm's proposing line of business (LOB) are ISO27001 certified or AICPA SOC 2 Type II certified. The Respondent must provide a certificate for one or both certifications to the RSA within this Section. If the Respondent or any of its subcontractors are not ISO27001 certified or AICPA SOC 2 Type II certified, each non-certified organization (Respondent or subcontractor) must complete Attachment

12.7 – RSA Security Risk Assessment. The Respondent’s designated information security official must review and sign the security assessment for precision and accuracy. This is also a requirement for any subcontract firm required to complete the risk assessment.

6. PROJECT METHODOLOGY

The Respondent must deliver and maintain a plan and schedule of major project tasks. Microsoft Project Software must be utilized for preparation of the project schedule, assessing progress, and maintaining the schedule throughout the project lifecycle. The Plan must include major milestones and indicate deliverables as outlined along with applicable due dates. The Plan must be presented in detail by Task and in summary by Gantt Charts. The Respondent must update / maintain the Project Plan for accurate completion of weekly activity summaries and monthly status updates to be submitted to the RSA.

As part of the project kickoff, the selected Respondent will be required to meet with the RSA to familiarize themselves with RSA policies, procedures, regulations, staff roles and responsibilities. Thereafter, regularly scheduled Progress Meetings coordinated by the RSA Project Manager will be held during which the RSA, Respondent, and other Key Program Staff will:

- Review Project Status Reports and discuss outstanding issues / concerns;
- Analyze progression of Project Schedule in comparison to prior period;
- Review workload outlined for completion during the next period;
- Review potential risk that may potentially impede progress;

For the aforementioned Progress Meetings, the Respondent must prepare a Monthly Project Control Report that includes a schedule update, a report of scheduled tasks for the next reporting period and a summary of outstanding issues / concerns requiring action by RSA. RSA will utilize this information to ensure compliance and adherence to the Project Management Methodology outlined by the Respondent in combination with careful tracking and validation of all information provided in traceability to defined Project Milestones. Key components of the RSA oversight process will be Day to Day management, Weekly / Monthly Status Reviews, Structured Walkthrough Reviews of the system under development and review of all supporting documentation and associated deliverables as outlined. Integral Milestones to be included as part of the Project Plan are the Detailed System Design Phase, Acceptance Testing Phase, Data Conversion Phase, and Pilot Testing / Implementation Phase.

6.1 PROJECT MANAGEMENT

6.1.1 Project Plan

Due to the RSA within ten (10) Work Days from Project Kickoff. This Plan must adhere to the aforementioned stipulations, and should be detailed at both the Task / Activity and Gantt Chart Summary Levels.

6.1.2 Weekly Activity Summary

Due to the RSA by End of Day (EOD) on Mondays of the week following week being summarized for review. The Summary must detail the status of Tasks / Activities undertaken and / or completed during the reporting week and activities planned and projected for the coming week.

6.1.3 Monthly Activity Report

Due to the RSA within five (5) Work Days of the end of the reporting month. The Monthly Activity Report must summarize all project activities undertaken throughout the course of a given month and provide a detailed Project Plan update, including the overall Status of Tasks / Activities scheduled and / or completed; highlighting identified issues / concerns requiring the RSA to act; potential Risk that may impact the project; and summarizing all scheduled activities for the coming month.

6.1.4 Specification Verification

The Respondent must facilitate a Specification Verification Review to gain clear understanding and insight of all outlined specifications related to the desired solution. Further, the Respondent must specify the methods and capacities by which their solution will comply with and fulfill the specifications. The Specification Verification Review details must be thoroughly documented for the RSA to approve prior to the start of other Project Task / Activities. This affords the RSA the opportunity to confirm all previously identified specifications are appropriately detailed, and to ensure that any new specifications that may be identified are incorporated in the project specifications for inclusion.

6.1.5 Implementation Plan

The selected Respondent must develop and define an overall Implementation Strategy for the solution. Upon review and finalization of any noted modifications to the Implementation Strategy, the RSA will approve the outlined Strategy and the Respondent may proceed with the development of a detailed Implementation Plan that will put the strategy into effect. In developing the plan, the Respondent must:

- Specify Tasks required to develop an Implementation Plan for migration of the solution into the RSA Production Environment. The Plan must be consistent with the approved Implementation Strategy;
- Provide System Configuration and Modifications needed to accommodate the successful migration of the solution into the RSA Production Environment;
- Confirm the composition, staffing requirements, and status of Tasks considered necessary for the successful Implementation of the solution into the RSA Production Environment.

The Respondent must carry out a wide range of activities in support of Implementation, including but not limited to the following:

- Installing and testing necessary workstation software;
 - Executing the data conversion process;
 - Verifying conversion results;
 - Implementing New User and Operations procedures;
 - Executing the new application in the production environment.
- To facilitate a smooth transition from the current application environment, the Respondent must insure Development Personnel remain in place during and subsequent to system implementation in order to:
 - Answer New User and Operations questions; Investigate and document reported problems;
 - Recommend adjustments to enhance overall performance;
 - Identify potential problems before impacting system function or performance.

6.2 TESTING

The Respondent must develop and implement a comprehensive framework for testing that includes Functional Design, Security Testing, and Technical Architecture established during the Design Phase. Key to this process is the establishment of a high quality solution that is thoroughly tested and validated against Operational, Security, and Technical considerations within a systematic and rigorous testing approach. Specific areas of focus for Testing consideration throughout the project

include Unit, Integration, Volume/Stress, Security, and System / Performance Testing.

Parallel with developing the various plans, the Respondent must develop and implement the various aspects of the Technical Environment or Test Bed that are required for the Master Test Plan, including all types and levels of testing. The technical environment must promote efficient, effective and controlled execution of all testing.

6.2.1 Deliverables

The Respondent must prepare a Master Test Plan that identifies an appropriate approach to integrate all of the aforementioned Testing Components. This plan must then be refined into the detailed work plans needed to manage and control project testing tasks. To be included are the following:

6.2.1.1. Master Test Plan

This Plan must provide an overview of the Respondent's proposed testing processes, indicating linkages between the various levels of testing. Testing processes, Test Cases, and Test Recording procedures must be included.

6.2.1.2. Unit Test Plan

This Plan must include common standards, procedures and guidelines to be employed during Unit testing. Further, common tools or techniques that the Respondent will utilize in facilitation of Unit Testing must be summarized as part of this plan. The Unit Test Plan must define all Test Cases to be performed and must be designed to exercise all major program paths applicable to the system under test. Test handling of Normal and Abnormal conditions within program specifications must be conducted by the Respondent. As such, the Respondent must define the expected outcome against which actual results are to be measured. Standard test data must be detailed as applicable to the RSA.

6.2.1.3. Integration Test Plan

This Plan must include the detailed procedures and guidelines for testing groups of programs or system modules. Standard test data must be detailed, as applicable to the RSA.

6.2.1.4. Security Test Plan

A comprehensive test plan for testing the Solution for application, system, and network level vulnerabilities based on industry best practices including the OWASP framework.

6.2.1.5. Volume / Stress Test Plan

This Plan must describe the standards, procedures and guidelines for Volume / Stress Testing. The components of the Plan must exercise high volumes of data against all major program paths and processes applicable to the system under test. Test handling of Normal and Abnormal conditions within program specifications must be conducted by the Respondent determine whether the system performance objectives designated for the RSA have been met and whether additional allocation of space and or tuning may be required. This testing must ensure responsible performance according to specified specifications within the context of identified caseloads and operating environments. This plan should specifically detail the methods and procedures for developing valid volume test data.

6.2.1.6. Test Reports (One Report Per Completed Test Plan)

These Test Reports must recap testing procedures and processes, testing data utilized, test results and any corrective action(s) taken as a result of the reference testing results for the specified Test Plan under review. The Test Reports must fully document the testing processes undertaken as specified by the RSA.

The Respondent must execute every type of testing detailed above prior to the execution of Acceptance Testing, as outlined by the Master Test Plan. Though specific tasks performed and issues addressed may vary dependent upon the specified test plan and test scripts developed for this phase, the following activities must be included:

- Execution of the test cases and documentation of results;
- Determination of whether test results turned out as expected;
- Checking for abnormal terminations of the tasks;
- Evaluation of the testing that has been performed;
- Measurement of test effectiveness;
- Recommendation of improvements to the testing process.

Having completed the aforementioned, the Respondent is required to certify the system as completely Integration Tested and ready for Acceptance Testing. It is at this point that the solution must be subjected to Acceptance Testing by the RSA Project Team. Acceptance Testing must validate the successful execution of actual system operations are measured against performance criteria and Functional Specifications as described in the Detail Design and contract.

6.3 ACCEPTANCE TESTING

The RSA Project Team in collaboration with the Respondent will develop an Acceptance Testing Plan that will guide and control the System Acceptance Testing Process. All applicable components of the Acceptance Testing Process must be included in the Plan and must describe the applicable standards, procedures and guidelines by which the testing must be executed. All functionality to be tested, the processing type (i.e.: Batch, On-Line, Interactive, etc.) and technical environment must be summarized as part of the plan. Should separate libraries be required for the execution of this testing, these libraries must be detailed, along with applicable constraints or considerations governing their availability or usage. Test Cases, transactions and expected outcomes must be developed for positive and negative conditions of the system under test. The Respondent must review and validate the completeness of the Acceptance Testing Plan to insure thorough coverage and robustness of testing are evident.

The Respondent must additionally have applicable handling procedures defined for reporting, tracking and resolving identified issues and or defects with the system under test through utilization of corrective action plans and / or additional programming effort. It is at the discretion of the RSA to determine when Acceptance Testing criterion are, in fact, successfully passed and completed.

6.3.1 Deliverables

6.3.1.1. Acceptance Test Plan Review

This plan must specify the roles and responsibilities of the RSA Project Team in conducting and verifying the acceptance test results in collaboration with the Respondent's assistance. The Respondent is required to review the Acceptance Test Plan to ensure a thorough review of the solution has been conducted. The Respondent's Review of the Acceptance Test Plan must be conducted prior to the beginning of this Phase of the project life cycle and the execution of the Acceptance Testing by the RSA Project Team.

6.3.1.2. Master Test Report

This Report must be prepared by the Respondent and presented to the RSA. To validate the final resolution of identified gaps and inconsistencies that may have been captured during the Acceptance Testing Process. Upon formal review by the RSA, the Respondent must provide written substantiation of all final resolutions of gaps and inconsistencies for project documentation.

6.3.1.3. Documentation

The Respondent must provide the RSA with all Schemas and documentation for Software, Hardware, Network, and the Entire New Solution.

6.4 TRAINING

The Respondent must describe the standard methodology for knowledge transfer, which must include applicable objective measures to determine whether there has been sufficient knowledge transfer. Further, the Respondent must describe recommended training sessions to be facilitated by the RSA. Descriptions of this training must include topics, targeted audience (i.e.: technical support, end user, etc.) and recommended content.

6.4.1 Deliverables

6.4.1.1. Training Recommendation

This document must be prepared by the Respondent and presented to the RSA, and is required to detail the overall recommendations for effectively conducting knowledge transfer related to the solution for incorporation in End User Change Management and preparation for implementation. Intuitive modularization of the solution should be summarized along with applicable topics and targeted audience recommendations.

6.5 MAINTENANCE / SOFTWARE (SOLUTION) SUPPORT

Respondent must summarize in detail their capacity to meet all stipulated Maintenance / Software Support for the proposed Solution.

6.5.1 Deliverables

6.5.1.1. Detailed Maintenance / Support Summarization

Required content for inclusion in this response to be submitted to the RSA must minimally include:

- Summary of fixed or estimated pricing for maintenance support;
- The ability to provide updates / upgrades / maintenance support and historical frequency related to proposed solution for past 3-5 years;
- How maintenance support will be provided (i.e. % of license fee, time and materials or fixed price basis);
- Maintenance support activities scope to be provided and the tasks included in each area (e.g. database support, version upgrades,);
- Ability to meet minimum system availability stipulations (i.e.: minimum of 99.9% of the time during Business Hours);
- Ability to insure the RSA Help Desk Support sufficient support to insure Users have prompt response to calls / issues related to the proposed solution and clear identification of a resolution of

85% of the calls must be provided to Users within four (4) Business Hours.

7. FEE PROPOSAL

7.1 It is the desire of RSA to enter into a fixed price contract with a Vendor to provide the Software and Administration Service capabilities requested in this RFP. The fees proposed must be fixed over the five-year contract, including extensions, and an increase to the fees quoted will not be permitted.

7.2 The Fee Proposal will be used as the primary representation of the Respondent's Fee / price, and will be used during the Proposal Evaluation.

7.3 Pricing information must be included in the Fee Proposal Section, and only in the Fee Proposal Section; no pricing information may be included in any other Section's responses. Inclusion of Fee Proposal information in any other Section may result in the Proposal being considered as non-responsive, and may result in disqualification.

7.4 The RSA will only accept firm and fixed Fee Proposals for this project. No time-and-materials Proposals will be considered.

7.5 Pricing is to be the Best and Final price. However, the RSA reserves the right to negotiate options and other considerations with the selected Respondent to reach a final Contract price.

7.6 Respondent must submit pricing for their solution to be delivered as a Full-Service Model, including the staffing of maintenance and administrative positions for on-going operation.

7.7 Respondents must use Attachment 12.6 - Fee Proposal Template.

7.8 Fee Proposal Template must be signed by a Company Officer empowered to bind the Respondent to the provisions of this RFP and any contract awarded pursuant to it.

7.9 Respondents must include all expenses, including travel, lodging, and any Subcontractor Fees when preparing their Fee Proposal.

7.10 Payments will only be made on the successful completion and approval of a deliverable by the RSA.

SUMMARIZED FEE PROPOSAL

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Deferred Compensation Solution						
Project Management						
Support						
Warranty						
Training						
Other: (Please specify)						
Annualized TOTAL						
Grand TOTAL 5 Year Life-Cycle Cost						\$

7.11 ILLUSTRATION ASSUMPTIONS

Each Respondent must fully identify the pricing assumptions made in arriving at its fee proposal. No representations or warranties can be made as to the number of employees or eligible entities that will participate in the plan, the amount of assets that will constitute the plan, the potential usage of expected functionality or any other factor that might impact the provision of said capabilities.

7.12 COMPENSATION RESTRICTIONS

The successful Respondent will receive no compensation other than the fees set forth in its fee proposal or as agreed by RSA.

8. EVALUATION / CONTRACT AWARD

8.1 EVALUATION TEAM

The evaluation of proposals will be accomplished by an evaluation team, to be designated by RSA, which will determine the proposal most responsive to the requirements stated in this RFP. Proposals will be evaluated strictly in accordance with the requirements set forth in this RFP and any addenda that are issued.

The RFP Coordinator will coordinate the proposal evaluation process and maintain proposal evaluation records. A RFP Evaluation Team, consisting of a multidisciplinary mix of the RSA Subject Matter Experts, will be responsible for evaluating the Proposals.

8.2 AWARD FACTORS

The evaluation process is designed to award the contract to the Respondent whose proposal best meets the requirements of this RFP. The final selection, if any, will be based on the evaluation committee's recommendation after analysis of the Responses to Questions and the Fee Proposal, and oral presentations and site visits, if so required.

8.3 EVALUATION WEIGHTING CRITERION

Responses to questions will be organized into the following categories and scored by a RSA evaluation team.

Respondent's General Qualifications and Experience (<i>Includes Oral Presentation</i>)	35%
Solution Requirements	50%
Fee Proposal	15%
Total Weighting	100%

Negotiations may commence as contemplated by this RFP with any or all of the short-listed Respondents, either concurrently or separately in the sole discretion of the RSA, to come to a mutual agreement with any such Respondent on its best and final contract price, service package and any other contractual terms as may be required by the RSA. During the negotiations, the RSA intends to evaluate service levels, fee

proposals, capabilities and other contract terms within the context of each Respondent's complete response (i.e. written response, additional written information submitted by a Respondent, and interview), as well as, cost evaluation and any other information available from any other source or alternative. Final scores will be based upon the compilation of all aforementioned criterion, and the scores of the short listed Respondents will be aggregated to establish an overall final ranking that demonstrates, in the judgment and discretion of the RSA, the Respondent that will provide the services in a manner that best meets the needs and requirements set forth in the RFP.

NOTE: The RSA will not be required to select the lowest-cost Respondent.

Interviews / Site Visits Conducted if Necessary. RSA, at its sole discretion, may elect to select the top two or more Respondents for an oral presentation and final determination of contract award. Commitments made by the Respondent at the oral interview, if any, will be considered binding. If interviews and site visits are conducted, the final selection will be based on the combined proposal, oral interview and site visit. Respondents with whom interviews are conducted will be asked to elaborate on the elements of their proposal; however, no changes whatsoever can be made to a Respondent Fee Proposal unless indicated by RSA through a Best and Final Offer process. Any such changes may be grounds for dismissing the Respondent from the bidding process. Respondents who are unsure as to whether a clarification would be considered a change to its fee proposal should contact the RFP Coordinator.

8.4 PROPOSAL EVALUATION PROCESS

The evaluation process is designed to award the Contract to the Respondent with the best combination of attributes based upon the RFP Specifications and Evaluative Criterion that constitutes "Best Value" for RSA.

All Proposals will be initially reviewed by the RFP Coordinator to determine compliance with basic proposal specifications as stipulated in the RFP. If the RFP Coordinator determines that a Proposal may be missing one or more such requirements, the RFP Evaluation Team shall review the Proposal to determine:

- if the Proposal meets requirements for further evaluation;
- if RSA shall request further clarification(s) or corrections; or
- if RSA shall determine the Proposal Non-Responsive and reject it.

The proposal evaluation process will be accomplished as follows:

The RFP Evaluation Team will evaluate responsive Proposals. The RSA CFO will compute the Cost Evaluative Score and Final Score for each Proposal. The evaluation scoring will use the pre-established criterion and weights stipulated in this RFP.

RSA reserves the right, at its sole discretion, to request clarifications from any and / or all Respondents. The purpose of any such clarifications will be to ensure full understanding of the Proposal. Clarifications will be limited to specific sections of the Proposal identified by the Evaluation Team. If clarifications are made, the Respondents must put such clarifications in writing.

8.5 CONTRACT AWARD PROCESS

The RSA CFO will present the results from the Proposal Evaluation Process to the RFP Evaluation Team; the RFP Evaluation Team will present their recommendations to RSA Executive Management.

RSA reserves the right to make an award without further discussion of any Proposal submitted. There may be no Best and Final Offer procedure by the RSA among the Respondents. Therefore, each Proposal should be initially submitted on the most favorable terms the Respondent can offer.

After the evaluation of Proposals and final consideration of all pertinent information available, the RSA will issue an Evaluation Notice to all Respondents. The notice will identify the Respondent selected by RSA. The notice will not create rights, interests, or claims of entitlement in the apparent best-evaluated Respondents or any other Respondent.

The RFP files will be made available for public inspection upon written request to the RFP Coordinator after final Contract Award. Requestors may not be provided any information marked as “Confidential” submitted by the Respondents as defined by RFP Section 4.16.

If the Selected Respondent fails to sign and return the Contract drawn pursuant to this RFP and the final Contract negotiations within fourteen (14) days of its delivery to the Respondent, RSA may determine, at its sole discretion, that the Respondent is Non-Responsive to the terms of this RFP, reject the Proposal, and then re-open final Contract Negotiations with another Respondent.

Contract Awards are subject to the Contract Approval of all appropriate RSA officials in accordance with applicable state laws and regulations.

During contract negotiations, RSA reserves the right to modify the Scope of Services described within this RFP. Furthermore, RSA reserves the right to add additional Statement of Works under the resulting Contract.

8.6 NOTIFICATION TO UNSUCCESSFUL RESPONDENTS

The Respondents whose proposals have not been selected will be notified via e-mail as provided in their proposal.

9. RSA-1 / PEIRAF BACKGROUND SUMMARY

The RSA PEIRAF Plan was created by Statute in 1981, and was originally denoted to be a Voluntary Deductible Employee Contribution Plan (DEC). Per stipulations outlined in the Tax Reform Act of 1986, this type of plan was abolished. The Retirement Systems of Alabama subsequently established the RSA-1 457 Plan, as defined by Section 457 of the Internal Revenue Code of the United States, as a replacement for the abolished (DEC) plan. Though abolished, all existing participants of the PEIRAF Plan were allowed to maintain existing contributions in the plan at the point of abolishment if they so desired, and as such, it is necessitated that for the remaining life of those participants and specified accounts, consideration be made to insure adequate functionality and regulatory compliance are maintained for management and oversight purposes. The recordkeeping and management of both plans (DEC and RSA-1) must be included in the Respondent's proposal.

RSA-1 is an Eligible Deferred Compensation Plan authorized by §36-27A-1, et. seq., Code of Alabama 1975. Under this Deferred Compensation Plan, a public employee may elect to defer receipt of a portion of his or her salary until a later determined date, usually at retirement or termination of service. Because receipt of the income is deferred, the deferred income is not included in the participant's current federal or state of Alabama gross taxable income; however, deferrals prior to 1997 have already been taxed by the state of Alabama.

Regarding Deferrals, Participants of RSA-1 cannot exceed the maximum deferral allowable under federal law. Deferral amounts may be increased decreased or suspended and are subject to the participating employer's payroll requirements. Statements are mailed to participants quarterly in January, April, July and October. The deferred income is paid into the RSA-1 Deferred Compensation Plan and invested for the participant's benefit. Investment earnings are accumulated in the fund and like the deferred income, are not subject to Federal or State of Alabama income taxation until distributed to the participant or beneficiary. Deferred income and the investment earnings are held in the participant's account for the exclusive benefit of the plan participants and their beneficiaries.

RSA-1 funds are invested under the authority and restrictions governing investments made by the Teachers' and Employees' Retirement Systems of Alabama. RSA-1 currently offers the option to invest in fixed income investments, stocks, or a combination of both. Funds for both the RSA-1 fixed and stock investment option are not self-directed; but are instead invested as a pool. The RSA-1 fixed portfolio is invested in fixed income investments such as corporate bonds, U.S. agency obligations, government national mortgage association securities, and commercial paper. The stock portfolio is invested in an S&P 500 Index Fund, which invests in the stock of America's 500 largest companies. Earnings or losses are posted to Participant accounts monthly and the accounts are currently valued monthly at market value. Current participants may change investment option elections every 365 days. The election will remain in effect until a subsequent eligible election is made, but it must remain in effect for the stipulated 365 days. Participants do not pay current federal or state income taxes on investment earnings.

RSA-1 deferrals and earnings are only subject to taxes once the deferrals are withdrawn from RSA-1.

RSA-1 funds cannot be assigned or alienated. RSA-1 is not a savings account from which Participants are allowed to make periodic withdrawals. It is, however, a retirement account that becomes available after Participants have retired or otherwise terminated employment. Conditions applicable to withdrawal include Separation from service through retirement or termination from employment, Attainment of age 70½, Unforeseeable Emergency, Cash-out provision for small account balances or death of the participant. Current IRS regulations require that distributions begin no later than April 1 of the calendar year following the calendar year in which the Participant attains age 70½ or retires, whichever is later. If Participants have not retired or terminated from service, they are not required to take distribution(s) from their RSA-1 account until they reach age 70½ or older. In such instances the account(s) continue to have interest posted to the balance each month. Balances may remain in the account until a distribution is requested, the Participant retires or terminates service or the Participant reaches age 70½. At that point the Participant must begin taking the Required Minimum Distribution (RMD), which is the minimum amount that must be distributed from the plan to participants and beneficiaries per IRS regulations. At the time of retirement or separation from service, the Participant has the ability to choose one or a combination of the following distribution elections: Full Lump-Sum Payment, Partial Lump-Sum Payment, Periodic Payment, Rollover, or Combination of the above except Full Lump-Sum Payment. RMD rules continue to apply after the Participant's death. However, when Beneficiary(ies) must begin receiving minimum distributions would be dependent upon whether or not they are a surviving spouse, an estate or trust has been denoted to be the beneficiary, or the deceased Participant was receiving minimum payments prior to their death.

Regarding Transfers and Rollovers, RSA-1 funds may be utilized to purchase permissive service credit with a governmental defined benefit plan such as ERS and TRS; funds may be transferred to other 457 plans while the Participant is still in-service; once eligible for distributions (due to retirement, termination, or death), Participants or their Beneficiary(ies) may roll over funds to a Section 401(k), 403(b), 457 plan, Roth IRA, or Traditional IRA. RSA-1 can accept Trustee-to-Trustee Transfers from other Section 457 plans. In such instances, an RSA-1 account must be established prior to the transfer, and funds transferred from other Section 457 accounts must never have been from any source other than 457(b). RSA-1 can accept rollovers from RSA DROP accounts once Participants have terminated employment.

Regarding Tax Withholding, RSA-1 distributions are subject to the IRS withholding rules applicable to qualified plans. For lump-sum payments, partial lump-sum payments eligible for rollover distribution, and periodic payments of less than ten (10) years' duration, a 20% withholding is required by the IRS. For periodic payments in excess of ten (10) years' duration, the Participant may denote the amount of Federal Withholding to be applied to their monthly or annual disbursement. Generally, for payments to Non-resident Aliens, the IRS requires 30% withholding for federal tax.

Deferred income and investment earnings distributed from RSA-1 are taxable to the Participant or their designated Beneficiary(ies) as ordinary income in the year of distribution. RSA-1 payments are reported on Form 1099R in the year of distribution. There are no penalties applicable for early distribution from a Section 457 Deferred Compensation Plan such as RSA-1 regardless of age at the time of distribution. Amounts deferred in 1996 or before have principal and interest subject to federal income tax, while only interest is subject to state of Alabama income tax upon distribution. For amounts deferred in 1997 and thereafter, the principal and interest are both subject to federal and state of Alabama income tax upon distribution. Principal distribution from a DROP Rollover accounts is not subject to State of Alabama Income Tax.

Provisions <i>(As Of 09/30/2013)</i>	Retirement Systems of Alabama RSA-1 and PEIRAF Plan
Plan	IRC Section 457(b) tax deferred compensation plan and a DEC plan structured like an IRA
Participating Employers	State of Alabama and varied political subdivisions (county and municipal entities).
Eligible Participants	There are approximately 200,000 state and public education employees eligible to participate in RSA-1
Administrative Structure	All administrative functions are maintained in-house including investment transactions
Investment Structure	Plan requires minimum of three investment options for all administered plans
Vendor Contribution Submission	More than 1200 participating units remit payroll deductions by submitting a contribution file and a check matching the contribution amount to RSA.
Number of Participants	35,192 in 457(b) plan and 1,806 in IRA Plan
Number of actively contributing participants	16,168
Plan Assets	Approximately \$1.75 billion (RSA-1 and IRA Plan)
Plan Year	October 1 – September 30
Member Contributions	Tax-deferred within IRS limits.
Deposit frequency	Some participating units currently deposit twice a month, for example 15 th & 31 st ; while all other contributions occur once a month.
Participant directed	Yes
Rollovers	To and from other qualified plans, into from Alabama DROP funds and Federal TSP.
In-service withdrawals	No, except for unforeseeable emergencies, small account balances, permissive service credit purchases, and transfers to other Employer Endorsed 457(b) Plans.
Loans	No
Payout elections	May be deferred until RMD date
Valuation frequency	Currently monthly, considering a change to daily.
Payout Options	Lump Sum (Full Balance or Partial) Rollover to IRA or other qualified plan Periodic Payment (currently monthly and annually, considering other intervals) Refund
Payout Order	Pre-97 contributions, other contributions, interest. (On each account i.e. RF, RS...)
Roth	No
Current Participant fees, investment and management fees	None
Frequency of Participant statements	Quarterly
Customer Service Hours	8:00 AM to 5:00 PM Central Time (CST)
Auto Enrollment	No

CONTRIBUTIONS

Contributions	October 1 – September 30, 2013		October 1 – September 30, 2012	
	Participants	Assets	Participants	Assets
457 Rollovers into RSA-1	97	\$2,106,602.76	335	\$1,759,551.89
Employee Deferrals	18,284	\$50,359,051.12	18,960	\$52,434,295.85
DROP Rollovers	592	\$92,954,317.67	593	\$89,737,461.03
Contributions Total		\$145,419,971.55		\$143,931,308.77

DISTRIBUTIONS

Distributions	October 1 – September 30, 2013		October 1 – September 30, 2012	
	Participants	Assets	Participants	Assets
Lump Sum	2,138	(\$40,088,374.88)	1,880	(\$34,567,305.45)
Hardship Withdrawal	198	(\$569,384.09)	208	(\$766,458.72)
Periodic Payments	4,641	(\$29,628,782.36)	4,228	(\$27,088,082.09)
Rollovers Out	599	(\$53,925,950.42)	496	(\$34,514,585.64)
Transfers Out	279	(\$7,606,101.43)	258	(\$5,007,308.71)
Refunds	43	(\$68,247.93)	64	(\$83,546.07)
Distributions Total		(\$131,886,841.11)		(\$102,027,286.68)
Net Cash Flow		\$13,533,130.44		\$41,904,022.09

NOTE: The Plans do not accept QDROs.

KEY PLAN STATISTICS AS OF SEPTEMBER 30, 2013

Number of new participants enrolled	1,498
Number of participants actively contributing	16,168
Number of participant accounts	35,192
Number of participants on systematic withdrawals	4,641
Average RSA-1 Participant account balance 2013	\$47,265.43
Average RSA-1 Participant account balance 2012	\$45,405.51
Average IRA Participant account balance 2013	\$47,207.74
Average IRA Participant account balance 2012	\$47,198.93

PLAN SUMMARY

(All plan provisions are subject to change)

Type of Plan	RSA—1 457(b)	PEIRAF
Participant Contributions	Voluntary, up to IRC limits	None
Employer Contributions	None	None
Contributions As:	Flat Dollar or Percentage of Pay	None
Other Receipts	Transfers from other 457B Plans and Rollovers from DROP and TSP Only at this time.	None
Deferral Deposit Frequency	Monthly and Semi-Monthly	None
Participant Direction	Yes	No
Investment Options	Bond Index Fund Stock Index Fund Third fund to be determined upon implementation of new software (Note: all funds are internally managed)	Bond Index Fund only
Frequency of Valuation	Daily (currently monthly)	Daily (currently monthly)
Investment Management and Related Fees	None	None
In-service Withdrawals	Yes, for unforeseeable emergencies, small account balances, permissive service credit purchases, and transfers to other Employer Endorsed 457(b) Plans	No
Loans	Not available	Not available
Vesting	100% immediate	100% immediate
Participant Statements	Quarterly	Quarterly
Distribution Elections	May be deferred until RMD date	Not required
Rollovers	To other qualified plans and IRAs	To other qualified plans and IRAs
Distribution Options	Full, partial, and periodic balance lump sum, installment payment, and rollovers. Order of distribution: Pre 97 contributions, all other contributions, interest.	Full, partial, and periodic lump sum, installment payment, and rollovers. Order of distribution: Pre 97 contributions, all other contributions, interest.
Trustee/Custodian for Investments	State Street Bank	State Street Bank

10.SOLUTION REQUIREMENTS

10.1 SOLUTION

10.1.1 Overall Solution Description

The Respondent must provide a high-level narrative describing the proposed solution and its implementation. The narrative should provide a concise summary of the services and deliverables being offered to meet the requirements of this RFP, the Respondent's approach to providing the services, and justification as to why the Respondent is the best qualified to provide services.

10.1.2 Detailed Solution Description

The Respondent must provide a detailed narrative describing how the proposed solution will address the high-level business sub-sections including how the various business processes will flow and how solution components will coordinate with one another.

The Respondent must address each of the following separately:

- RSA-1 Administration System
- Portals
- Accounting
- Enterprise Content Management
- Customer Relationship Management
- User Interface Scenarios

10.1.2.1. RSA-1 Administration System

10.1.2.1.1. New Member Enrollment with Investment Option Election (Member Portal / Enrollment Form)

10.1.2.1.2. Contribution Processing

10.1.2.1.3. DROP Rollover Into RSA-1

10.1.2.1.4. Monthly Payroll Processing

- 10.1.2.1.5. Ad Hoc Payroll Processing
- 10.1.2.1.6. 1099 R Processing
- 10.1.2.1.7. Account Maintenance
- 10.1.2.1.8. Add / Transfer / Delete Investment Option For Participant
- 10.1.2.1.9. Data Conversion Process

10.1.2.2. Portals

RSA is currently procuring and will be implementing an enterprise-wide Member Portal and Employer Portal. The proposed solution is required to work with and utilize the RSA Member and Employer Portals.

- 10.1.2.2.1. Self Service Portals Introduction and Common Requirements
- 10.1.2.2.2. Member Portal
- 10.1.2.2.3. Employer Portal

10.1.2.3. Accounting

- 10.1.2.3.1. Process Daily Investment Transaction and Net Asset Value
- 10.1.2.3.2. Creation of journal entries for General Ledger
- 10.1.2.3.3. Integration with General Ledger
- 10.1.2.3.4. Balancing Subsidiary Ledger to General Ledger and Fund Balances.

10.1.2.4. Enterprise Content Management

RSA is currently procuring and will be implementing an enterprise-wide content management (ECM) system that will be used for the

electronic storage and retrieval of program information. The ECM is a service level oriented application and all RSA applications are required to interface with the ECM at the service level.

The Respondent must deliver a solution that can:

10.1.2.4.1. Interface seamlessly with the RSA ECM at the service level

10.1.2.4.2. Consume an ECM service capable of capturing and storing RSA-1 documents, reports, images and other program artifacts electronically from the RSA ECM.

10.1.2.4.3. Consume an ECM service that provides the ability to upload RSA-1 documents along with the associated metadata

10.1.2.4.4. Consume an ECM service that provides the ability to search and retrieve specific RSA-1 documents and associated metadata based upon user provided search criteria

10.1.2.5. Customer Relationship Management

RSA is currently procuring and will be implementing an enterprise-wide customer relationship (CRM) management tool that will be used by all RSA applications. In particular, the common repository for all demographic data is housed in the CRM and accessible via service calls by any RSA application for storage, retrieval and update of member demographic data.

The Respondent must deliver a solution that can:

10.1.2.4.1. Interface seamlessly with the RSA CRM at the service level

10.1.2.4.2. Consume a CRM service for the storage, retrieval and update of all RSA-1 member demographic data stored in the common data repository

10.1.2.4.3. Provide the ability to generate documents through a UI or programmatically by consuming a CRM service

10.1.2.4.4. Interface seamlessly with the workflow management system for creation of specific RSA-1 workflows

10.1.2.6. User Interface Scenarios

The Respondent must describe how their proposed solution will accomplish the following scenarios:

10.1.2.6.1. New Member Enrollment with investment option election via member portal or enrollment form

- a. Via member portal – show or describe how a member uses portal to enroll
- b. Via enrollment form – show or describe how an enrollment form results in a new member account
- c. Investment option election – show or describe how to enter the investment option election for a new account (fixed/equity)

10.1.2.6.2. Contribution processing

- a. Agency submits contribution file and money to RSA
- b. RSA deposits the money and approves contribution file to be processed
- c. Contributions are posted to members' accounts
- d. Reports are generated to verify the contributions posted correctly

10.1.2.6.3. Transfers into RSA-1 from other 457b plans

- a. Member submits transfer in paperwork
- b. Transferring retirement plan submits check to RSA-1
- c. Member's Transfer RSA-1 account is created if there is not one already
- d. Check is deposited and posted to member's transfer account
- e. Reports are generated to verify the contributions posted correctly
- f. Confirmation letter is sent to the member

10.1.2.6.4. DROP rollovers into RSA-1

- a. Member submits paperwork to rollover DROP money from RSA to RSA-1
- b. Member's DROP RSA-1 account is created
- c. DROP money is transferred from ERS/TRS to RSA-1 and posted to member's account
- d. Reports are generated to verify the contributions posted correctly

10.1.2.6.5. Monthly payroll processing

- a. Steps involved for initiating payroll
- b. Balancing steps and finalizing

10.1.2.6.6. Ad-hoc payroll processing

- a. Adding records to ad-hoc payroll
- b. Distributions to multiple beneficiaries of one account
- c. Process a purchase of service transfer to ERS/TRS
- d. Rollovers/Transfers to other plans
- e. Balancing steps and finalizing

10.1.2.6.7. 1099 Processing

- a. Exporting 1099 data to an external 1099 application
- b. Import 1099 data from an external source
- c. Show or describe how a member will access 1099 via member portal

10.1.2.6.8. Account Maintenance

- a. Show or describe how to produce quarterly statements
- b. Show or describe how to process cancelled warrants and EFT returns

10.1.2.6.9. Processing Daily Investment transactions and Net Asset Value (NAV) (Mark to Market, Realized Gains/Losses and Income) in the system.

- a. Process Investment Transactions resulting from Contributions, Distributions, Withdrawals and Investment Option Election changes.
- b. Custodial Bank sends End of Day (EOD) file containing NAV.
- c. Post NAV to Participant Accounts.
- d. RSA Staff Verify and Reconcile Custodial NAV to total Participant NAV.
- e. Validate Performance reporting between Custodial Bank and Total Participant Performance for the period.
- f. Make corrections to Participant's Daily NAV as a result of Material Changes or Errors in Security pricing or data contained in the EOD Custodian file after posting and/or publishing.
- g. Show how to reduce Cash Drag related to Distributions, Withdrawals and Investment Option changes. For example: restrict number of days funds are available to Participants after their request.

10.1.2.6.10. Adding, Transferring or Deleting Investment Options for Participants.

- a. Add additional Investment Option for Participants
- b. Transfer current Investment Option to a New Investment Option
- c. Totally remove Investment Option from Plan

10.2 BUSINESS REQUIREMENTS

The RESPONDENT must complete Section 11 – Business Requirements. The RESPONDENT must respond to each requirement by marking one of the three provided response columns:

Met without modification – The solution proposed by the Respondent meets the specification and is functional at the time the proposal is submitted.

Met with modifications – The solution proposed by the Respondent at the time the proposal is submitted fails to meet the specification. However, the Respondent believes that through enhancement, modification or customization to the solution the specification will be met. The selection of “Met with modifications” requires a narrative be added to the comment section of the specification explaining the limitation and approach to resolve. If an enhancement to the solution is proposed, a target release date for the enhancement is requested.

Not Met – The solution proposed by the Respondent does not and will not meet the specification

10.3 PROJECT MANAGEMENT

10.3.1 Project Management Methodology

The Respondent must:

10.3.1.1. Describe the formal Project Management methodology to be used.

10.3.1.2. Describe the proposed project team’s experience in regards to a structured Project Management methodology.

10.3.1.3. Provide high-level project work plan and timeline which reflects the major phases from the Respondent’s methodology.

10.3.1.4. Describe escalation procedures to be followed by the Respondent to resolve project problems, issues, and/or changes during the project.

10.3.1.5. Outline the typical quality control procedures used by the Respondent and the degree of oversight of those procedures exercised by the project manager.

10.3.1.6. Describe methods and procedures to allocate, track, and report resource time to project milestones, deliverables, and tasks.

10.3.1.7. Describe sign-off procedures for the major decision-making points of the project's work plan.

10.3.1.8. Provide a sample Weekly Activity Summary as described in Section 6.1.2.

10.3.1.9. Provide a sample Monthly Activity Report as described in Section 6.1.3.

10.3.1.10. Describe how the Respondent will conduct a Specification Verification Review as described in Section 6.1.4.

10.3.1.11. Provide a sample Implementation Plan as described in Section 6.1.5.

10.3.2 Training

The Respondent must:

10.3.2.1. Describe the Respondent's standard methodology for knowledge transfer including objective measures to determine whether there has been sufficient knowledge transfer.

10.3.2.2. Describe recommended training sessions. The description must include topics, targeted audience (technical support, end user, etc.) and recommended content.

10.3.3 Testing

The Respondent must:

10.3.3.1. Describe a typical testing framework used by the Respondent as described in Section 6.2.

10.3.3.2. Provide a sample Master Test Plan as described in Section 6.2.1.1.

10.3.3.3. Provide a narrative describing how the Respondent typically provides the various levels of testing described in Section 6.2.1.4.

10.3.3.4. Provide a narrative describing how the Respondent will perform Stress testing and Volume Testing as described in Section 6.2.1.5.

10.3.3.5. Provide a sample Master Test Report as described in Section 6.2.1.6.

10.4 TECHNOLOGY

10.4.1 Technical Architecture

The Respondent must:

10.4.1.1. Describe the overall solution deployment topology and technical architecture (as well as any applicable options) in terms of server and server software requirements including their role or purpose in the architecture (i.e. web servers, app servers, report servers, proposed ECM, SAN, virtualization, network resources, database systems, and desktop configurations).

10.4.1.2. Provide architecture diagrams that depict scenarios below including Internet facing and internal/Intranet system components. The diagrams shall also include any external dependencies (other than basic network components) that are critical to the system's operation such as load balancers, user authentication or shared file systems.

- a. Fault tolerance throughout each tier
- b. Network throughput
- c. Load balancing at the web and application tiers
- d. Database sizing and deployment recommendations
- e. Server and SAN capacity planning
- f. Virtualization
- g. Security throughout each tier
- h. Disaster recovery
- i. ECM
- j. CRM

10.4.1.3. Describe what operating system environment and hardware platform the proposed solution is most commonly deployed.

10.4.1.4. Describe what operating environment(s) and hardware platform(s) the proposed solution is certified. The Respondent must also describe any plans to move away from current supported platforms.

10.4.1.5. Describe the strategy (roadmap) for upgrading the proposed solution (end-of-life strategy) and how the Respondent will manage these upgrades during the course of the project.

10.4.1.6. Describe the average refresh rate for hardware\software based on current implementations of the proposed solution.

10.4.1.7. Describe any required third party software options and currently supported versions of each.

10.4.1.8. Describe any third party upgrade limitations of the proposed solution.

10.4.1.9. Describe the disk and storage infrastructure requirements (e.g., disk speeds, storage fabric), overall I/O architecture requirements, and any I/O performance characteristics that are critical to the system's performance. This description shall include current and projected capacity and known limitations of different storage solutions.

10.4.1.10. Describe if any processes of the proposed solution run as a service. The Respondent must also describe any processes that require a system to be logged into at all times.

10.4.1.11. Describe the preferred storage solutions for the proposed solution. In this section, the Respondent must also describe any storage solutions that the Respondent will not certify their environment on.

10.4.1.12. Describe any special network considerations such as non-standard protocols or bandwidth requirements.

10.4.1.13. Describe if the proposed solution is validated on VMware vSphere 5.

10.4.1.14. Identify any components that would not be suitable for server virtualization and the rationale behind that recommendation.

10.4.1.15. Describe any known limitations, of the proposed solution with virtualized servers in a VMware vSphere environment.

10.4.1.16. Describe how many test and development environments the proposed solution requires and provide in detail hardware/software specifications for these environments.

10.4.1.17. Describe in detail how updates to a code version are rolled out to application servers and end users and how often these updates are made available.

10.4.1.18. Describe how the proposed solution integrates or could integrate with telephony systems including telephone switches, VoIP, IVR, Contact Management Systems, and Fax Servers. The Respondent must also indicate any third party software that may be used to certify these installations.

10.4.2 IT Infrastructure

The Respondent must:

10.4.2.1. Acknowledge and comply that the proposed Solution is both compatible and certified to run on the Microsoft Windows operating system platform. Describe what versions of Microsoft operating systems are currently certified to run both proposed solutions.

10.4.2.2. Acknowledge and comply that the proposed Solution is compatible with a variety of Browsers including Internet Explorer, Chrome, Firefox, Safari, and mobile browsers.

10.4.2.3. Describe the average processor/memory standards required for desktops that will connect to the proposed solution (e.g. 4G RAM, 32Bit, 3.0 GHz).

10.4.2.4. Acknowledge and comply with the ability of the proposed Solution to view and support a § 457 application on most common mobile devices.

10.4.2.5. Respondent must certify all aspects of the proposed solution system hardware components including certifying all drivers and manufacturer models for printers.

10.4.2.6. Acknowledge and comply that the proposed Solution supports Windows 2008 R2 or higher.

10.4.2.7. Describe the proposed solution's ability to consolidate as many services and applications on the same server operating system instance as possible (where feasible) without negatively impacting solution's performance.

10.4.2.8. Describe the proposed solution's support for the minimum development, testing, and production environment types. Describe how multiple, independent instances of each type of environment can be set up and deployed by the RSA.

10.4.2.9. Acknowledge and comply that the proposed Solution supports and is certified on a virtualized platform.

10.4.2.10. Acknowledge and comply that the proposed solution's support for Microsoft SQL 2008 R2 or above.

10.4.2.11. Describe the proposed solution's ability to encrypt entire contents of the database and at the field level in the event the database is compromised.

10.4.2.12. Describe the proposed solution's support of most common SAN storage solutions.

10.4.2.13. Describe the proposed solution's health monitoring system and tools to constantly monitor the entire system and its processes.

10.4.2.14. Describe the capabilities of proposed solution to generate ad-hoc or on demand reports to review system health at all times.

10.4.2.15. Describe the proposed solution's ability to work with major antivirus vendors.

10.4.2.16. Describe the proposed solution's ability to provide end to end encryption of data at rest and in motion.

10.4.2.17. Describe the proposed solution's ability to utilize masked or scrambled data – not live data as part of the testing and development.

10.4.2.18. Acknowledge and comply that the proposed solution has the ability to integrate with Windows Active Directory via Lightweight Directory Access Protocol (LDAP).

10.4.2.19. Describe the proposed solution's ability to support proper job segmentation and separation of duties of the RSA employees. Dual control of some transactions may be required based on business requirements.

10.4.2.20. Acknowledge and comply that the Respondent must provide a nationwide background check to the RSA for each employee (including Subcontractor employees) working on the project at no cost to the RSA. Any employee found to be convicted of any felony and/or convicted of a misdemeanor resulting from data theft, misuse, or cyber terrorism will not be permitted to work on the project.

10.4.2.21. Acknowledge and comply that the Respondent will be required to sign a confidentiality and non-disclosure agreement (*refer to Attachment 12.5*) along with complying with all the RSA policies. The awarded Respondent shall follow policies and procedures as stated in the RSA Information Security

Policy Manual. Under no circumstances will confidential data be allowed to leave the RSA network. Confidential data is outlined in the RSA's Data Classification Guideline.

10.4.2.22. Acknowledge and comply that no RSA data will be delivered offshore for any reason. Any and all testing against RSA data will be done in the United States.

10.4.2.23. Acknowledge and comply that user and administrator sessions must be logged for every transaction and activity in the system.

10.4.2.24. Acknowledge and comply that the proposed solution is free and clear of any known security vulnerabilities. Secure coding practices must be followed.

10.4.2.25. Describe the proposed solution's ability to support Cisco networking platforms to include Fiber channel networking and Cisco Datacenter solutions.

10.4.2.26. Describe the proposed solution's ability to support at minimum a 1 Gb connection to the desktop from Server.

10.4.2.27. Describe the proposed solution's ability for multiple VLAN segmentation of data versus application frontend servers.

10.4.2.28. Describe the Respondent's patch management policy for support and certification of monthly operating system patches and third party patches that affect proposed software solution. This should include patches for vendors such as Microsoft, Adobe, Java, and other third party platforms required to support proposed software solution.

10.4.2.29. Acknowledge and comply that dependencies on other third party applications such as Microsoft Word, Outlook, Excel are minimal and will not withhold the RSA from upgrading to newer platforms or versions.

10.4.2.30. Describe the User documentation that will be provided. The Respondent must also provide a sample from a previous implementation of the proposed solution.

10.4.2.31. Describe the Administrator documentation that will be provided. Such documentation may include but not be limited to installation, configuration, maintenance, monthly, yearly and system backup activities. The Respondent must also provide a sample from a previous implementation of the proposed solution.

10.4.3 Security

The Respondent must:

10.4.3.1. Describe how the proposed solution could meet two factor authentication requirements if deemed required by the RSA or state/federal law.

10.4.3.2. Describe Member and Employer Portal online enrollment and security verification processes.

10.4.3.3. Describe the proposed solution's security model including authentication and authorization as well as AD/LDAP directory support.

10.4.3.4. Describe how the proposed solution complies with and meets PCI, HIPAA/HITECH, and Sarbanes Oxley compliance requirements.

10.4.3.5. Describe how ensuring application security is integrated into the RESPONDENT's development process.

10.4.3.6. Describe how source code is reviewed for vulnerabilities and weaknesses.

10.4.3.7. Describe how the Respondent performs internal security testing against OWASP Top 10 vulnerabilities.

10.4.3.8. Describe how SQL injection and XSS scripting hacks are prevented during the development process.

10.4.3.9. Describe the process how a security vulnerability that has been made public or reported to Respondent's internal security team is mitigated.

10.4.3.10. Describe how each code version is tested for security vulnerabilities prior to the release to production and are remediated.

10.4.3.11. Describe the proposed solution's audit and logging capabilities and how the audit information is accessed and reported.

10.4.3.12. Describe how the proposed solution masks numbers, names, codes, or any information deemed as confidential by the RSA from reports/views.

10.4.3.13. Describe how the proposed solution encrypts designated Confidential Information (e.g., Social Security Numbers, Credit Card numbers including Personal Identification Number and Driver's License Number) in the database.

10.4.3.14. Describe the proposed solution's timeout policies and capabilities.

10.4.3.15. Describe the proposed solution's user permission capabilities.

10.4.3.16. Describe the proposed solution's authentication capabilities.

10.4.3.17. Describe how the proposed solution makes calls to the Database layer and prevents direct database access from the presentation layer.

10.4.3.18. Describe how the proposed solution will provide role-based access and administration for any authorization utilizing the security access levels defined by the RSA.

10.4.3.19. Describe how the proposed solution's capabilities for system administrators to restrict role-based access to data at an individual table and field level (e.g., Social Security Number, Credit Card Number including Personal Identification Number, and Driver's License Number, PHI, if included).

10.4.3.20. Describe how the proposed solution can provide audit logs for all user activity (viewing of records, updating of records, deleting of records, modification to confidential Information).

10.4.3.21. Describe how the proposed solution provides end to end encryption of data at rest and in motion.

10.4.3.22. Describe how the proposed solution logs all user transactions against confidential data at the Database layer. This logging shall be performed for all user privilege levels including system administrators.

10.4.3.23. Describe how service accounts security is managed.

10.4.3.24. Describe the proposed solution's capabilities of using electronic signatures. The Respondent must also describe any issues encountered during previous implementations with electronic signatures.

10.4.3.25. Acknowledge and comply that the Respondent will perform background checks on employees to pass Workforce Clearance Procedures as cited in 164.308(a)(3)(ii)(B) of HIPAA Security Rules. In order to meet HIPAA requirements, all contracted personnel must pass a national background as defined in HIPAA privacy rules.

10.4.3.26. Agree and comply with RSA Information Security Policies and Procedures as stated in the attached manual. Finalist will receive a copy of the

RSA Information Security Policies upon executing the RSA Confidentiality and Non-Disclosure Agreement (See Attachment XX).

10.4.4 Performance Tuning and Capacity Planning

The Respondent must:

10.4.4.1. Describe tools and methodologies used to assess performance tuning and capacity planning of databases, storage, operating systems, etc.

10.4.4.2. Describe how the Respondent will determine hardware, software, storage, and resource requirements to meet potential future needs.

10.4.5 Warranty and Maintenance

The Respondent must:

10.4.5.1. Describe how the Respondent will coordinate updates, upgrades, and technical support in the context of the vendor's solution, both during the course of the implementation project and after go-live.

10.4.5.2. Describe how the Respondent will manage the introduction of product updates and upgrades into the delivered baseline once testing is underway. As part of this description, the Respondent must describe how updates and upgrades will be implemented by the RSA staff with minimal Respondent assistance.

10.4.5.3. Describe the timing and frequency of maintenance updates and product upgrades for the past 3-5 years, along with projected updates/upgrades for the next 2-3 years of the proposed solution.

10.4.5.4. Describe methods for ensuring the solution will continue to be stable given the various solution pieces (such as RSA-1, ECM, and CRM).

10.4.5.5. Describe the Respondent's customer support model, to include how support for their solution will be initiated and coordinated to resolution. The location of support staff (US-based or offshore) must be included in this description.

10.4.5.6. Provide the RSA IT staffing projections that are required to maintain the system. These projections shall be broken out by role and

corresponding role description with the skill sets needed for each role by phase.

10.4.5.7. Describe the recommended RSA IT staffing requirements to operate the solution moving forward. This shall include all server, network, database, and application administrators but shall not include application development for customization and code maintenance.

10.4.5.8. Acknowledge and comply that the Respondent will maintain and support at least two (2) past implemented versions of the solution.

10.4.5.9. Describe their proposed warranty policy, period, and coverage terms. At a minimum, the warranty must ideally cover software defects for a period up to twelve (12) months from the date the software has been signed off on and put into production.

10.4.5.10. Describe their standard or proposed maintenance agreements. Do not include pricing in your description.

10.4.6 Business Continuity and Disaster Recovery

The Respondent must:

10.4.6.1. Describe the proposed solution's backup and recovery requirements and processes including:

- a. Prerequisites
- b. Tools needed (third party tools if applicable)
- c. Schedule of Events
- d. Configuration Control and Overview
- e. Methods to verify recovery system recovery and integrity

10.4.6.2. Describe the Operational and Disaster Recovery Documentation that will be provided for:

- a. System Administrators
- b. Database Administrators
- c. Application Administrators
- d. Operational Administrators

10.4.6.3. Provide a sample set of Operational and Disaster Recovery Documentation from a previous implementation of the proposed solution.

10.4.6.4. Describe the Disaster Recovery Plan that will be provided.

10.4.6.5. Provide a sample Disaster Recovery Plan from a previous implementation of the proposed solution.

10.4.6.6. Describe standard service level agreements used for projects similar in size and scope.

11. BUSINESS REQUIREMENTS

The following is a general description of the system and services RSA expects the Vendor to provide for the RSA-1 Deferred Compensation / PEIRAF System. It is incumbent upon bidders to fully understand the Scope and Specifications outlined below. Indicate the ability to meet these expectations as outlined:

Met Without Modifications – The solution proposed by the Respondent meets the specification and is functional at the time the proposal is submitted.

Met With Modifications – The solution proposed by the Respondent at the time the proposal is submitted fails to meet the specification. However, the Respondent believes that through enhancement, modification or customization to the solution the specification will be met. The selection of “Met With Modifications” requires a narrative be added to the comment section of the specification explaining the limitation and approach to resolve. If an enhancement to the solution is proposed, a Target Release Date for the enhancement is requested.

Not Met – The solution proposed by the Respondent does not and will not meet the specification.

Detailed comments are required for each specification to support the response provided and detail how the vendor will meet the outlined specification as noted. Additions or modifications to these expectations of a record keeper must be agreed upon by RSA and the Vendor during contract negotiations.

11.1 TECHNICAL SPECIFICATIONS

NOTE: The RSA is working on a modernization project that will result in the implementation of a new Pension Administration System (PAS), Enterprise Content Management (ECM) system and CRM system. Once these have been selected and implementation started, the vendor of the RSA-1 system must provide the necessary remediation to allow the RSA-1 system to work seamlessly with all necessary areas of the new PAS, ECM and CRM systems.

11.1.1 Architecture and Standards

The Automated System Must:

11.1.1.1. Provide the ability to designate Role Based Security within the application while utilizing LDAP authentication against RSA Active Directory (AD).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.1.2. Provide the capability to utilize existing RSA designated Demographic Database Tables for Person Demographic Data Interfaces. (Note: The RSA designated tables will be the master repository of demographic data for all applications requiring access to RSA member demographic data. Any maintenance performed on this data must utilize existing RSA WCF services.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.1.3. Provide the ability to interface with current and future RSA utilized Imaging /Workflow / Journaling Systems/CRM.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.1.4. Provide Web Services that allow current and future RSA Applications to interact with the proposed automated system, allowing the capability to read information or complete workflow steps as needed.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.1.5. Provide seamless User Interface (UI) Integration for the existing RSA Member Portal and the RSA Employer Portal utilizing existing authentication methods and single sign on services.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.1.6. Provide the ability to interface with New Employee Employment Information to be captured in the current and future RSA Pension Administration system for Contribution Reporting, etc.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.1.7. Support both a file based and Web Portal User Interface (UI) method of Contribution / Deferral Reporting.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.1.8. Provide the ability to export 1099R Distribution information based upon industry accepted file format(s).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.1.9. Provide the ability to utilize current and future Two-Way Delivery Interface to the Comptroller (send / receive).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.1.10. Provide a Security provision that will allow an Administrator to Change Account information as needed.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.1.11. Provide the ability to maintain core business processes throughout execution of specialized processes with no impact on performance standards for system users or operators—some processes may be batch processes and some may be real time but RSA must have the ability to determine whether the processes will be batch or real time (i.e.: Payroll, Statements, Interest Posting and IOE Updates)

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.1.12. Provide the ability to convert Existing RSA-1 and PEIRAF Data from the current system to the proposed solution on a one-to-one data element basis.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.2 Interfaces / Integrations

Describe all interface requirements in order to interface with the general ledger, Person Tool, ECM, CRM and any other required interfaces.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

The Automated System Must:

11.1.2.1. Provide the ability to interface / integrate the proposed solution with specified Demographic data in a common data repository yet to be determined (based upon the aforementioned modernization project), accessible by all existing and future RSA software applications at the web services level.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.2.2. Provide the ability to interface/ integrate the proposed solution with a Customer Relationship Management (CRM) solution yet to be determined (based upon the aforementioned modernization project), and its applicable utilization of Workflows in the execution of all applicable functional business processes.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.2.3. Provide the ability to interface/ integrate the proposed solution with an Enterprise Content Management (ECM) system yet to be determined

(based upon the aforementioned modernization project), and its utilization in the execution of all applicable functional business processes.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.2.4. Provide the ability to interface / integrate the proposed solution with Microsoft Dynamics Great Plains Accounting Software, utilized by the RSA Accounting Division in the oversight and Management of all General Ledger (GL).Chart of Account Transactions.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.2.5. Provide the ability to interface / integrate the proposed solution with State Street Software, utilized by the RSA Accounting Division in the oversight and Management of all Investment Fund Transactions with the Custodial Banking Institution.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.3 Supplemental Processing and Compliance Activities

The Automated System Must:

11.1.3.1. Maintain standard compliance to all 457 IRS Rules, Regulations and updates in a timely manner.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.3.2. Provide the ability for the system to be updated each year with the IRS deferral limits.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.3.3. Consistently provide appropriate Release Management Notifications to users when applicable of new Plan Rules / Regulations and updates that will impact their work.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4 Application Security and Compliance

11.1.4.1. Respondent must agree, adhere to and comply with all current and future RSA Information Security Policies and Procedures Manual.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.2. Respondent must thoroughly complete the RSA Third Party Vendor – Security Checklist

Met Without Modifications	Met With Modifications	Not Met
Comments:		

The Automated System Must:

11.1.4.3. Proposed solution must be free and clear of any known security vulnerabilities. An application security assessment must have been performed

within the last year (by a third party security firm) and the results of the report given to RSA for review as part of the RFP response submission.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.4. Proposed solution must adhere to Sarbanes Oxley (SOX) Audit Requirements.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.5. OWASP (or equivalent) Security Best Practices must be followed for the development of the proposed application.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.6. Any critical data exchange (e.g. password, SSN, personal data) must occur over secure HTTPS protocol.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.7. Social Security Numbers and other fields deemed confidential must not be shown on a Member Portal display. Last four must be shown if required. However, for all internal processes and displays, the entire SSN must be displayed.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.8. Critical information about system components (e.g. server name, version, installed program versions, etc.) of web, application and database servers must be obscured and not revealed via HTTP responses or error messages.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.9. Error messages of web applications and application-server default error messages must not be displayed in detail to clients.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.10. Directory listing must be disabled on application and web servers.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.11. Authentication and authorization must be performed on server-side for any access to non-public resources.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.12. All critical activities within applications must be logged at application and server levels.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.13. A common message must be used for authentication failures to prevent user enumeration attacks. An example of such a message would be "Username and/or Password is wrong".

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.14. All successful and unsuccessful authentication attempts and access attempts to resources must be logged and time stamped.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.15. Unique values (e.g. session identifiers, token etc.) used for session management must be generated via secure random number generators.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.16. An inactivity timeout must be set up for sessions. No more than 15 minutes preferred.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.17. After each authentication and re-authentication, a new session id must be created and the old session id must be invalidated. After logging out, the session id must be invalidated as well.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.18. Solutions like tokens, captchas... must be integrated for critical operations in order to prevent Cross-Site-Request-Forgery (CSRF) attacks.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.19. The domain and path for cookies containing authenticated session identifiers must be set to an appropriately restricted value for the site.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.20. The HTTPONLY attribute must be set on cookies. In addition, secure attribute must be set on cookies for HTTPS communications.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.21. Logout links must be available within all pages of proposed applications.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.22. Application must support and enforce complex passwords.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.23. The current password must always be asked of RSA Members for password change functionalities.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.24. Users must be forced to change their initial password.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.25. Application administration must be performed over an encrypted secure channel. Two factor authentication and/or site to site VPN tunnels are preferred. Where static passwords are used, passwords must be complex and changed at minimum every 90 days.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.26. Where static passwords are stored, salt values must be used as well by the generation of password hashes.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.27. Password retrieval functionalities must be supported with complex secret questions and similar arguments.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.28. Password retrieval functionalities must not send user names and passwords back within emails.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.29. Passwords and secret question-answers of password retrieval functions must never be stored in plain text.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.30. Application must generate notification of password changes or email address changes to old and new email addresses. This event detects unauthorized changes made to the account.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.31. Application must provide the ability to lock out after a predefined number of failed attempts.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.32. Names of critical directories like administration panels must not be easily guessable (e.g. admin, administration).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.33. When applications are transferred from a development/integration environment into a production environment, unnecessary resources (e.g. test codes, demo applications, backup files) must be excluded. Source files must be excluded as well if they are not required. Comments must be removed from source files. Integrity of transferred files must be checked and guaranteed.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.34. All user inputs must be validated on server-site. White-lists must be preferred for validation instead of black-lists. Each input must be encoded to a common character set before validation (canonicalization).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.35. User inputs must be escaped and validated before using as a part of command execution.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.36. Prepared statement, parameterized query, bind variables and whitelist data validation must be implemented to prevent SQL injection attacks.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.37. User inputs regarding arithmetic operations must be checked and validated for minimum and maximum values.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.38. User inputs regarding file access operations must be normalized and validated.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.39. By the operation of a file upload, name, length, type and content of the file must be checked.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.40. User uploaded files must be checked for viruses and limited to specific file types and size.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.41. User inputs used for HTTP redirects must be validated by using whitelist method to prevent phishing attacks (open redirect problem).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.42. User inputs used for LDAP queries must be sanitized before connection where applicable.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.43. CAPTCHA or similar anti-automation security controls must be implemented within HTML forms to prevent DoS, brute-forcing and dictionary attacks.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.44. A timeout for search functionalities must be enabled against SQL Wildcard attacks which force databases to perform CPU-intensive queries by using several search wildcards like "%" or "*".

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.45. Strong authentication must be utilized for accessing to web services.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.46. Web services implemented by using common frameworks must be secured against typical XML attacks and parameter manipulation attacks where applicable.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.47. Online web and data transmissions must be secured with at minimum a 2048 SSL key pair at all times.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.48. Application administration must be limited to a certain network IP range provided by RSA if any administrative capabilities are accessible via the Internet.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.49. Application must work with all major antivirus vendors such as Sophos.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.50. Hosted Applications must provide end to end encryption of data at rest and in motion. This includes web interfaces, data in transport, and data stored in database tables.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.51. Testing and development of the system must support the ability to use masked or scrambled data, not production (LIVE) data.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.52. Application must support proper job segmentation and separation of duties for RSA employees. Dual control of some transactions may be required based on business requirements. Example: Adding member to a monetary distribution function.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.53. In a hosted solution, RSA data must not cohabitate with other customer data within a database. Databases must be physically separated with different usernames and passwords.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.54. Hosted applications must be tested at minimum every 6 months for security vulnerabilities at the expense of the vendor. Results must be sent to the RSA Information Security Officer.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.55. Application databases must not be accessible from the Internet.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.56. Direct database access by RSA employees (except approved IT employees) is prohibited. Interfaces must be used to track and log all views and modifications to application data.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.57. Application must provide the ability to lock an account (in the event of stolen identity, divorce, child support, court order, etc.) and record the reason why it is locked, the User ID of the user who locked (and later unlocked) it and the date/time on which it was locked.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.58. Application must provide the ability to record and archive audit trails for transaction processing, system access, and system modifications.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.59. Application must provide the ability to capture at least the following information on any data base change:

- Date/time of change
- Item being changed
- User/process making change
- Member ID associated with change
- Value of data before and after change.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.60. Application must provide System Administrator with the flexibility to grant or restrict access at the menu, submenu, and discrete screen level as well as to limit access to screens to query only or to allow both query and update.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.61. Application must ensure completeness and security of data transmissions sent and received.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.62. Application must provide the ability to identify changes to a benefit that exceed a User -defined percentage or monetary amount.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.63. Application must provide the ability to generate audit report(s) identifying all people, processes, dates, and/or times involved in changing member and employer data within the proposed solution's database.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.4.64. Application must provide the ability for internal auditors to audit account transactions.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.5 Desktop Specifications

11.1.5.1. Desktop applications must be compatible with Windows 7 or Higher 32 bit and 64 bit.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.5.2. Browser compatibility must provide for support of the latest versions of Internet Explorer, Chrome, Firefox, Safari, and mobile browsers.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.5.3. Application must support average processor / memory standards for desktops such as 4G RAM – 32 and 64 Bit OS – 3.0 GHZ+

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.5.4. Application must support the ability to utilize the RSA-1 application on most common mobile devices (such as iPads and other smart devices).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.5.5. Application must support latest Microsoft operating system patches.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.5.6. Application must run under standard user credentials of the operating system. No user or application administrator will be given operating system administrative rights to launch the application.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.6 Data Communications

11.1.6.1. For proposed hosted solutions, Respondent agrees to adhere to the service level agreement as noted in Exhibit.6.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.6.2. Proposed hosted solutions with communication requirements to connect to the RSA internal network must utilize secure VPN technologies or dedicated circuits.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.6.3. Application must use industry standard port numbers for communication. Web ports must always use SSL and port 443.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.6.4. Application administration must be limited to a certain network IP range provided by RSA if any administrative capabilities are accessible via the Internet.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.6.5. For hosted solutions, Respondent must ensure that their network is eavesdrop-proof through the use of technologies including but not limited to secure hubs and/or switches. Wireless networks must use WPA2 or higher encryption, they must not broadcast SSIDs and they must ensure only authorized hosts can connect to the WLAN where RSA systems reside.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.6.6. For hosted solutions, Respondent must ensure the solution is protected by packet-filtering firewalls and/or firewall-grade routers.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.6.7. For hosted solutions, IDS/IPS security modules must be inserted on all egress and ingress points where RSA data resides to monitor for malicious traffic and security breaches.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.6.8. For hosted solutions, Respondent’s network must be protected from DDOS attacks locally or at the upstream provider.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.7 Distributed Systems

11.1.7.1. RSA’s preference is that proposed solutions to be certified on Windows Server 2008 R2 or higher.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.7.2. RSA’s preference is that the proposed solution be certified on Microsoft SQL Server 2008 R2 or higher for database services.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.7.3. RSA’s preference is that the proposed solution support server virtualization and VMWare vSphere 5.1 or higher.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.7.4. Proposed solution must operate on operating system and software versions that are covered under maintenance and support contracts. (Example Windows 2003 - End Of Life July 2015)

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.7.5. Systems must be hardened and protected from viruses, malware, and unauthorized access.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.8 Datacenter (Only Hosted Solutions Need Respond)

11.1.8.1. Hosted solutions must be hosted in a SSAE 16 Type II or Tier 3+ (UpTime Institute) certified facility. This requirement will cover the majority of all environmental and datacenter security requirements.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.1.9 Disaster Recovery And Business Continuity – (Only Hosted Solutions Need Respond)

11.1.9.1. Vendor must have a documented and exercised a business continuity and disaster recovery plan within the last two years.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2 PLAN SPECIFICATIONS (References To RSA Plan Document)

The State of Alabama has established a Deferred Compensation Plan for eligible public employees pursuant Alabama Code §§ 36-27A-1 et seq. as provided in the RSA-1 Plan Document. The document serves as the authority by which RSA is able to serve as Trustee and appropriately administer the RSA-1 Deferred Compensation Plan, and as such, all automation must meet the minimum core plan specifications stipulated.

11.2.1 Election To Defer Compensation

The Automated System Must:

11.2.1.1. Provide the ability to capture a participant’s Election to Defer Compensation by means of the Participation Agreement. This agreement must specifically include the Deferral Amount, Deferral Begin Date, Investment Option Elections, and Date of Receipt by Plan Administrator, in addition to all other participant demographic information and employer information.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.1.2. Provide the ability to capture participant Investment Option Election Changes.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.1.3. Provide the ability to capture Participant Elected Investment Exchanges at intervals prescribed by the Plan Administrator.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.1.4. Provide the ability to set applicable Deferral Limits per applicable IRC rules to include:

- Maximum Annual Deferrals
- Age 50 Plus Deferrals
- Catch Up Deferrals
- Multiple Eligible Plan Deferrals (aggregate totals considered)
- Excess Deferrals (over established limit)

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.1.5. Provide the ability to capture Participant and / or Spousal Beneficiary designations. The system must be able to accommodate multiple Beneficiaries and must be able to capture the denoted percentage (%) of the Account each Beneficiary is to receive.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.2 Maintenance of Accounts

The Automated System Must:

11.2.2.1. Provide the ability to set up Master Accounts and Sub Accounts as appropriate for Participant and Beneficiary(ies) Account Maintenance. Account Types applicable may include but will not be limited to:

- Regular Deferred Account
- Rollover Account with various subaccounts for different types of permitted rollovers
- Transfer Account with various subaccounts for different types of permitted transfers

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.2.2. Provide the ability to adjust Account Value (increases / decreases) based upon Investment Options performance as specified and applicable for daily periods.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.2.3. Provide the ability to determine Taxable amounts based upon applicable IRC rules upon withdrawal of payments. This includes providing the ability to update the tax tables as necessary.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.2.4. Provide the ability to credit Participant and / or Beneficiary(ies) accounts with authorized deferral, rollover, or transfer amounts upon receipt by the Plan Administrator and investment in the Trust.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.2.5. Provide the ability to furnish Participants and / or Beneficiary(ies) with detailed quarterly statements reflecting transactions and value of options elected for account(s).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.2.6. Provide the ability to appropriately track and manage deferrals placed as assets held in trust by the Plan Administrator.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.2.7. Provide the ability to manage Participant and / or Beneficiary(ies) Rollovers into and out of the Plan as noted to be appropriate based upon applicable IRC and Plan rules.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.2.8. Provide the ability to manage rolled over State Deferred Retirement Option Plan (DROP) and Federal Thrift Savings Plan (TSP) funds in accordance with applicable IRC and Plan rules.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.2.9. Provide the ability to manage Service Credit Purchases on behalf of a participant by utilization of all or a portion of the RSA-1 Account balance to transact a direct Trustee-To-Trustee Transfer.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.2.10. Provide the ability to manage In Service Transfers of other Section 457(b) funds into and out of the Plan as appropriate based upon applicable IRC and Plan rules.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.2.11. Provide the ability to manage Post Severance Transfers of other Section 457(b) funds into and out of the Plan as appropriate based upon applicable IRC and Plan rules (The plan does not accept Post Severance Transfers if the participant's account is at a zero balance or if the individual is not an RSA-1 participant..

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.3 Distribution of Benefits

The Automated System Must:

11.2.3.1. Provide the ability to manage and transact distributions as appropriate based upon applicable IRC and Plan Rules. Each distribution transaction should be identified on the account with the specific withdrawal type such as lump sum, special cash out, etc.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.3.2. Provide the ability for RSA Staff to manually enter Benefit Payment Elections and / or changes as specified by submission of forms by Plan Participants.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.3.3. Provide the ability for RMD Determinations to be made annually and archived for reference in the proposed automated system. Participant

Distribution Amounts must be adjustable based upon the RMD Determinations to insure compliance to applicable IRC Rules.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.3.4. Provide the ability to recalculate each year Required Minimum Distributions and distributions based on a specific period.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.3.5. Provide the ability for determination of applicable Taxable Amounts for any and all withdrawal payments in the year of distribution. Applicable Required Tax Withholdings must be applied to withdrawal payments unless rolled over in accordance to IRC Rules.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.3.6. Provide the ability to capture Withdrawal Date(s) and Withdrawal Option(s) for Participant Elections in compliance with IRC Rules at the earliest point the data is available.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.3.7. Provide the ability to capture Employer Verification of Severance prior to approval and release of Withdrawal Payments. Info should be captured either via an employer portal entry or keyed form from employer.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.3.8. For Participants age 70 ½ that have severed employment from the eligible Employer, generate Report/Process for RSA Staff to identify accounts not in appropriate distribution status and to begin appropriate follow-up and action related to Required Minimum Distributions per IRC Rules. The System must provide the ability to generate and track correspondence or interface with RSA’s template management system and associate outgoing and subsequent incoming correspondence and action from Participants related to this matter.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.3.9. For Participants that have not severed employment from the eligible Employer prior to the following April after the year in which they turned age 70 ½, the system must generate a Report/Process including necessary correspondence for RSA Staff to track and validate employment status related to Required Minimum Distributions per IRC Rules.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.3.10. Provide the ability for RSA Staff to “override” and “force” Required Minimum Distributions with appropriate documentation and approval if Participants that have severed employment from the eligible Employer have not requested Withdrawal Payments the following April after the year in which they turned age 70 ½ or the following April after the year in which they do sever employment with the eligible Employer (whichever may be applicable) per IRC Rules.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.3.11. For any Participant that has previously severed employment from the eligible Employer but then again becomes employed by an eligible Employer, provide the ability for RSA Staff to Suspend the Withdrawal Payment of the Participant.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.3.12. Provide the ability for RSA Staff to “override” Withdrawal Payment Suspensions if:

- There is noted exception per IRC Rules.
- The Participant returns to Part Time Employment with an eligible Employer three months after having severed employment, there being no prearranged reemployment agreement, and all applicable stipulations of Withdrawal Election Options being met.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.3.13. Provide the ability for RSA Staff to manually enter Beneficiary Election of Withdrawal Date(s) and Withdrawal Option(s) in event of Participant or Spousal Beneficiary death subject to limitations set forth by the Plan and in compliance with IRC Rules.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.3.14. Provide the ability for RSA Staff to determine and manage Mandatory Required Distributions if the Participant fails to elect Withdrawal Date(s) and Withdrawal Option(s). The system must determine a fixed time period based upon the maximum number of years allowable based upon IRC Rules and Minimum Distribution Tables.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.3.15. For a Spousal Beneficiary whose Participant Spouse has died prior to his / her Severance from Employment and the Spousal Beneficiary has failed to elect Withdrawal Date(s) and Withdrawal Option(s), provide the ability for RSA Staff to “override” and “force” a Mandatory Default Withdrawal to begin by the later of December 31st of the year following the Participant’s death or December 31st of the year in which that deceased Participant would have turned age 70 ½. The system must determine a fixed time period based upon the maximum number of years allowable based upon IRC Rules and Minimum Distribution Tables.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.3.16. Provide the ability for RSA Staff to capture and process Unforeseeable Emergency Withdrawal Distribution Requests for Plan Participants in accordance with IRC rules. The system must capture all request details and approval details, and must provide appropriate notifications and processing.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.3.17. For Participants age 70 ½ or older that have not severed employment from the eligible Employer provide the ability for RSA Staff to capture and process an Age 70 ½ (and older) Withdrawal Distribution Request in accordance with the Plan provisions. The system must capture all request details and approval details, and must provide appropriate notifications and processing.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.3.18. For Participants (or Beneficiary(ies) if the Participant has died) that have severed Employment from an eligible Employer, with receipt of the last Deferral, and with an Account Value less than \$1000, provide RSA Staff the ability to process an Acceleration Withdrawal Distribution. The system must allow for the payment to be processed as either a Lump Sum Distribution or an elected Rollover.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.3.19. Provide the ability for RSA Staff to process Participant Small Balance Distribution Withdrawal Requests. Specified Plan Criterion for eligibility must recognize if account activity is in line with criterion and the system must allow for the payment to be processed as a Special Cash-Out Withdrawal in accordance plan requirements and IRC rules.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.3.20. Provide the ability to process Distribution Withdrawals in accordance with the following Applicable Withdrawal Options:

- Option 1: Fixed Dollar Amount
- Option 2: Fixed Time Period
- Option 3: Partial Lump Sum
- Option 4: Lump Sum
- Option 5: Based upon earnings

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.3.21. Provide the ability for RSA Staff to process Heart Act of 2008 Withdrawal Request for qualified individuals in the Uniformed Services or qualified reservist on active military duty. The system must adhere to all limits and terms in accordance with IRC Rules.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.4 Beneficiaries

The Automated System Must:

11.2.4.1. Provide the ability for RSA Staff to capture a Participant’s or Spousal Beneficiary’s Election of Beneficiary(ies) (including a Beneficiary’s beneficiary), contingent beneficiaries and associated form information. The system must establish and maintain linkage of the Beneficiary Sub Account to the Master Participant Account.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.4.2. For the Participant and their Spousal Beneficiary, the system must provide the ability for RSA Staff to capture and process completed changes to Beneficiary(ies) Forms. The system must capture the applicable Effective Date the Form was filed and accepted by RSA.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.4.3. For instances when the Beneficiary of a deceased Participant is noted to be their Spouse, the system must provide the ability for RSA Staff to manage the Beneficiary Sub Account with all rights as previously afforded to the Participant in accordance with the Plan.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.4.4. For Participant Accounts where no Beneficiary(ies) have been submitted and associated form information is not on file, the system must provide the ability for RSA Staff to process the amount payable to the Fiduciary of the Participant Probate Estate.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.4.5. For instances when RSA has not received notice of a Fiduciary appointment and qualification following a Participant’s death, the system must provide the ability for RSA Staff to process the amount payable to the persons or entities entitled to receive the Participant’s property in accordance with Intestacy Laws of Alabama.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.4.6. For Beneficiary Sub Accounts where Beneficiary(ies) are receiving withdrawal distributions on behalf of the Master Participant Account , the system must provide the ability for RSA Staff to process the amount payable in a Lump Sum Payment to the Fiduciary of the Beneficiary’s Probate Estate Spousal beneficiaries are allowed to designate a beneficiary/beneficiaries. Non-spousal beneficiary benefits are to be paid to the to the Beneficiary’s Probate Estate upon their death .

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.4.7. For instances when RSA has not received notice of a Fiduciary appointment and qualification following a Beneficiary’s death, the system must provide the ability for RSA Staff to process the amount payable to the persons or entities entitled to receive the Participant’s property in accordance with Intestacy Laws of Alabama.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.4.8. For instances when a Trust is elected to be the Beneficiary, the system must provide the ability for RSA Staff to capture appropriate supporting documentation and evidence of eligibility of the Trust to receive withdrawals.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.4.9. For instances when a Trust is elected to be the Beneficiary, the system must provide the ability for RSA Staff to process a Notice of Change in Trustee in instances when supporting documentation has been received. The system must capture the Effective Date the Form was filed and accepted by RSA.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.4.10. For instances when RSA has not received supporting documentation and evidence of eligibility of the Trust to receive withdrawals, the system must provide the ability for RSA to process the amount payable as though the Trust had not been elected to be the Beneficiary - process the amount payable to the persons or entities entitled to receive the Participant's property in accordance with Intestacy Laws of Alabama.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.5 Administration of Plan

The Automated System Must:

11.2.5.1. Provide the ability for update and modification of Plan Governance Business Rules and compliance provisions in accordance with IRC Rules. The system must limit divesture of Participant Accounts, except as may be required to maintain Plan Status in accordance with IRC Rules as a Deferred Compensation Plan.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.5.2. Should the plan be curtailed, terminated, or acceptance of deferral amounts be permanently suspended, the system must allow for the continued Account Management of funds and Distribution of Benefits outlined. The system must further provide RSA Staff with the ability to distribute all funds or transfer all funds to another plan in accordance with IRC Rules and Alabama Law.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.5.3. If the IRS determines or rules that the Plan is an Ineligible Plan, the system must provide the ability for the Staff to process Participant Request for Withdrawal of all deferred amounts based upon Distribution on Taxability provisions.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.5.4. For instances of Questions of Fact or Dispute related to Account Maintenance or Distribution of Withdrawals where the RSA or its Agents deem it necessary, the system must provide the ability for the RSA Staff to Suspend the Account for further Distributions until the questions or disputes have been satisfied, and then re-instate the account accordingly. Applicable Dates, Reasons, and Approvals must be captured by the system.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.5.5. Provide the ability to interface with current and future Common Letter / Form generation modules in order to send / receive Communications with potentially adjustable Time Periods as necessary to facilitate and properly administer the Plan consistent to the requirements of the IRC Rules.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.5.6. Provide the ability to interface with current and future Common Letter/Form generation modules in order to send and track Communications to Employers in relation to their participation as Eligible Employers or in relation to the participation of any denoted employee as a Participant of the Plan.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.5.7. Provide the ability to interface with current and future Common Letter/Form generation modules in order to send and track Communications to Participants, Beneficiary(ies) and Legal Representatives in relation to their rights and provisions related to the Plan.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.2.5.8. Provide the ability to create Federal Withholding Tax Payments (through the production of a check) (i.e.: Tax Deposits...) based upon the designated percentage (%) or dollar amount (\$) specified in relation to a distribution

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3 FUNCTIONAL SPECIFICATIONS

11.3.1 Global

11.3.1.1. The System must be intuitive, easy to use and most importantly, efficient in its utilization for service delivery and response to participant's needs to streamline workflows for RSA-1 / PEIRAF Accounting and Benefits Staff.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.1.2. The System must provide Participant Searches utilizing the following criterion: Participant Account Name, Participant Personal Identification (PID) or Social Security Number, agency name, or employer unit code.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.1.3. The System must provide ability to capture, transfer, and maintain existing account Historical Data, Current Transactions, and Account Balances.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.2 Online / Web Accessibility and View

11.3.2.1. An Online / Web based Portal must be available for utilization by existing and potential plan participants and Employers that provides real time eligibility determination, registration, view, account management, and reporting lookup / inquiry capabilities. The software must be able to utilize the current RSA member or employer portal or Respondent designed portal.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.2.2. Provide the ability for Employers to enter information via an Employer Portal for RSA-1, such as the date of a Participant’s termination from employment and the date of Participant’s last deferral.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.2.3. Provide the ability for Employers to certify Deferrals to RSA-1 have stopped in the event a Participant is requesting a Financial Hardship distribution.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

The Automated System Must:

11.3.2.4. Provide online New Member Eligibility Determination

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.2.5. Provide online New Member Enrollment.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.2.6. Provide online Submission (via file upload) of Employee Participant Contributions by each participating unit.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.2.7. Provide online or web access lookup / view of Account Summary Information

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.2.8. Provide view accessibility of Investment Option Elections.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.2.9. Provide edit /update of Investment Option Elections on a specified basis (i.e.: Annually, Quarterly, Monthly, etc.) via Web Portal.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.2.10. Provide the ability for Investment Option Elections (including Effective Date(s) of Balance Transfers and / or Future Deferrals) to be tracked through member online access.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.2.11. Provide the ability for Historical Investment Option Elections to be archived indefinitely for accessibility by year, and retrievable upon demand through the member online access.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.2.12. Provide participants edit / update ability for specified account information (i.e.: Beneficiaries (multiple), demographics, etc.)

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.2.13. Provide lookup / view / print of Account Balance and / or Statements.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.2.14. Provide the ability for Statements to be archived for accessibility through the online system by year and retrievable on demand indefinitely (i.e.: Account Statements, 1099Rs...)

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.2.15. Provide link to RSA website for accessibility / retrieval of RSA Forms for online completion or download for completion and submission for manual processing (i.e.: via mail, fax, etc.)

Met Without Modifications	Met With Modifications	Not Met
Comments:		

NOTE: Bar Code technology plays an important role in the daily business activities of all RSA applications. RSA program specific forms, letters, and other member correspondence will often contain either 1D or 2D bar codes embedded on both in-bound and out-bound correspondence. The bar code contains information to clearly identify the correspondence and often contains member specific information that allows more accurate and expedited processing when the correspondence is returned by the member. The RSA enterprise content management system (ECM) is the primary application responsible for reading and interpreting the bar code, initiating workflows where appropriate, and electronically storing an image of the correspondence in the common repository. Once stored, the ECM provides a service layer that is consumable by other RSA applications for image retrieval for use in specific software applications.

11.3.2.16. The proposed solution must be able to read and / or process both incoming and outgoing Bar Codes.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.3 Eligibility

The Automated System Must:

11.3.3.1. Provide evaluative eligibility criterion capture for plan participation.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.3.2. If eligibility criterion are met, the system must provide the individual the option to enroll in the plan.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.3.3. If eligibility criterion are not met (whether submitted online or through keying forms), the system must render an error message indicating ineligibility for participation in the plan.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.3.4. Generate appropriate Notification of Eligibility Correspondence (i.e.: letter, e-mail...) for release to the individual.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.4 Enrollment

The Automated System Must:

11.3.4.1. Provide Enrollment ability via web based interface by participant and via Internal User Interface by RSA Staff.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.4.2. Provide means to capture entry of personal demographic information of Eligible Participant to establish the Participant Account utilizing appropriate business rules for participation.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.4.3. Utilize the common Demographic Database Repository for validation of demographic information entered in comparison to existing person detail information inclusive in RSA Person Tool (interface).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.4.4. Create a Master Account on behalf of the Eligible Participant and be able to track Account Statuses (i.e.: Enrolled, Retired, etc.)

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.4.5. Provide edit / update ability for specified account information (i.e.: Beneficiaries (multiple), demographics, etc.)

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.4.6. Provide edit /update of Investment Option Elections on a specified basis (i.e.: Annually, Quarterly, Monthly, etc.).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.4.7. Provide the ability for Investment Option Elections (including Effective Date(s) of Balance Transfers and / or Future Deferrals) to be tracked.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.4.8. Provide the ability for Historical Investment Option Elections to be archived for accessibility by year, and retrievable on demand.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.4.9. Provide the ability to ensure all changes and updates can be captured for appropriate reporting on demand.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.5 Account Maintenance

The Automated System Must:

11.3.5.1. Provide the ability to Track Account Status (i.e.: Enrolled, Retired, etc.)

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.5.2. Provide the ability to track Termination Types related to RSA-1 participation.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.5.3. Automatically update person demographics based upon updates from the RSA Person Tool (interface).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.5.4. Allow RSA Staff to manually enter Investment Option Election (IOE) Elections submitted to RSA via paper forms.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.5.5. Allow for Supervisory overrides / corrections to Participant Accounts (i.e.: erroneous deductions, participant check cancellations, administrative errors, posting to incorrect participant accounts, or posting to incorrect investment vehicle, etc.).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.5.6. Utilize the common Demographic Database Repository to allow Death Notifications entered into the RSA Person Tool to link and /or update the Participant Account (interface).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.5.7. Allow Beneficiaries' Sub Accounts to be linked to the original Participant's Account.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.5.8. Allow Multiple Beneficiary Sub Accounts to be created based upon Participant’s Beneficiary designation, and be able to denote whether the Beneficiary Account is Spousal or Non-Spousal.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.5.9. Provide the ability for Beneficiary Participants to distinguish their Beneficiary Account from their own Participant Account (Instance of Participant also being denoted as a Beneficiary of another Participant).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.5.10. Provide the ability to track RMD Notification Status (i.e.: Active, Follow Up, Initial, Responded, etc.)

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.5.11. Generate RMD Notifications for Participants attaining age 70 ½ or older and Beneficiaries of deceased Participants who would have been age 70 ½ or older (i.e.: Initial Notice, Follow up Notice, Urgent Notice, and Past Due Notice)

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.5.12. Provide the ability for “RMD Notice Status” to link to the 70 ½ Report to show Suspended, Responded, etc.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.5.13. Provide the ability to enter a Required Beginning Date (RBD) for Deceased Participant Beneficiary Account(s).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.5.14. Provide the ability to Post Income to Participant Accounts as appropriately denoted (i.e.: Daily, Weekly, Monthly, etc.)

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.5.15. Provide the ability for RSA Staff to tag / label / refer to and identify “Transfer” as a transfer to / from 457 (b) plans and “Rollover” as a rollover of funds to / from any other eligible plan.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.6 Catch Up Contributions

The Automated System Must:

11.3.6.1. Provide the ability for RSA Staff to enter Catch-up Approval start date and Normal Retirement Age (NRA) and then set Year(s) Approved, Catch-Up Deferral Limits/ year, and Year of NRA). System should also indicate conflict with set NRA and set limits based upon defined annual amounts for catch-up.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.6.2. Provide the ability to view and / or maintenance or override Approved Year(s) Total Eligible Deferral Amounts.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.6.3. Provide the ability for Historical Deferral Amounts to be archived by year for accessibility and retrievable on demand.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.6.4. Provide the ability to edit / update the Normal Retirement Age / Calendar Year.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.7 Contribution Processing

The Automated System Must:

11.3.7.1. Provide the ability for Employer Contribution Files to be uploaded and validated via a Web based UI.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.7.2. Provide the ability for RSA Staff to upload and validate Employer Contribution File Submissions received via U.S. Mail in instances where Employers were unable to successfully load their Contribution Files via Web based UI.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.7.3. Provide the ability to Capture Agency Identifier Code and Sub-Identifier Code in instances of Multi-Agency Employer Contribution File Submissions.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.7.4. Provide the ability to timely apply Contributions on behalf of Participants to their specified Account.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.7.5. In the event Contributions are received for an individual not yet enrolled with an associated Account, Provide the ability for Accounting Staff to be able to credit the Contribution to a “Holding Account” until the enrollment paperwork is complete and the Participant Account has been appropriately created.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.7.6. Deferral (contribution) data to appear on participant account must include, at a minimum:

- Effective date
- Posting date
- Payroll month
- Payroll Year
- Unit Code
- Amount

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.7.7. Regular (Normal Payroll Deferrals)

The Automated System Must:

11.3.7.7.1. The ability to capture the uploaded Contribution Files from Participating Units and complete the following:

- Create a Deposit Form (Slip) for the incoming payment by the Unit.
- Match the payment to the File
- Upload / Post Payments to applicable Participant Account(s) for proper posting based upon the Participant’s Investment Option Election.
- Create the Journal Entry to the General Ledger (GL) and number deposit
- Create the Daily Report for balancing Deposit Journal entries to posted Participant Account(s).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.7.7.2. The Contribution Data File must include, but is not limited to unit code or identifier, the Pay Date, Contribution Amount, Employee Name, and Employee Account Number.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.7.8. DROP

The Automated System Must:

11.3.7.8.1. Provide the ability to accept DROP Rollovers from the State of Alabama Employee’s Retirement System and Teacher’s Retirement System.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.7.8.2. Provide the ability to maintain a separate Account for the specified Participant to handle assets received from DROP Rollovers into the RSA-1 Plan.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.7.9. Catch Up Contributions

The Automated System Must:

11.3.7.9.1. Provide the capacity to remain in compliance with Catch up Regulations set forth by the IRS Code.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.7.9.2. Provide the ability to denote years specified for inclusion in annualized catch up processing per regulatory specifications of IRS Code.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.7.10. Trustee To Trustee Transfers

The Automated System Must:

11.3.7.10.1. Provide the ability to accept Transfers from other 457(b) plans.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.7.10.2. Provide the ability to maintain a separate Sub Account for the specified Participant to handle assets transferred from other 457(b) plans.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.7.10.3. Provide the ability to view and track the 1997 Pre-taxed Deferral Totals received in a Transfer from other 457 plans along with the Remaining Balance to Date (based upon associated distributions).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.7.10.4. Provide the ability to allow for future Incoming Transfers/Rollovers from other plans

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.7.11. Contributions prior to 1997

The Automated System Must:

11.3.7.11.1. Provide the ability to view and track all Contributions made to RSA-1 before 1997.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.7.11.2. Provide the ability to reduce the total amount of Contributions before 1997 by the amount of disbursements made to the Participant.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.7.11.3. Provide the ability to decrease the previously state taxed contributions made prior to 1997 when distributions are made from the account..

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.7.11.4. Provide for the generation of a letter for Rollovers that will detail the amount of Pre-1997 monies included in the total Rollover Amount. The letter must be addressed to the Institution to which funds have been rolled over, and a copy must be routed to the Participant's file

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.7.11.5. Provide the ability to report the correct State income taxability for Pre-97 or DROP money distributions on form 1099R.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.8 Investments

The Automated System Must:

11.3.8.1. Provide a minimum of three (3) Investment Funds and Balances with the capability to add additional Investment Fund Options at a later date.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.8.2. Provide the ability to balance all funds on a daily basis.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.8.3. Provide the ability to post interest and investment returns to accounts daily.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.8.4. Provide the ability for Investment Exchanges to be made within an account type independently form the other account types (Regular, DROP, Transfer).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.8.5. Provide the ability for Account Investment Exchanges to be independent of future deferrals investment elections.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.8.6. Provide the ability for the Effective Date of IOE Changes to appear on the account.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.8.7. Provide net trade instructions to the in-house investment managers and the custodial bank, representing the aggregated instructions for the day for all transactions in each investment option.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.8.8. Provide the ability to process nightly feeds of Daily Net Asset Value (NAV) when received from the Custodial Bank.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.8.9. Provide the ability to Verify and Reconcile that the NAV posted correctly and accurately; and that these figures balance to the Participant balance(s).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.8.10. Produce Performance Reporting and develop a process to reconcile with Custodial Bank Performance Reporting.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.8.11. Show and / or provide examples of how other organizations address drag on performance surrounding liquidity for transfers in and out of the different options and the plan. (Limit quantity and timing of transfers and withdrawals, etc....?)

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.8.12. Show what the options are and how material changes or error corrections are handled in the workflow when you go to a true daily participant NAV and have the participants moving in and out daily.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.8.13. Provide a narrative and / or flowchart of the investment related processes from the beginning to the end of the investment cycle.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.9 Distribution Processing

NOTE: Proposed solution applications must utilize the current and future RSA Common Warrant Processing System.

The Automated System Must:

11.3.9.1. Provide a detailed Audit Trail of all Distribution Transactions and related RSA Staff activities.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.9.2. Be able to make Distributions electronically (Direct Deposit) or by manual check.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.9.3. Be able to produce distribution files in the NACHA compliant format.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.9.4. Include Check Register (Warrant) functionality that will allow RSA Staff to assign designated Check (Warrant) Number series / sequences to distributions as necessary and to capture inside the system the warrant numbers for each distribution.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.9.5. Provide the ability for RSA Staff to specify which Member Account(s) a distribution should be made payable from.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.9.6. Provide the ability to Cancel Checks (Warrants) resulting in all assets disbursed via the check to be placed back into the specified Member Account(s).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.9.7. Provide the ability to re-issue a Duplicate Check (Distribution) in instances when a distribution previously issued from the system has been reported as lost.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.9.8. Provide the ability to enter any specified Tax Withholding percentage (%) or dollar amount (\$) applicable to a given distribution.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.9.9. Provide the flexibility to pay Multiple Beneficiaries separately (i.e.: Beneficiary One provides all required information before Beneficiary Two, therefore, Beneficiary One can be paid while still waiting on Beneficiary Two to provide required information).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.9.10. Provide the flexibility to pay Multiple Beneficiaries simultaneously via electronic or manual distributions (i.e.: in the same payroll processing cycle).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.9.11. In January of each year, provide automatic recalculations of Participant / Beneficiary Accounts when there is a Required Minimum Distribution or a designated Annualized Periodic Payment request.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.9.12. Provide the ability to generate automated letters to the Member informing them of the change in amounts.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.9.13. Provide automatically generated Report of scheduled Distributions prior to actual Distribution Processing for Testing and Validation of Calculations.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.9.14. Provide the ability to setup scheduled (future) distributions (example: Request for a Disbursal may be received with an Effective Date to begin a Monthly Distribution in January of the coming year) and capture in reports and total for the designated payroll.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.9.15. Provide the ability for scheduled distributions to link to the RMD Notice Status for the Account.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.9.16. Indicate the Distribution Required Beginning Date for the Participant Account(s).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.9.17. Provide the ability to Transfer and / or Rollover Funds to multiple designated Institutions in the same electronic payroll processing cycle.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.9.18. Provide the ability for the Pre-97 Deferral amounts of REGL and TRNF accounts, and the Non-State Taxable amounts of DROP accounts, to be immediately reduced by each withdrawal, rather than at the end of each calendar year.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.9.19. Provide a Notification / Report of accounts with account balances less than requested distribution by investment only and/ or total account balance.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.9.20. Provide the ability for Distributions to automatically continue from another investment and an override for RSA Staff to change allocation of distribution.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.9.21. Provide for ability to print individual or batch letters for Participants Receiving who will not have funds available in an investment type or total account for the Next Payroll Processing Cycle. Notifying member one month in advance of possible change in Distribution Amount, Allocation or Depletion of the Account.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.10 Payments

The Automated System Must:

11.3.10.1. Provide the ability to setup and track the following types of Distribution Payment Options (currently allowable from existing RSA-1 automated system):

- Total Lump Sum Distributions
- Partial Lump Sum Distributions + Installment Payments
- Fractional Payments of Account Balance for a specified period with Annualized Adjustments to accommodate the elected period;
- Minimum Distribution Payments recalculated on an annualized basis by the system. RSA Staff must be provided the ability to override system calculations if deemed necessary
- Installment Payments with Annualized Cost of Living Adjustments. Periodic Payments must be calculated utilizing either single and / or joint life expectancies
- Specified Amount until account is exhausted
- Rollovers to other investment media
- Purchase of RSA Retirement Service Credits
- Transfers to other eligible 457(b) plans
- Hardship Withdrawals
- Small Balance Cash Outs
- Refunds to Member of Deferrals in excess of the IRS deferral limit
- Refunds to Employers for Incorrect / Erroneous Deferrals
- Refunds to Participant for Deferrals received within 6 Months of a Financial Hardship Distribution.
- Refund to Participant for Deferrals received within 1 year of a Special Cash Out Distribution.
- Refunds to Employers for Deferrals received on an employee with No RSA-1 Participant Agreement.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.10.2. Provide the ability to set up Periodic Distributions with the following frequency and provide identifier as to one-time payment or recurring payment:

- Monthly
- Quarterly
- Semi-Annually
- Annually

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.10.3. Provide the ability to change the Distribution and/or Federal Tax amount in the periodic disbursement program, to allow for changes requested by Participant.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.10.4. Provide the ability to disburse multiple payments in the same Weekly / Monthly Payroll processing cycle (i.e.: RMD payment and a Rollover of the balance in the Weekly Payroll, and Multiple Beneficiaries in the Monthly Payroll).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.10.5. Provide the ability for the account “Term-Type” to reflect activity in the Weekly and Monthly disbursement program. (i.e.: if monthly distribution has stopped the term-type should automatically change to the appropriate code, such as open, terminated, R/O, etc.)

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.10.6. Provide the ability to view the re-deposit to the account of a payment issued after Participant's death.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.11 Plan Administration / Support / Participant Service Activities

The Automated System Must:

11.3.11.1. Provide Participants online Account accessibility and view capabilities.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.11.2. Provide Participants the ability to manage Investment Exchanges / Investment Option Election via online or by manual form submission and RSA Staff processing.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.11.3. Provide Participants the ability to manage Distribution Requests / Changes via online or by manual form submission and RSA Staff processing.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.11.4. Provide Participants the ability to manage Beneficiary(ies) Designation / Changes via online or by manual form submission and RSA Staff processing.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.11.5. Provide the ability for Participants to view account information online that includes their latest IOE Election for both Balance Transfer and Future Deferrals along with the applicable Effective Dates.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.11.6. Provide RSA Staff the ability to manage the Participant Account(s) (i.e.: setup / update / change based upon requests received via manual form submission)

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.11.7. Provide RSA Staff the ability to print Participant Distribution and Benefit Election Forms with Participant's/Beneficiary's Name, PID and Address, for mailing to Participant/Beneficiary.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.11.8. Provide RSA Staff with access to the same Online Account View that the Participant sees for Support and Participant Service Responses.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.12 System Searches / Queries / Views

11.3.12.1. Searches

The Automated System Must:

11.3.12.1.1. Provide the ability to search for Participants / Beneficiaries based upon standard Search criterion (i.e.: First / Last Name, Social Security Number (SSN), Person Identification Number (PID))... Data Elements returned in this Search will be specified based upon existing system search capabilities and desired functionality.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.12.1.2. Provide the option to search based upon a Categorical search for Participant Types.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.12.1.3. Provide the option to search based upon Categorical search for Participating Organizational Unit Code.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.12.2. Queries - Report Writer

The Automated System Must:

11.3.12.2.1. Provide the ability to Query, View, Print and save in CSV, XLSX, and .PDF format varied reports related to RSA Staff defined constraints. Examples would include:

- Incoming Transfers with inclusion of Plan Type and applicable Amounts.
- Provide the ability to identify deceased Participant accounts with non-spousal beneficiaries that are based on the IRS 5-year rule.
- Provide the ability to identify multiple deceased accounts with the same Beneficiary.
- Provide the ability to identify multiple deceased Participant accounts with the same Beneficiary(ies). (i.e.: Child who may be the Beneficiary of both their deceased Mother's and Father's accounts.)
- 701/2 or older Report that will be used to generate RMD notices: Important Notice, Initial Notice, Follow-Up Notice and Urgent Notice for RSA-1. Criterion for report would include:
 - Participant will attain age 70 ½ in current year
 - Account has a balance
 - Participant is not deceased
 - Participant is not actively contributing to RSA-1, ERS or TRS
 - Participant is not in distribution status – this will be linked to the disbursal program
- Past Due Report that will be used to generate Past Due Notices. Criterion for report would include:
 - Participant is not deceased and older than 70 ½
 - account has a balance

- Participant is not actively contributing to RSA-1, ERS or TRS
- Participant is not in distribution status – this must be linked to the Disbursal Program
- Provide the ability to identify Deceased Participants age 70 1/2 or older. Criterion for report would include:
 - Participant is 70 1/2 or older with Spousal Beneficiary

And / Or

- Beneficiary is Non-Spousal
- Greater than 4 years since Participant's death – for mailing notice of withdrawal requirement
- Greater than 5 years since Participant's death – for mailing past due notice
- PEIRAF Deceased Participant Report
 - Beneficiary is Non-Spousal
 - Greater than 4 years since Participant's death – for mailing notice of withdrawal requirement
 - Greater than 5 years since Participant's death – for mailing past due notice
- Investment Option Election No-Update Reports for (Regular, DROP and Transfer) New Accounts
- Investment Option Election No-Update Reports for (Regular, DROP and Transfer) Annual IOE.
- Investment Option Election No-Update Reports for (Regular, DROP and Transfer) Periodic Changes.
- Investment Option Election Update Reports for (Regular, DROP and Transfer) New Accounts.
- Investment Option Election Update Reports for (Regular, DROP and Transfer) Periodic Changes.

- Investment Option Election Update Reports for New Accounts, Annual IOE and other frequencies.
- Daily Online Maintenance Report to Reflect Account Maintenance and Capture the RSA User that performed the Maintenance.
- Daily File Balance Register by Account Type to be utilized for fund balancing and to identify Excess Deferrals (i.e.: Regular Fixed/Stock, DROP Fixed/Stock, and Transfer Fixed/Stock).
- Weekly Payroll Report.
- Monthly Payroll Report.
- EFT Report
- Non-Enrolled Report to identify Deferrals received with no established account for the Participant.
- Report to identify deferrals that do not post to Participant accounts due to incorrect termination type.
- Ability to process and view transaction audit trail for all refund types:
 - Deferrals made within 6 months of an emergency distribution
 - Deferrals made within 1 year of special cash-out distribution
 - Deferrals submitted due to employer payroll errors
 - Deferrals in excess of the calendar year limit
 - Deferrals kept in holding that RSA has not received a Participation Agreement (Enrollment Form / Authorization to Defer).

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.12.3. Letters / Correspondence

The Automated System Must:

11.3.12.3.1. Provide the ability to configure, generate, and save as .PDF existing and / or new Letters of Correspondence to Participants, Beneficiary(ies) and others as appropriate. Existing Letters for inclusion are as follows:

- Non-Enrolled
- Account Established
- Full Account Balance Letter for PEIRAF and RSA-1 without SS#
- Additional Forms Needed Due To Error
- Forms Needed To Establish DROP Or Transfer Account
- Letter To Spousal Beneficiary When Participant’s Account Is Coded As Deceased
- Letter To Non-Spousal Beneficiary When Participant’s Account Is Coded As Deceased
- Letter To Estate As Beneficiary When Participant’s Account Is Coded As Deceased
- Hardship Documentation Request Letter And Checklist
- Hardship Denial Letter
- Hardship Approval Letter
- Hardship Closed Due To No Response From Participant To Our Request For Documentation
- Catch-Up Approval Letter
- Letter With Outgoing Transfer/Rollover To Indicate The Amount Subject To State Tax
- 70 ½ Important Notices
- Initial Notices
- Follow-Up Notices
- Urgent Notices
- Past Due Notices

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.12.4. Views

The Automated System Must:

11.3.12.4.1. Provide the ability to View a Summary Screen related to Participant / Beneficiary(ies) Account(s). Data for inclusion on the screen would be as follows:

- Participant Name, Address, SS#, PID#, Date Of Birth, Sex
- Beneficiary/Beneficiaries Name, SS#, PID#, Sex, Spousal Or Non-Spousal
- Dept.: ERS Or TRS
- Date Enrolled
- Retired, Active Or Withdrawal Date
- Distribution Type – Monthly, Lump Sum, Rollover, Transfer, Emergency, Special Cash Out, Purchase Of Service
- Deceased and Date Of Death
- RMD Status, Receiving, Amount
- IOE – Last Election and Effective Date
- EFT Status
- Current Accounts With Balances, and Total Balance RSA-1 And PEIRAF Separate
- Catch-Up Years Approved and Amounts Approved

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.12.4.2. Provide the ability to utilize the Common RSA Demographic Database Repository to View and / or Edit Participant and / or Beneficiary Demographics.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.12.4.3. Provide the ability to View Participant Account Current Year Transaction History.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.12.4.4. Provide the ability to View Participant Account Current Year Individual Fund Detail Transactions (i.e.: Balance, IOE Percentages (%), Distributions, Refunds...)

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.12.4.5. Provide the ability to View Participant Account Historical Data by year (for specified Account Type - i.e.: Regular Bond / Stock, DROP Bond / Stock, Any Future Fund Option Bond / Stock...) Historical data would include:

- Contribution Deposits
- Investment Gains and Losses
- Distributions
- Year End Balance
- Refunds

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.12.4.6. Provide separate Participant Account Balance Totals for PEIRAF Plan and RSA-1 Plan.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.12.4.7. Provide all Totals of a related type in one View (i.e.: Regular Bond / Stock, DROP Bond / Stock, Transfer Bond /

Stock and any future Account Types and Investment Options.) along with combined total of all RSA-1 accounts and a separate total for the PEIRAF account.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.12.4.8. Provide the ability to View Pre-Taxed funds for incoming DROP Transfers.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.12.4.9. Provide the ability to view the original DROP Rollover Amount and the Remaining Balance to date. The initial Rollover amount is Federally Taxable, but not Taxable by the State of Alabama. Interest Earnings are Federally and State of Alabama Taxable.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.12.4.10. Provide the ability to View 1997 Pre-Taxed Deferral Totals as follows:

- To RSA-1 along with Remaining Balance to Date
- In Transfer from other 457 plans with Remaining Balance to Date

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.12.4.11. Provide the ability to View Investment Option Election (IOE) for all Accounts to include:

- Effective Date of Balance Transfer Election
- Effective Date of Future Deferral Election

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.12.4.12. Provide the ability to View an Audit Transaction Detail of all Account Activities (i.e.: Setup, Maintenance, Edits / Changes) detailing Date / Time Stamp, Action Undertaken, Applicable Values Before and After, User Id / Name of RSA Staff Member or System initiating action.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.12.4.13. Provide the ability to have all Primary Beneficiary(ies) listed individually with demographic information, including dates of birth and dates of death.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.13 Record Keeping

11.3.13.1. Statement of Accounts

The Automated System Must:

11.3.13.1.1. Provide the ability to generate Quarterly Statements of Account.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.13.1.2. Provide the ability to Generate, Print, and Save in .PDF and XLSX format all Participant / Beneficiary Quarterly Statements. The PDF version would be saved in the ECM system and available online for members via access to their online account. Data to be included on the Quarterly Statement includes but is not limited to:

- Participant Name
- Participant Address
- Participant PID (Person Identification) Number
- Beginning /Ending Balances
- Activity During Period separated into deferrals, distributions, investment earning
- Net Gain (Loss)
- Beneficiary Designation(s) including spousal vs. non-spousal
- Plan to Date Deferrals and Income Totals
- Special Messaging Section (on demand as needed)

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.13.1.3. Provide the ability for Participants to Retrieve, View, Print or Save .PDF version of Current and / or Prior Historical Quarterly Statements when logged into their Account via Online Web Based Portal.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.13.1.4. Provide the ability for Participants to Opt In / Out of receiving Online Only Quarterly Statements. Participants that do not make a designation or that Opt Out will receive Printed

Quarterly Statements via mail distribution. All others will continue Online Accessibility only.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.13.1.5. Provide the ability to generate 1099R files, Statements and detail data files of Account Distributions.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.13.1.6. Provide the ability to link 1099R files to the disbursement program.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.13.1.7. Provide the ability to Generate, Print, and Save in .PDF format 1099R Statements for all Distributions in a designated Tax Year on demand.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.13.1.8. Provide the ability for Participants to Retrieve, View, Print or Save .PDF version of Current and / or Prior Historical 1099R Statements when logged into their Account via Online Web Based Portal.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.13.1.9. Provide the ability to compile specified 1099R related information for a designated Tax Year into an industry accepted file format(s) for mapping and import to another automated system for production of 1099R Statements.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.13.2. Reporting

The Automated System Must:

11.3.13.2.1. Provide the ability to Generate, View, Print and Save in .PDF, CSV, XLXS and Word format Reports.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.13.2.2. Provide the ability for generated reports to be kept in a Report Repository.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.13.2.3. Provide the ability to select specified Preformatted Defined Reports for generation.

- Weekly Payroll
- Monthly Payroll

- File Balance Registers (FBR's) (Summarizes contributions, interest, and distributions by month used for excess deferrals and fund balancing)
- Summary of Contributions by Unit
- Investment Option Election Regular and DROP– No Update
- Transfers
- Member 70 ½ and over – for RMD (ability to identify member and beneficiary accounts)
- Deceased Participant accounts with Non-Spousal Beneficiaries to be disbursed based on IRS 5 year rule
- Multiple Deceased Accounts with Same Beneficiary(ies)
- New Account IOE Update
- Annual IOE Update
- Before / After Account Maintenance
- Audit Transaction Detail (RSA user initials/ Member online maintenance, Date of Change, maintenance field identification (name change, beneficiary change, IOE change, Contribution Amount Change, Distribution Amounts Correction, Refunds...) Audit Transaction Detail Report must be separate / sortable based upon categorization of Demographic Changes or Monetary Account Changes.
- On Demand Reports of Monetary Totals and Subtotals for a designated Reporting parameter:
 - Contributions
 - MVA
 - Investment Type
 - Distribution Type
 - Other

Met Without Modifications	Met With Modifications	Not Met
Comments:		

11.3.13.2.4. Provide the ability for RSA Staff to define On Demand Report Criterion for query of system and report generation.

Met Without Modifications	Met With Modifications	Not Met
Comments:		

12.ATTACHMENTS

12.1 CERTIFICATE OF COMPLIANCE

Respondent Organization Name

By indication of the authorized signature below, the Respondent does hereby make certification and assurance of the Respondent's compliance with:

1. The laws of the State of Alabama;
2. Title VI of the Civil Rights Act of 1964;
3. The Equal Employment Opportunity Act and the regulations issued there under by the federal government;
4. The Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government;
5. The condition that the submitted Proposal was independently arrived at, without collusion, under penalty of perjury;
6. The condition that no amount shall be paid directly or indirectly to an employee or official of the State of Alabama as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Respondent in connection with the procurement under this RFP;
7. The condition that if selected workmen's compensation insurance will be provided as required by the laws of Alabama;
8. The State of Alabama Respondent Disclosure form;

And

9. Other terms and conditions as described in the Attachments as they apply.

Respondent Name, Authorized Signature, Title, and Date

12.2 RESPONDENT EXCEPTIONS

Respondent Organization: _____	Date: _____
Authorized Signature: _____	
Print Name: _____	Title: _____
Exception ID ¹	
Exception To ²	
Scope of Exception	
Ramifications for the RSA	
Benefits and Disadvantages to be incurred by the RSA	

¹ Exceptions must be numbered in order as they occur within the RFP starting at number one (1)

² Respondent must fill this form for each exception separately

12.3 KEY POSITION RESUME SHEET

This form must be used to respond to RFP Section 5.8.3 – Key Positions. For each named individual a separate Key Position Resume Sheet must be submitted.

Respondent Organization: _____
Key Position: _____

Candidate Full Name:				
	Last Name	First Name	MI	
Address:				
	Street	City	State	Zip
<input type="checkbox"/> US Citizen		<input type="checkbox"/> Non US Citizen		Visa Status:
Status:				
<input type="checkbox"/> Employee			<input type="checkbox"/> Self Employed	
<input type="checkbox"/> Subcontractor (Name: _____)			<input type="checkbox"/> Other	

Education:

Mark Highest Level	Some HS	HS/GED	Associate	Bachelor	Master	Doctoral
	<input type="checkbox"/>					
List most recent first. All Secondary and Post-Secondary Education (High School, GED, Colleges and Universities) attended. Do not include copies of Transcripts unless requested. Add Additional rows if necessary.						
School Name	Degree / Major	Degree Earned	Year Received			

Work Experience:

Describe work experience related specifically to the Request for Proposal to which you are responding. Please list most recent job first. To add work experience, copy the format below and add additional sheets as needed.

Work Experience #:			
Job Title:			
From	To	Reason for Leaving	Hours Per Week
Describe duties and responsibilities as they relate to the Request For Proposal:			

References

List Three (3) References Below:

Reference 1		
Name	Title	Organization
Address	Phone	E-Mail Address

Reference 2		
Name	Title	Organization
Address	Phone	E-Mail Address

Reference 3		
Name	Title	Organization
Address	Phone	E-Mail Address

Candidate and Respondent Certification

By submitting this data sheet to the RSA, the Candidate and Respondent certify that, to the best of their knowledge and belief, all of the information on and attached to this data sheet is true, correct, complete, and made in good faith. The candidate further authorizes the release of all relevant prior employment, military service, academic/school, and criminal records. False or fraudulent information on or attached to this data sheet may be grounds for disqualifying a candidate or firing a candidate once work has begun. Any information provided to the RSA may be investigated.

By submitting this data sheet to the RSA, the Candidate and Respondent certify that both parties understand the entire scope of requirements for this position as defined in the RFP and the Candidate agrees to be submitted for consideration exclusively by this Respondent. Any candidate that is submitted by more than one Respondent for a line item will be considered disqualified.

Candidate Data Sheets must be signed below by the Respondent

Authorized Signature **Date**

12.4 BUSINESS ASSOCIATE AGREEMENT

BUSINESS ASSOCIATE AGREEMENT

This Agreement is made and entered into this ____ day of _____ 2014, by and between _____ (“Business Associate”) and the Public Education Employees’ Health Insurance Board (“Plan Sponsor”), acting on behalf of the Public Education Employees’ Health Insurance Plan (“Covered Entity”).

WHEREAS, Business Associate and Covered Entity desire and are committed to complying with all relevant federal and state laws with respect to the confidentiality and security of Protected Health Information (PHI), including, but not limited to, the federal Health Insurance Portability and Accountability Act of 1996, and accompanying regulations, as amended from time to time (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH), and any regulations promulgated thereunder.

NOW, THEREFORE, for valuable consideration the receipt of which is hereby acknowledged and intending to establish a business associate relationship under 45 CFR §164, the parties hereby agree as follows:

I. Definitions

A. “Business Associate” shall have the same meaning as the term “business associate” at 45 CFR 160.103, and in reference to the party to this agreement, shall mean **[Insert Name of Business Associate]**.

B. “Breach” shall be defined as set out in 45 CFR §164.402.

C. “CFR” means the Code of Federal Regulations. A reference to a CFR section means that section as amended from time to time; provided that if future amendments change the designation of a section referred to herein, or transfer a substantive regulatory provision referred to herein to a different section, the section references herein shall be deemed to be amended accordingly.

D. “Compliance Date(s)” shall mean the date(s) established by the Secretary or the United States Congress as the effective date(s) of applicability and enforceability of the Privacy Rule, Security Rule and HITECH Standards.

E. “Designated Record Set” shall have the same meaning as the term “designated record set” in 45 CFR §164.501 and shall include a group of records that is: (1) the enrollment, payment, claims adjudication and case or medical management record systems maintained by or for Covered Entity by Business Associate or (2) used, in whole or in part, by or for Covered Entity to make decisions about Individuals.

F. “Electronic Protected Health Information” (EPHI) shall have the same meaning as the term “electronic protected health information” in 45 CFR §160.103, limited to the

information received from or created on behalf of Covered Entity by Business Associate.

G. "HITECH Standards" shall mean the privacy, security and security breach notification provisions applicable to a Business Associate under Subtitle D of the Health Information Technology for Economic and Clinical Health Act, which is Title XIII of the American Recovery and

Reinvestment Act of 2009, as such law may be amended from time to time, and any regulations promulgated thereunder.

H. "Individual" shall have the same meaning as the term "individual" in 45 CFR §160.103, and shall include a person who qualifies as a personal representative in accordance with 45 CFR §164.502(g).

I. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR parts 160 and 164, subparts A and E.

J. "Protected Health Information" (PHI) shall have the same meaning as the term "protected health information" in 45 CFR §160.103, limited to the information received from or created on behalf of Covered Entity by Business Associate.

K. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR §164.501.

L. "Security Incident" shall have the same meanings as the term "security incident" in 45 CFR §164.304.

M. "Security Rule" shall mean the Standards for the Protection of Electronic Protected Health Information at 45 CFR parts 160 and 164, subparts A and C.

N. "Unsecured PHI" shall have the same meaning as "unsecured protected health information" in 45 CFR §164.402.

Terms used, but not otherwise defined, shall have the same meaning as those terms in the Privacy Rule, Security Rule and HITECH Standards.

II. Obligations of Business Associate

A. Business Associate agrees not to use or disclose PHI other than as permitted or required by this Agreement or as Required by Law. Business Associate will take reasonable efforts to limit requests for, use and disclosure of PHI to the minimum necessary to accomplish the intended request, use or disclosure and comply with 45 CFR 164.502(b) and 514(d) .

B. Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the PHI other than as provided for by this Agreement. Business Associate shall implement administrative, physical, and technical safeguards (including written policies and procedures) that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that it creates, receives, maintains, or transmits on behalf of the Covered Entity as required by the Security Rule.

C. Business Associate agrees to report to Covered Entity any use or disclosure of PHI other than as provided for by this Agreement promptly after Business Associate has actual knowledge of such use or disclosure, and to report promptly to the Covered Entity all Security Incidents of which it becomes aware. Following the discovery of a Breach of Unsecured PHI, Business Associate shall notify Covered Entity of such Breach without unreasonable delay, and in no event later than 30 calendar days after such discovery. The notification will include the identification of each individual whose Unsecured PHI has been, or is reasonably believed to have been, accessed, acquired or disclosed during the Breach. A Breach shall be treated as discovered as of the first day on which such Breach is known or reasonably should have been known to Business Associate.

D. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of this Agreement or applicable regulations. Business Associate has a duty to assist the Covered Entity in any mitigation, notice, reporting, or other remedial actions required, all of which would be at the Covered Entity's request and in the Covered Entity's sole discretion.

E. Business Associate agrees to include in its agreement with any agent or subcontractor to whom it provides PHI on behalf of the Covered Entity conditions with respect to such information that are at least as restrictive as those that apply through this Agreement to Business Associate. Business Associate agrees to ensure that any agents, including sub-agents, to whom it provides EPHI received from, or created or received by Business Associate on behalf of the Covered Entity, agree in writing to implement the same reasonable and appropriate safeguards that apply to Business Associate to protect the Covered Entity's EPHI.

F. If Business Associate maintains PHI in a Designated Record Set, Business Associate agrees to make available to Covered Entity, within a reasonable time, such information as Covered Entity may require to fulfill Covered Entity's obligations to respond to a request for access to PHI as provided under 45 CFR §164.524 or to respond to a request to amend PHI as required under 45 CFR §164.526. Business Associate shall refer to Covered Entity all such requests that Business Associate may receive from Individuals. If Covered Entity requests Business Associate to amend PHI in Business Associate's possession in order to comply with 45 CFR §164.526, Business Associate shall effectuate such amendments no later than the date they are required to be made by 45 CFR §164.526; provided that if Business Associate

receives such a request from Covered Entity less than ten (10) business days prior to such date, Business Associate will effectuate such amendments as soon as is reasonably practicable.

G. If applicable, Business Associate agrees to provide to Covered Entity within a reasonable time such information necessary to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures as provided under 45 CFR §164.528. Business Associate shall refer to Covered Entity all such requests which Business Associate may receive from Individuals.

H. Upon reasonable notice, Business Associate agrees to make its internal practices, books, and records relating to the use and disclosure of PHI available to the U.S. Secretary of Health and Human Services, or an officer or employee of that Department to whom relevant authority has been delegated, at Covered Entity's expense in a reasonable time and manner, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.

I. Notwithstanding any other provision in this Agreement, Business Associate hereby acknowledges and agrees that to the extent it is functioning as a Business Associate of Covered Entity, Business Associate will comply with the HITECH Business Associate provisions and with the obligations of a Business Associate as prescribed by HIPAA and the HITECH Act commencing on the Compliance Date of each such provision. Business Associate and the Covered Entity further agree that the provisions of HIPAA and the HITECH Act that apply to Business Associates and that are required to be incorporated by reference in a Business Associate Agreement are incorporated into this Agreement between Business Associate and Covered Entity as if set forth in this Agreement in their entirety and are effective as of the Compliance Date.

III. Permitted Uses and Disclosures by Business Associate

Except as otherwise limited in this Agreement, Business Associate may:

A. Use or disclose Protected Health Information on behalf of the Covered Entity, if such use or disclosure of Protected Health Information would not violate the Privacy Rule, including the minimum necessary standard, if done by the Covered Entity.

B. Use or disclose PHI to perform the services outlined in the **<applicable services agreement>**.

C. Use Protected Health Information for the proper management and administration of Business Associate or to fulfill any present or future legal responsibilities of Business Associate.

D. Disclose Protected Health Information for the proper management and administration of Business Associate or to fulfill any present or future legal

responsibilities of Business Associate, provided that such disclosure is either Required by Law or Business Associate obtains reasonable assurances from any person to whom Protected Health Information is disclosed that such person will: (i) keep such information confidential, (ii) use or further disclose such information only for the purpose for which it was disclosed to such person or as Required by Law, and (iii) notify Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

E. Use Protected Health Information to provide data aggregation services relating to the health care operations of the Covered Entity, as provided in 45 CFR §164.501.

F. To create de-identified data, provided that the Business Associate de-identifies the information in accordance with the Privacy Rule. De-identified information does not constitute PHI and is not subject to the terms and conditions of this Agreement.

G. Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR 164.502(j)(1).

H. Business Associate agrees to ensure that access to EPHI related to the Covered entity is limited to those workforce members who require such access because of their role or function. Business Associate agrees to implement safeguards to prevent its workforce members who are not authorized to have access to such EPHI from obtaining access and to otherwise ensure compliance by its workforce with the Security Rule

IV. Obligations of Covered Entity

A. Covered Entity shall notify Business Associate of any facts or circumstances that affect Business Associate's use or disclosure of PHI. Such facts and circumstances include, but are not limited to: (i) any limitation or change in Covered Entity's notice of privacy practices, (ii) any changes in, or withdrawal of, an authorization provided to Covered Entity by an Individual pursuant to 45 CFR §164.508; and (iii) any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR §164.522.

Covered Entity warrants that it will not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule or is not otherwise authorized or permitted under this Agreement.

C. Covered Entity acknowledges and agrees that the Privacy Rules allow the Covered Entity to permit Business Associate to disclose or provide access to PHI, other than Summary Health Information, to the Plan Sponsor only after the Plan Sponsor has amended its plan documents to provide for the permitted and required uses and disclosures of PHI and to require the Plan Sponsor to provide a certification to the Plan that certain required provisions have been incorporated into the Plan documents before the Plan may disclose, either directly or through a Business Associate, any PHI

to the Plan Sponsor. Covered Entity hereby warrants and represents that Plan documents have been so amended and that the Plan has received such certification from the Plan Sponsor.

D. Covered Entity agrees that it will have entered into Business Associate Agreements with any third parties to whom Covered Entity directs and authorizes Business Associate to disclose PHI.

V. Effective Date; Termination

A. The effective date of this Agreement shall be the date this Agreement is signed by both parties (or the Compliance Date, if later).

B. This Agreement shall terminate on the date Business Associates ceases to be obligated to perform the functions, activities, and services described in Article III.

C. Upon Covered Entity's knowledge of a material breach or violation of this Agreement by Business Associate, Covered Entity shall notify Business Associate of such breach or violation and Business Associate shall have thirty (30) days to cure the breach or end the violation. In the event Business Associate does not cure the breach or end the violation, Covered Entity shall have the right to immediately terminate this Agreement and any underlying services agreement if feasible.

D. INTENTIONALLY OMITTED.

E. Upon termination of this Agreement, Business Associate will return to Covered Entity, or if return is not feasible, destroy, any and all PHI that it created or received on behalf of Covered Entity and retain no copies thereof. If the return or destruction of the PHI is determined by Business Associate not to be feasible, Business Associate shall limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible. If return or destruction of the PHI is feasible but Business Associate is required by law to retain such information or copies thereof, Business Associate will maintain the PHI for the period of time required under applicable law after which time Business Associate shall return or destroy the PHI.

F. Business Associate's obligations under Sections II and III of this Agreement shall survive the termination of this Agreement with respect to any PHI so long as it remains in the possession of Business Associate.

VI. Other Provisions

A. The parties acknowledge that the foregoing provisions are designed to comply with the mandates of the Privacy and Security Rules and the HITECH Standards and agree to make any necessary changes to this agreement that may be required by any amendment to the final regulations promulgated by the

Secretary If the parties are unable to reach agreement regarding an amendment within thirty (30 days) of the date that Business Associate receives any written objection from Covered Entity, either party may terminate this Agreement upon ninety (90) days written notice to the other party. Any other amendment to the Agreement unrelated to compliance with applicable law and regulations shall be effective only upon execution of a written agreement between the parties.

B. Except as it relates to the use, security and disclosure of PHI and electronic transactions, this Agreement is not intended to change the terms and conditions of, or the rights and obligations of the parties under any other services agreement between them.

C. Business Associate agrees to defend, indemnify and hold harmless Covered Entity, its affiliates and each of their respective directors, officers, employees, agents or assigns from and against any and all actions, causes of action, claims, suits and demands whatsoever, and from all damages, liabilities, costs, charges, debts, fines, government investigations, proceedings, and expenses whatsoever (including reasonable attorneys' fees and expenses related to any litigation or other defense of any claims), which may be asserted or for which they may now or hereafter become subject arising in connection with (i) any misrepresentation, breach of warranty or non-fulfillment of any undertaking on the part of Business Associate under this Agreement; and (ii) any claims, demands, awards, judgments, actions, and proceedings made by any person or organization arising out of or in any way connected with Business Associate's performance under this Agreement.

D. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than Covered Entity, Business Associate, and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

E. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits the Covered Entity to comply with the Privacy and Security Rules and the HITECH Standards.

F. If any provision of this Agreement is held illegal, invalid, prohibited or unenforceable by a court of competent jurisdiction, that provision shall be limited or eliminated in that jurisdiction to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable

G. This Agreement replaces and supersedes in its (their) entirety any prior Business Associate Agreement(s) between the parties.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, this Agreement has been signed and delivered as of the date first set forth above.

Retirement Systems of Alabama

<Insert Name of Business Associate>

Signature

Signature

Printed Name

Printed Name

Title

Title

12.5 CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT



Retirement Systems of Alabama Confidentiality and Non-Disclosure Agreement



This Agreement is entered into this ____ day of _____, 2014 by and between _____ with offices at _____ (hereinafter "Recipient") and the Retirement Systems of Alabama, headquartered in Montgomery, Alabama (hereinafter "RSA").

WHEREAS RSA possesses information that is confidential and proprietary to RSA (hereinafter "Confidential Information"); and

WHEREAS the Recipient is willing to receive disclosure of the Confidential Information pursuant to the terms of this Agreement for the purpose of reviewing and responding to the RSA Pension Administration Modernization Project RFP with assigned RFP Number _____;

NOW THEREFORE, in consideration for the mutual undertakings of the RSA and the Recipient under this Agreement, the parties agree as follows:

1. Disclosure. RSA agrees to disclose, and Recipient agrees to receive the Confidential Information.

2. Confidentiality.

2.1 No Use. Recipient agrees not to use the Confidential Information in any way except for the purpose set forth above.

2.2 No Disclosure. Recipient agrees to use its best efforts to prevent and protect the Confidential Information, or any part thereof, from disclosure to any person other than Recipient's employees having a need for disclosure in connection with Recipient's authorized use of the Confidential Information.

2.3 Protection of Secrecy. Recipient agrees to take all steps reasonably necessary to protect the secrecy of the Confidential Information, and to prevent the Confidential Information from falling into the public domain or into the possession of unauthorized persons.

3. Limits on Confidential Information. Confidential Information shall not be deemed proprietary and the Recipient shall have no obligation with respect to such information where the information:

(a) was known to Recipient prior to receiving any of the Confidential Information from RSA;

(b) has become publicly known through no wrongful act of Recipient;

(c) was received by Recipient without breach of this Agreement from a third party without restriction as to the use and disclosure of the information;

(d) was independently developed by Recipient without use of the Confidential Information; or

(e) was ordered to be publicly released by the requirement of a government agency.

4. Ownership of Confidential Information. Recipient agrees that all Confidential Information shall remain the property of RSA, and that RSA may use such Confidential Information for any purpose without obligation to Recipient. Nothing contained herein shall be construed as



Retirement Systems of Alabama Confidentiality and Non-Disclosure Agreement



granting or implying any transfer of rights to Recipient in the Confidential Information, or any patents or other intellectual property protecting or relating to the Confidential Information.

5. Term and Termination. The obligations of this Agreement shall be continuing until the Confidential Information disclosed to Recipient is no longer confidential. This agreement shall continue in the event the above stated purpose service agreement is ended for any reason.

6. Survival of Rights and Obligations. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by (a) RSA, its successors, and assigns; and (b) Recipient, its successors and assigns.

IN WITNESS WHEREOF, the parties have executed this agreement effective as of the date first written above.

Retirement Systems Of Alabama

Signed: _____

Print Name: _____

Title: _____

Date: _____

RECIPIENT

(_____)

Signed: _____

Print Name: _____

Title: _____

Date: _____

Recipient signature must have authorized signing power for the company or agency responding to the RFP.

12.6 FEE PROPOSAL TEMPLATE

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Deferred Compensation Solution						
Project Management						
Support						
Warranty						
Training						
Other: (Please specify)						
Annualized TOTAL						
Grand TOTAL 5 Year Life-Cycle Cost						\$

Illustration Assumptions³

Compensation Restrictions⁴

³ Each Respondent must fully identify the pricing assumptions made in arriving at its fee proposal. No representations or warranties can be made as to the number of employees or eligible entities that will participate in the plan, the amount of assets that will constitute the plan, the potential usage of expected functionality or any other factor that might impact the provision of said capabilities.

⁴ The successful Respondent will receive no compensation other than the fees set forth in its fee proposal or as agreed by RSA.

12.7 RSA SECURITY RISK ASSESSMENT

RSA Third Party Vendor - Security Questionnaire	
Respondent Name:	Date:
Designated Security Official Signature:	Title:
Factors:	

		YES / NO	Comments
	I. Security Policy		
	A. Policy		
1	Is there a corporate information security policy in place? If yes, provide as an attachment.		
2	Does the policy state what is and is not permissible as it pertains to sensitive company and customer information?		
3	Does the policy identify what is classified as sensitive company and customer information?		
4	Does the policy identify management and employee responsibilities including subcontractors?		
5	Does the policy identify acceptable use of employee owned devices such as laptops, smart phones, and any other form of device capable of storing data?		
6	Does the policy address requirements for change management procedures?		

		YES / NO	Comments
7	Does the policy address acceptable use of portable media to prevent malware from being introduced onto the corporate network and storage of confidential data? (e.g., thumb drives, CDRW, etc.)		
8	Does the policy address onboarding of personnel and termination procedures?		
B. Procedures			
1	Are procedures and dedicated security personnel in place to implement the information security policy?		
2	Are the procedures and standards evaluated to determine their level of impact to the business process?		
3	Does the project management methodology uphold the security practices and goals of the Information Security Program?		
C. Document Handling			
1	Is there a reasonable and usable information classification policy?		
2	Does the information classification policy address all enterprise information?		
3	Is an information classification methodology in place to assist employees in identifying levels of information within the business unit?		
4	Is there an information handling matrix that explains how specific information resources are to be handled?		
II. Corporate Practices			
A. Organizational Suitability			
1	Is there an executive level committee assigned to communicate and report on security risks to the organization?		

		YES / NO	Comments
2	Are employees able to perform their duties efficiently and effectively while following security procedures?		
3	Does the information security program have its' own line item in the budget?		
4	Does the security group have the authority to submit needed security policy changes throughout the enterprise?		
5	Is an annual report on the level of information security compliance issued to management? If yes, please provide a copy.		
6	Is there more than one person responsible for the implementation of the Information Security Program?		
B. Personnel Issues			
1	Are personnel required to have nationwide background check performed as part of the Information Security or Human Resources Policy? Please provide a copy of the Respondent's Human Resources Policy if it is not part of the requested security policy in I-A-1.		
2	Are contractors, subcontractors, and temporary staff subject to the same background check requirements?		
3	Are employees and project managers aware of their responsibilities for protecting information resources via written policy?		
4	Are technical employees formally trained to perform their tasks?		
5	Are contract personnel subject to confidentiality agreements?		
6	Are contract personnel subject to the same policies employees are?		
7	Is access to confidential information by contract personnel monitored by the Respondent?		

		YES / NO	Comments
8	Does the Respondent's employment application ask a prospective employee if they have ever been convicted of a crime? If so, does the proposing firm employee individuals with felony convictions?		
9	Are prior employment verifications performed for initial employment?		
10	Are there any current or pending litigation against staff, former staff, or contract staff regarding corporate espionage, identity theft, or any other areas regarding the security or privacy of confidential information?		
C. Training and Education			
1	Do employees receive security related training specific to their responsibilities? If yes, please attach a sample.		
2	Are employees receiving both positive and negative feedback related to security on their performance evaluations?		
3	Is security-related training provided periodically to reflect changes and new methods?		
4	Are system administrators given additional security training specific to their jobs?		
D. Oversight and Auditing			
1	Are the security policies and procedures routinely tested?		
2	Are exceptions to security policies and procedures justified and documented?		
3	Are audit logs or other reporting mechanisms in place on all platforms?		
4	When an employee is found to be in non-compliance with security policies, has appropriate disciplinary action been taken?		
5	Are information security audits performed on an annual basis?		

		YES / NO	Comments
6	Are unscheduled/surprise audits performed?		
7	Has someone been identified as responsible for reconciling audits?		
8	Does either an internal or external auditor independently audit Respondent's operational controls on a periodic basis?		
9	Is an independent review carried out in order to assess the effective implementation of security policies?		
10	Can the Respondent provide evidence of having gone through a recent audit of their organization's operational policies, procedures, and operating effectiveness? Please provide copies of the most recent audits.		
11	Has Respondent experienced a security breach of corporate or customer data within the last 10 years? If yes, please provide additional information regarding the breach.		
12	Is there is any concluded or pending litigation against the Respondent or an employee related to a contract engagement or a security breach?		
13	Is the Respondents solution compliant with GASB reporting rules for 457 B plans?		
14	Does Respondent have a change management committee? Does it meet on regularly scheduled intervals?		
E. Application Development and Management			
1	Has an application development methodology been implemented?		
2	Are appropriate/key application users involved with developing and improving application methodology and implementation process?		
3	Is pre-production testing performed in an isolated environment?		
4	Has a promotion to production procedures been implemented?		

		YES / NO	Comments
5	Are secure coding standards implemented and are they followed?		
6	Are applications testing for security vulnerabilities prior to being released to production? Please provide a sample of the tests performed.		
7	Is there a dedicated security team for testing applications for vulnerabilities?		
8	Are there procedures in place for protecting source code developed by the Respondent (physically and electronically)?		
9	Is system access and security based on the concept of least possible privilege and need-to-know?		
10	Does Respondent perform source code reviews for each release?		
11	Are backdoors prevented from being placed into application source code?		
	III Physical Security		
	A. Physical Security of Vendor Facilities		
1	Is access to corporate building(s) where company and customer information resides controlled?		
2	Is access to computing facilities restricted to staff based on their job duties?		
3	Is there an additional level of control for after-hours access?		
4	Is there an audit log to identify the individual and the time of access that is monitored by a group other than Information Technology?		
5	Are systems and other hardware adequately protected from theft?		
6	Are procedures in place for proper disposal of confidential information?		

		YES / NO	Comments
7	Are proper fire suppression systems located in the facility?		
8	Are computing facilities located more than 5 miles from a government facility or airport (high risk areas)?		
9	Are the servers and facilities that house software documentation and programming logic located in a secure facility?		
10	Is all confidential and restricted information marked as such and stored in a secure area (room, cabinet) with access restricted to authorized personnel only?		
11	Does Respondent allow employees to work remote or in a virtual environment? If yes, please provide documentation around controls for safeguarding computer systems and data in a virtual work environment. (Example: use of paper shredders to ensure confidential information is protected from disclosure)		
B. After-Hours Review			
1	Are areas containing sensitive information properly secured?		
2	Are workstations secured after-hours such as screen lock out policy?		
3	Are keys and access cards properly secured and open access areas?		
4	Is confidential information properly secured from cleaning crews?		
5	Are contract cleaning crews activities monitored?		
C. Incident Handling			
1	Has an Incident Response Team (IRT) been established?		
2	Have employees been trained as to when the IRT should be notified?		
3	Has the IRT been trained in evidence gathering and handling?		
4	Are incident reports issued to appropriate management?		

		YES / NO	Comments
5	After an incident, are policies and procedures reviewed to determine if modifications need to be implemented?		
6	Does the Respondent have a process in place to notify IT security of a potential breach and/or other security problems to ensure proper notification and correction can be performed?		
D. Contingency Planning			
1	Has a Business Impact Analysis been conducted on all systems, applications, and platforms?		
2	Is there a documented data center Disaster Recovery Plan (DRP) in place?		
3	Are backup media password protected or encrypted?		
4	Has the data center DRP been tested within the past 12 months?		
5	Are system, application, and data backups sent to a secure off-site facility on a regular basis?		
6	Are Service Level Agreements that identify processing requirements in place with all users and service providers?		
7	Have departments, business units, groups, and other such entities implemented business continuity plans that supplement the data center DRP?		
8	Have Emergency Response Procedures (ERP) been implemented?		
9	Have ERPs been tested for effectiveness?		
IV. Business Impact Analysis, Disaster Recovery Plan			
A. General Review			

		YES / NO	Comments
1	Backup planning includes identification of all critical data, programs, documentation, and support items required performing essential task during recovery?		
2	The BIA is reviewed and updated regularly with special attention to new technology, business changes, and migration of applications to alternative platforms?		
3	Critical period timeframes have been identified for all applications and systems?		
4	Senior management has reviewed and approved the prioritized list of critical applications?		
B. Disaster Recovery Plan (DRP)			
1	A corporate disaster recovery plan coordinator has been named and a mission statement identifying scope and responsibilities has been published?		
2	A "worst-case" scenario DRP to recover normal operations within the prescribed timeframes has been implemented and tested?		
3	Listing of current emergency telephone numbers for police, fire department, medical aid, and company officials are strategically located throughout the facility and at off-site locations?		
4	The backup site is remote from hazards that endanger the main data center?		
5	Contracts for outsourced activities have been amended to include service providers' responsibilities for DRP?		
6	Lead times for communication lines and equipment, specialized devices, power hookups, construction, firewalls, computer configurations, and LAN implementation have been factored into the DRP?		

		YES / NO	Comments
7	Contingency arrangements are in place for hardware, software, communications, software, staff and supplies to meet DR requirements?		
8	Customer software solutions that are being developed and/or in production are backed up as part of the Respondent's backup and recovery procedures?		
C. Testing			
1	Backup and recovery procedures are tested at least annually?		
2	Training sessions are conducted for all relevant personnel on backup, recovery, and contingency operating procedures?		
3	Appropriate user representative have a particular role in creating and reviewing control reliability and backup provisions for relevant applications?		
4	Appropriate user representatives participate in the DRP tests?		
5	Insurance coverage for loss of hardware and business impact is in place?		
V. Technical Safeguards			
A. Passwords			
1	Are host systems and servers as well as application servers secured with unique passwords?		
2	Are default accounts de-activated?		
3	Are temporary user accounts restricted and disabled within 24 hours?		
4	Are the password management systems forcing personnel to change passwords every 90 days or less?		

		YES / NO	Comments
5	Are users of all company-provided network resources required to change the initial default password?		
6	Are the passwords complex? Contain upper case, lower case, special character or number, and at least 8 characters long.		
7	Do network and system administrators have adequate experience to implement security standards?		
8	Are reports and logs pertaining to network users reviewed and reconciled on a regular basis?		
9	Are permissions being set securely based on employee job responsibility?		
10	Are administrators assigned a unique ID for access to critical systems?		
B. Infrastructure			
1	Is the network infrastructure audited on an annual basis?		
2	Are network vulnerability assessments conducted on an annual basis?		
3	Are changes/improvements made in a timely fashion following network vulnerability assessments?		
C. Firewalls			
1	Are protocols allowed to initiate connections from "outside" the firewall?		
2	Has a risk analysis been conducted to determine if the protocols allowed maintain an acceptable level of risk?		
3	Has the firewall been tested to determine if outside penetration is possible?		
4	Are other products in place to augment the firewall level security?		

		YES / NO	Comments
5	Are the firewalls maintained and monitored 24x7?		
6	Have services offered across the firewall been documented?		
7	Has a Demilitarized Zone (DMZ) or Perimeter Network been implemented?		
8	Has the firewall administrator been formally trained?		
9	Is there more than one person administering the firewall?		
D. Data Communications			
1	Is there a remote access procedure in place?		
2	Is there a current network diagram?		
3	Are Access Control List (ACLs) maintained on a regular basis?		
4	Is the network environment segmented from host where there is no business or IT requirement to communicate with other host?		
5	Does the communication equipment log administrative access to the systems?		
6	Is SNMP data collected from the data communication devices?		
7	Is syslog data collected from the data communication devices?		
8	Are there standard templates for configuring routers?		
9	Are there standard templates for configuring switches?		
E. Databases			
1	Are default database passwords changed?		
2	Are database administrators trained or certified?		
3	Are database backups performed daily?		
F. Computing Platforms			

		YES / NO	Comments
1	Are critical servers protected with appropriate access controls?		
2	Does development staff have administrator rights on computers used for writing source code?		
3	Is there a company image used for corporate PCs and laptops?		
4	Does the company have an asset management system to track software installed?		
5	Is there an anti-virus application installed on all PC's, laptops, and servers?		
6	Does the anti-virus application automatically update computing assets 3 times or more per day?		
7	Is there a URL filtering solution in place?		
8	Are Internet facing servers protected with host based intrusion prevention?		
9	Are employees including employees who may work remotely restricted to what can be installed on their computer systems?		
10	Do any of the Respondent's computer systems including storage reside on a cloud computing environment not owned by the Respondent?		
G. Intrusion Prevention			
1	Is host based intrusion prevention software installed on all Internet facing servers and monitored 24/7/365?		
2	Are network based intrusion prevention systems in-line and defending?		
3	Is there a dedicated security staff monitoring security alerts 24/7/365?		
VI. Telecommunications Security			
A. Policy			

		YES / NO	Comments
1	Is there a published policy on the use of organizational telecommunications resources?		
2	Have all employees have been made aware of the telecommunications policy?		
3	Employees authorized for Internet access are made aware of the organization's proprietary information and what they can discuss in open forums?		
4	Are corporate devices such as iPhones or Android based phones centrally managed by the Respondent to control rogue software installations and protect sensitive data?		
B. Standards			
1	Is there a threshold established to monitor and suspend repeated unsuccessful dial-in or remote access attempts?		
2	Access to databases reachable via remote access or VPN have access controls in place to prevent unauthorized access?		
3	Financial applications available via remote access or VPN have audit trails established to track access and transaction usage?		
4	Are audit trails reviewed and corrective action taken on a regular basis?		
5	When possible are ACL security programs used to control dial-in or remote access to a specific application?		
6	Company proprietary data stored on portable computers are secured from unauthorized access?		
7	Are corporate emails allowed to be sent from unique domains not used by the Respondent such as Gmail or Microsoft Email?		
C. Practices			

		YES / NO	Comments
1	Personnel independent of the operations staff and security administration review tamper-resistant logs and audit trails?		
2	Employees are made aware of their responsibility to keep remote access codes secure from unauthorized access and usage?		
3	Removal of portable computers from the corporate locations must be done through normal property removal procedures?		
4	Employees are briefed on their responsibility to protect the property of the company when working away from the corporate environment?		

13.EXHIBITS LISTING

- 13.1 State of Alabama Disclosure Statement**
- 13.2 Sample – State of Alabama Contract Terms**
- 13.3 IRS Form W-9**
- 13.4 Immigration Compliance Certificate**
- 13.5 Hosted Solution Service Level Agreement**
- 13.6 RSA-1 Member Handbook**
- 13.7 RSA-1 Plan Document**



State of Alabama

Disclosure Statement

(Required by Act 2001-955)

ENTITY COMPLETING FORM

ADDRESS

CITY, STATE, ZIP

TELEPHONE NUMBER

()

STATE AGENCY/DEPARTMENT THAT WILL RECEIVE GOODS, SERVICES, OR IS RESPONSIBLE FOR GRANT AWARD

ADDRESS

CITY, STATE, ZIP

TELEPHONE NUMBER

()

This form is provided with:

Contract

Proposal

Request for Proposal

Invitation to Bid

Grant Proposal

Have you or any of your partners, divisions, or any related business units previously performed work or provided goods to any State Agency/Department in the current or last fiscal year?

Yes

No

If yes, identify below the State Agency/Department that received the goods or services, the type(s) of goods or services previously provided, and the amount received for the provision of such goods or services.

STATE AGENCY/DEPARTMENT

TYPE OF GOODS/SERVICES

AMOUNT RECEIVED

Have you or any of your partners, divisions, or any related business units previously applied and received any grants from any State Agency/Department in the current or last fiscal year?

Yes

No

If yes, identify the State Agency/Department that awarded the grant, the date such grant was awarded, and the amount of the grant.

STATE AGENCY/DEPARTMENT

DATE GRANT AWARDED

AMOUNT OF GRANT

1. List below the name(s) and address(es) of all public officials/public employees with whom you, members of your immediate family, or any of your employees have a family relationship and who may directly personally benefit financially from the proposed transaction. Identify the State Department/Agency for which the public officials/public employees work. (Attach additional sheets if necessary.)

NAME OF PUBLIC OFFICIAL/EMPLOYEE

ADDRESS

STATE DEPARTMENT/AGENCY

OVER

2. List below the name(s) and address(es) of all family members of public officials/public employees with whom you, members of your immediate family, or any of your employees have a family relationship and who may directly personally benefit financially from the proposed transaction. Identify the public officials/public employees and State Department/Agency for which the public officials/public employees work. (Attach additional sheets if necessary.)

NAME OF FAMILY MEMBER	ADDRESS	NAME OF PUBLIC OFFICIAL/ PUBLIC EMPLOYEE	STATE DEPARTMENT/ AGENCY WHERE EMPLOYED
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If you identified individuals in items one and/or two above, describe in detail below the direct financial benefit to be gained by the public officials, public employees, and/or their family members as the result of the contract, proposal, request for proposal, invitation to bid, or grant proposal. (Attach additional sheets if necessary.)

Describe in detail below any indirect financial benefits to be gained by any public official, public employee, and/or family members of the public official or public employee as the result of the contract, proposal, request for proposal, invitation to bid, or grant proposal. (Attach additional sheets if necessary.)

List below the name(s) and address(es) of all paid consultants and/or lobbyists utilized to obtain the contract, proposal, request for proposal, invitation to bid, or grant proposal:

NAME OF PAID CONSULTANT/LOBBYIST	ADDRESS
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By signing below, I certify under oath and penalty of perjury that all statements on or attached to this form are true and correct to the best of my knowledge. I further understand that a civil penalty of ten percent (10%) of the amount of the transaction, not to exceed \$10,000.00, is applied for knowingly providing incorrect or misleading information.

Signature _____ Date _____

Notary's Signature _____ Date _____ Date Notary Expires _____

Act 2001-955 requires the disclosure statement to be completed and filed with all proposals, bids, contracts, or grant proposals to the State of Alabama in excess of \$5,000.

STATE OF ALABAMA
MONTGOMERY COUNTY

AGREEMENT

This Agreement, which results from RFP _____ entitled _____, is made and entered into effective _____ between the Teachers' Retirement System of Alabama and the Employees' Retirement System of Alabama, collectively referred to as The Retirement Systems of Alabama ("RSA"), and _____, hereinafter referred to as "Contractor."

SERVICES

Contractor shall provide _____ services to RSA in accordance with the guidelines, terms and conditions set forth in RSA's RFP _____ and Contractor's Proposal dated _____, all of which documents are attached hereto as Exhibit A and incorporated herein by reference.

CONSIDERATION

As consideration for the services rendered pursuant to this Agreement, RSA agrees to compensate the Contractor an amount equal to the rates set forth in Contractor's Proposal, as amended by Contractor's Revised Proposal.

TERM

This Agreement shall be for the period beginning _____ and ending _____.

OTHER

Contractor acknowledges and understands that this Agreement is not effective until it has received all required state government approvals, and Contractor shall not begin performing work under this contract until notified to do so by RSA. Contractor is entitled to no compensation for work performed prior to the effective date of this Agreement.

Contractor acknowledges that Contractor is an independent contractor, and neither Contractor nor Contractor's employees are to be considered employees of RSA or entitled to benefits under the State of Alabama Merit System.

In the event of proration of the funds from which this Agreement is to be paid, the Agreement will be subject to termination by RSA.

Contractor acknowledges that the terms and commitments contained herein shall not be constituted as a debt of the State of Alabama in violation of Article 11, Section 213 of the Constitution of Alabama, 1901, as amended by Amendment Number 26. It is further agreed that if any provisions of this Agreement shall contravene any statute or Constitutional provision or amendment, either now in effect or which may, during the course of this Agreement, be enacted, then that conflicting provision in the Agreement shall be deemed null and void. Contractor may not assign this Agreement or any interest herein or any money due hereunder without the expressed written consent of RSA. Contractor's sole remedy for the settlement of any and all disputes arising under the terms of this Agreement shall be limited to the filing of a claim with the Board of Adjustment of the State of Alabama.

Contractor acknowledges and agrees that, notwithstanding anything to the contrary contained herein or in any other agreement between the parties hereto, RSA shall not indemnify or hold harmless Contractor, its affiliates, administrators, officers, employees or agents. Contractor further acknowledges and agrees that RSA shall not be liable to Contractor for any late fees, penalties, collection fees or attorney fees unless specifically agreed to in a writing signed by RSA.

Contractor acknowledges that, in the course of performing its responsibilities under this Agreement, Contractor may be exposed to or acquire information that is proprietary or confidential to RSA or its members. Contractor agrees to hold such information in confidence and not to copy, reproduce, sell, assign, license, market, transfer or otherwise disclose such information to third parties or to use such information for any purpose whatsoever, without the express written permission of RSA, other than for the performance of obligations hereunder or as required by applicable state or federal law. For purposes of this Agreement, all records, financial information, specifications and data disclosed to Contractor during the term of this Agreement, whether submitted orally, in writing, or by any other media, shall be deemed to be confidential in nature unless otherwise specifically stated in writing by RSA.

By signing this contract, the contracting parties affirm, for the duration of the agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the state of Alabama. Furthermore, a contracting party found to be in violation of this provision shall be deemed in breach of the agreement and shall be responsible for all damages resulting therefrom.

APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with Alabama Law, without giving any effect to the conflict of laws provision thereof.

TERMINATION

This Agreement may be terminated for any reason by either party upon ninety (90) days written notice. RSA shall have the right to terminate this Agreement immediately by

providing written notice to Contractor in the event Contractor fails to execute any provision of this Agreement promptly and to the satisfaction of RSA.

Contractor Federal Tax ID Number

By: _____
Its: _____

The Retirement Systems of Alabama
By: David G. Bronner
Its: Secretary-Treasurer

Reviewed by:

Legal Counsel for RSA

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____	
	<input type="checkbox"/> Exempt payee	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
City, state, and ZIP code		
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

Social security number									

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Employer identification number									

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*). Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8. What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see Special rules for partnerships on page 1.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form. Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line. Disregarded entity. Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

Note. Check the appropriate box for the federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/ disregarded entity name" line.

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/ disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
2. The United States or any of its agencies or instrumentalities,
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,
7. A foreign central bank of issue,
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
9. A futures commission merchant registered with the Commodity Futures Trading Commission,
10. A real estate investment trust,
11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
12. A common trust fund operated by a bank under section 584(a),
13. A financial institution,
14. A middleman known in the investment community as a nominee or custodian, or
15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 5 and 7 through 13. Also, C corporations.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 7 ²

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see How to get a TIN below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see Limited Liability Company (LLC) on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see Exempt Payee on page 3.

Signature requirements. Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.
2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.
3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see Special rules for partnerships on page 1.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

State of _____
County of _____

**CERTIFICATE OF COMPLIANCE WITH THE BEASON-HAMMON ALABAMA TAXPAYER AND CITIZEN PROTECTION ACT
(ACT 2011-535, as amended by ACT 2012-491)**

DATE: _____

RE: Contract/Grant/Incentive (describe by number or subject): _____ **by and between**
_____ **(Contractor/Grantee) and**
_____ **(State Agency, Department of Public Entity)**

The undersigned hereby certifies to the State of Alabama as follows:

1. The undersigned holds the position of _____ with the Contractor/Grantee named above, and is authorized to provide representations set out in this Certificate as the official and binding act of that entity, and has knowledge of the provisions of **THE BEASON-HAMMON ALABAMA TAXPAYER AND CITIZEN PROTECTION ACT** (ACT 2011-535 of the Alabama Legislature, as amended by Act 2012-491) which is described herein as "the Act".
2. Using the following definitions from Section 3 of the Act, select and initial either (a) or (b), below, to describe the Contractor/Grantee's business structure.

BUSINESS ENTITY: Any person or group of persons employing one or more persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood, whether for profit or not for profit. "Business entity" shall include, but not be limited to the following:

- a. Self-employed individuals, business entities filing articles of incorporation, partnerships, limited partnerships, limited liability companies, foreign corporations, foreign limited partnerships, foreign limited liability companies authorized to transact business in this state, business trusts, and any business entity that registers with the Secretary of State.
- b. Any business entity that possesses a business license, permit, certificate, approval, registration, charter, or similar form of authorization issued by the state, any business entity that is exempt by law from obtaining such a business license and any business entity that is operating unlawfully without a business license.

EMPLOYER: Any person, firm, corporation, partnership, joint stock association, agent, manager, representative, foreman, or other person having control or custody of any employment, place of employment, or of any employee, including any person or entity employing any person for hire within the State of Alabama, including a public employer. This term shall not include the occupant of a household contracting with another person to perform casual domestic labor within the household.

___(a) the Contractor/grantee is a business entity or employer as those terms are defined in Section 3 of the Act. The Contractor/Grantee must submit its complete *E-Verify Memorandum of Understanding* issued and electronically signed by the U.S. Department of Homeland Security when the business entity or employer enrolls in the E-Verify program.

___(b) The Contractor/Grantee is not a business entity or employer as those terms are defined in Section 3 of the Act.

3. As of the date of this Certificate, Contractor/Grantee does not knowingly employ an unauthorized alien within the State of Alabama and hereafter it will not knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama;
4. Contractor/Grantee is enrolled in E-verify unless it is not eligible to enroll because of the rules of that program or other factor beyond its control.

Certified this _____ day of _____ 20 ____.

Name of Contractor/Grantee/Recipient

By:

Its:

The above Certification was signed in my presence by the person whose name appears above, on

This _____ day of _____ 20 ____.

WITNESS _____

Printed Name of Witness

RSA HOSTED SYSTEMS SERVICE LEVEL AGREEMENT

100% SERVICES AVAILABILITY

This Service Level Agreement Services Availability (“SLA”) is made and entered into as of this ____ day of _____, 201_ (“Effective Date”) by and between < **Insert Vendor Name Here** >., and **The Retirement Systems of Alabama** with its principal office located at **201 South Union Street, Montgomery, AL 36130-2150** (“Customer”) and is made subject to the terms and conditions set forth in that certain Master Services Agreement and any related agreements, amendments and / or attachments (collectively, the “Agreement”) executed between the parties and dated _____, 201_. The Parties hereby represent and warrant to each other that the individuals executing this SLA are duly authorized to execute and deliver this SLA on their behalf, and that each Party will comply with and be bound by its terms and conditions, as well as those contained in the Agreement. If the Parties have not executed a Vendor Master Service Agreement, then the terms and conditions of Vendor’s standard Master Service Agreement are hereby incorporated into this SLA by reference. Any terms defined in the Agreement shall have the same meaning in this SLA as in the Agreement. In the event that any provision of this SLA and any provision of the Agreement are inconsistent or conflicting, the inconsistent or conflicting provisions of this SLA shall be and constitute an amendment of the Agreement and shall control, but only to the extent that such provision is inconsistent with the Agreement.

SERVICE LEVEL GUARANTEE DEFINITION

Vendor shall use commercially reasonable efforts to maintain 100% Service Availability for The Retirement Systems of Alabama purchased “Covered Services”, as listed below. “Credits”. Based upon the actual duration of the interruption of Service, measured from the issuance of a trouble ticket with the Vendor’s designated Network Operations Center (“NOC”) to the restoration of the impacted service.

“**Covered Services**”: Consists of those services listed below.

- All Colocation Space Services
- All Connectivity Services
- All Power Services
- All Contracted Services as Defined in the Master Services Agreement

“**Customer**”: The Retirement Systems of Alabama, which has purchased designated service(s) from aforementioned Vendor.

“**Service Availability**”: Services functioning as intended without any significant interruption.

REPORTING

The Retirement Systems of Alabama will be entitled to credit(s) as outlined below if: (1) provide written notice is provided to the Vendor of the circumstances giving rise to this credit request, (2) written notice is provided to the Vendor within five (5) days after the last day of the month within which the Vendor failed to comply with the applicable SLA, and (3) the relevant trouble

RSA HOSTED SYSTEMS SERVICE LEVEL AGREEMENT

ticket(s) ID Number(s) relating to the breach in SLA standards are provided to the Vendor as justification as to why The Retirement Systems of Alabama seeks credit(s). For any billing month in which Vendor fails to meet the above guarantee, The Retirement Systems of Alabama will receive one credit, based on the credit structure below.

CREDIT POLICY

If Vendor fails to meet the Service Level outlined above in any given month, Vendor will, as Vendor's sole obligation and The Retirement Systems of Alabama's sole and exclusive remedy for failure to meet the foregoing guarantee, credit Customer's account according to the following schedule(s):

SERVICE AVAILABILITY	CREDIT*
Uptime of 100% or higher (Less than 5 minutes of downtime)	No Credit
Uptime of 99.9% - 99.99% (Between 5 and 43 minutes of downtime)	1%
Uptime of 99.0% - 99.9% (Between 43 and 432 minutes of downtime)	2%
Uptime of 98.0% - 98.9% (Between 432 and 864 minutes of downtime)	3%
Uptime of 97.0% - 97.9% (Between 864 and 1,296 minutes of downtime)	5%
Uptime of 95.0% - 96.9% (Between 1,296 and 2,160 minutes of downtime)	10%
Uptime of 90.0% - 95.0% (Between 2,160 and 4,320 minutes of downtime)	15%
Less than 90% (More than 4,320 minutes of downtime)	33%

**(Percentage of the total managed services monthly fees due to Vendor for that calendar month. The total credit from all Service Level Guarantees is not to exceed 33% of such fees due to Vendor for that calendar month as indicated below.)*

CREDIT EXCEPTIONS

A. If at any time The Retirement Systems of Alabama is in default under the Agreement, then they will not be entitled to any service credits.

RSA HOSTED SYSTEMS SERVICE LEVEL AGREEMENT

B. Credit will not be issued under this Service Level Agreement for any covered outage that, as determined by Vendor in its reasonable judgment, results from:

- Downtime due to Customer-initiated changes whether implemented by Customer or Vendor on behalf of Customer;
- Downtime due to Customer required operating system software revisions and hardware/software configurations that are not Vendor tested and approved;
- Downtime due to Customer failure to adhere to Vendor's change management process and procedures;
- Downtime due to the acts or omissions of Customer, its employees, agents, third party contractors or vendors, or anyone gaining access to Vendor's network or to the Customer's Web site at the request of Customer;
- Downtime caused by Acts of God or natural disasters not covered within the defined disaster recovery plan;
- The negligence or willful misconduct of Customer or others authorized by Customer to use the Services provided by Vendor;
- Any failure of any component for which Vendor is not responsible, including but not limited to all Customer-provided or Customer-managed electrical power sources, networking equipment, computer hardware, computer software or web site content;
- Any failure of Customer-provided local access facilities;
- Any scheduled or emergency maintenance up to an accumulated total of 24 hours per month;
- Any failures that cannot be corrected because the Customer is inaccessible.

Retirement Systems of Alabama

<Insert Name of Vendor>

Signature

Signature

Printed Name

Printed Name

Title

Title



RSA-1
Deferred Compensation Plan
MEMBER HANDBOOK



The Retirement Systems of Alabama



Contact RSA-1

Phone

877.517.0020
334.517.7000

Fax

877.517.0021
334.517.7001

Email

rsalinfo@rsa-al.gov

Because email submissions are unsecured, do not include confidential information like your Social Security number. Please include your full name, employer, home mailing address, and daytime phone number.

Mail

The RSA-1 Deferred Compensation Plan
P.O. Box 302150
Montgomery, AL 36130-2150

Website

www.rsa-al.gov

Member Online Services

Change your address and view your account statement online
<https://mso.rsa-al.gov>

Building Location

201 South Union Street
Montgomery, Alabama

Request a Presentation

Field Services Division
877.517.0020

Business Hours

8:00 a.m. - 5:00 p.m.
Monday - Friday

Please provide your full name and Social Security number on all faxes and letters.

RSA-1 Member Handbook

Introduction

The Retirement Systems of Alabama (RSA) is pleased to provide the RSA-1 Deferred Compensation Plan Member Handbook. This handbook is an important part of our commitment to provide you and anyone eligible for RSA-1 with valuable information to assist you with saving for your retirement while deferring taxes. The majority of people working today expect their retirement income to come from three sources: their pension plan, Social Security, and personal savings. With experts estimating that a person will require between 70 and 80 percent of his or her preretirement income, increasing your personal savings is a good retirement strategy to help supplement your retirement income.

One way for public employees in Alabama to increase their personal savings and add to their financial security is by investing in an Internal Revenue Code Section 457 Deferred Compensation Plan like RSA-1. RSA-1 offers an easy and flexible way to save for retirement through payroll deduction while deferring taxes today. Please read this Member Handbook and contact RSA-1 with any questions you may have about securing a better future with the RSA-1 Deferred Compensation Plan.

The information in this handbook is based on Section 457 of the Internal Revenue Code of the United States and is authorized by §36-27A-1, et. seq., Code of Alabama 1975. This handbook is not intended as a substitute for the Internal Revenue Code nor will its interpretation prevail should a conflict arise between its content and Section 457 of the Internal Revenue Code. Do not rely solely upon the information provided in this handbook to make any decision regarding enrollment in RSA-1, but contact RSA-1 with any questions you may have.

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About RSA-1

Establishment of RSA-1

RSA-1 is an eligible deferred compensation plan as defined by Section 457 of the Internal Revenue Code of the United States. The plan is authorized by §36-27A-1, et. seq., *Code of Alabama 1975*. Under this deferred compensation plan, a public employee may elect to defer receipt of a portion of his or her salary until a later determined date, usually at retirement or termination of service. Because receipt of the income is deferred, the deferred income is not included in the participant's current federal or state of Alabama gross taxable income.

The deferred income is paid into the RSA-1 Deferred Compensation Plan and invested for the participant's benefit. Investment earnings are accumulated in the fund and like the deferred income, are not subject to federal or state of Alabama income taxation until distributed to the employee. Deferred income and the investment earnings are held in the participant's account for the exclusive benefit of the plan participants and their beneficiaries.

No Fees!

Unlike other funds, there are **no** administrative, membership, investment, transaction, sales or commission fees for participating in the RSA-1 Deferred Compensation Plan. All the money you defer and all investment earnings are placed into your account and invested by RSA-1.

PEIRAF Board of Control

RSA-1 is administered by the Secretary-Treasurer of the Employees' Retirement System under the supervision and direction of the PEIRAF Board of Control, which is composed of members of the investment committees of the Teachers' and Employees' Boards of Control. This Board is authorized to make the rules and regulations governing RSA-1 in conformance with the requirements of the Internal Revenue Code.

Administrative Cost

The administrative cost for the operation of RSA-1 is provided from the expenses of the Employees' (ERS) and Teachers' (TRS) Retirement Systems. No additional state funds will be used to administer RSA-1.

Visit the RSA Website (www.rsa-al.gov)

RSA-1 strongly encourages its members and member agencies to browse this user-friendly site because of the tremendous amount of useful information and interactive tools available.

What you can find:

- ◆ RSA-1 policy changes
- ◆ Change address online
- ◆ 12-month historical returns
- ◆ Investment option information
- ◆ Rates of Return
- ◆ View account online
- ◆ Asset allocation
- ◆ Publications and forms
- ◆ Legislation affecting the RSA and RSA-1
- ◆ Retirement benefit calculator
- ◆ Retirement planning information
- ◆ Retiree Information

Map and Directions

From the West

Follow Highway 80 to I-65. Follow I-65 North to Montgomery. Approaching Montgomery, stay in the right-hand lane and exit onto I-85 North to Atlanta. Continue in the right-hand lane; then take the first exit, which is Court Street. Stay on the service road until you reach Union Street. Turn left on Union Street. Continue on Union Street through two traffic lights. The RSA Headquarters is on the right before Adams Avenue. Members may park for free in the Member Services parking lot in front of the parking deck.

From the East

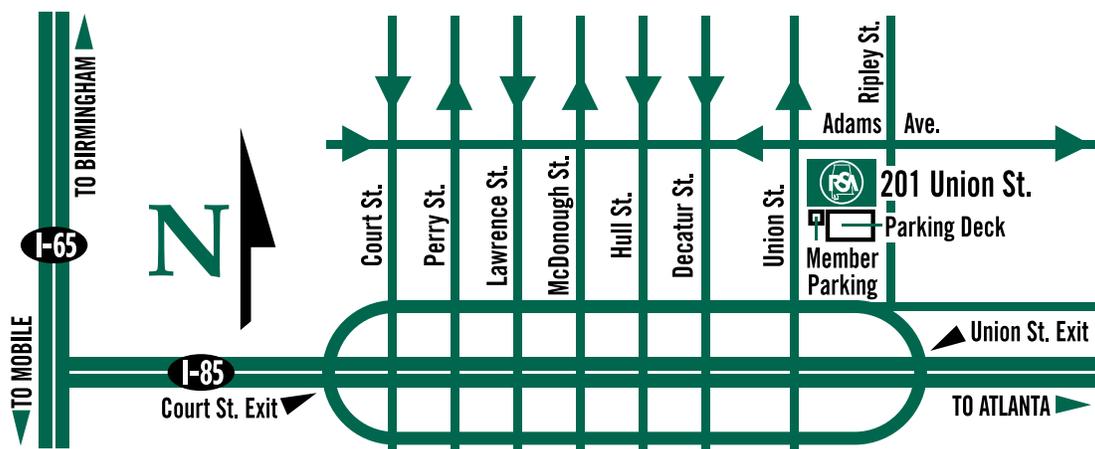
Follow I-85 South to downtown Montgomery and take the Union Street exit on the right. Take the first right on the service road onto Union Street. Continue on Union Street through one traffic light. The RSA Headquarters is on the right before Adams Avenue. Members may park for free in the Member Services parking lot in front of the parking deck.

From the South

Follow I-65 North to Montgomery. Approaching Montgomery, stay in the right-hand lane and exit onto I-85 North to Atlanta. Continue in the right-hand lane; then take the first exit, which is Court Street. Stay on the service road until you reach Union Street. Turn left on Union Street. Continue on Union Street through two traffic lights. The RSA Headquarters is on the right before Adams Avenue. Members may park for free in the Member Services parking lot in front of the parking deck.

From the North

Follow I-65 South into Montgomery. Take the I-85 North exit to the right to Atlanta. Stay in the right-hand lane and take the first exit on I-85, which is the Court Street exit. Stay on the service road until you reach Union Street. Turn left on Union Street. Continue on Union Street through two traffic lights. The RSA Headquarters is on the right before Adams Avenue. Members may park for free in the Member Services parking lot in front of the parking deck.



Participation

Employee Eligibility

Any public official or employee of the state of Alabama or any political subdivision thereof is eligible to participate in the RSA-1 Deferred Compensation Plan, regardless of age or participation in the RSA. Participation in RSA-1 is strictly voluntary.

Employee Enrollment

You can enroll in RSA-1 at any time. Enrollment forms are located at the back of this handbook. RSA-1 forms are also located on our website.

To participate in RSA-1, you must:

- ◆ Complete the:
 - ◇ RSA-1 ENROLLMENT form
 - ◇ BENEFICIARY DESIGNATION form, and
 - ◇ INVESTMENT OPTION ELECTION FOR NEW ACCOUNTS form.

Submit the completed forms to the RSA-1 Deferred Compensation Plan to establish an account.

- ◆ Once an account is established, you initiate salary deferrals by filing an **AUTHORIZATION TO DEFER COMPENSATION** form with your **payroll officer**.
- ◆ You can only defer contributions to RSA-1 through payroll deductions. Do not send the **AUTHORIZATION TO DEFER COMPENSATION** form to RSA-1 or the RSA.

Easy to Make Deferrals

- ◆ Deferrals may be in any amount desired (for example, \$10, \$20, \$50, etc.) as long as you do not exceed the maximum deferral allowable.
- ◆ The amount of your deferral may be increased, decreased or suspended as often as you wish, subject only to employer payroll requirements.

- ◆ Statements will be mailed quarterly in January, April, July, and October. To view your account, visit Member Online Services on our website. You can also request information by contacting Member Services at 877.517.0020 or emailing rsainfo@rsa-al.gov.

Note: For your protection, account information is not given over the phone or through email. Once the request is received, a letter is sent to the address on file.

Designation of Beneficiary

It is very important to maintain current beneficiary designations. Federal tax laws dictate certain requirements for distributions of your RSA-1 account to your beneficiary(ies) after your death. If you have not recently reviewed your beneficiary designation(s), please do so as you prepare to terminate employment or retire. Your contingent beneficiary will only receive the funds if the primary beneficiary predeceases the contingent beneficiary.

If you need to change your beneficiary or if your primary beneficiary dies, download a **BENEFICIARY DESIGNATION** form from our website or contact Member Services.

Change of Address

Having your current home mailing address on file with RSA-1 is very important. Many important documents are mailed to you, including account statements. You can change your address online or by completing the **ADDRESS CHANGE NOTIFICATION**. The **ADDRESS CHANGE NOTIFICATION** form can be downloaded from our website or obtained from Member Services.

RSA-1 Statement

The RSA-1 statement verifies the balance and earnings for each investment option as of December 31, March 31, June 30, and September 30. Your designated beneficiary is also listed on the statement. You may also view your account online at any time.

Deferring to RSA-1 Equals Tax Savings

The income you defer is paid into your RSA-1 account and invested for your benefit. Investment earnings are accumulated in the fund and like the deferred income, are not subject to federal or state of Alabama income taxation until distributed to you. Deferred income and the investment earnings are held in your account for the exclusive benefit of you and your beneficiary(ies).

Tax Savings

The following is an example of how participation in RSA-1 can help you reduce your current taxes:

Example:

- ◆ An employee earning \$1,000 semimonthly
- ◆ Deferring \$100 into RSA-1 semimonthly
- ◆ Filing as single with one withholding allowance

Contributing to RSA-1		Not Contributing to RSA-1	
Semimonthly pay	\$1,000.00	Semimonthly pay	\$1,000.00
RSA-1 Deferral	\$100.00	RSA-1 Deferral	\$0.00
7.25% Retirement Contribution	\$72.50	7.25% Retirement Contribution	\$72.50
Federal Tax*	\$73.47	Federal Tax*	\$88.47
State Tax*	\$29.00	State Tax*	\$34.00
FICA	\$56.50	FICA	\$56.50
<u>Take-Home Pay</u>	<u>\$668.53</u>	<u>Take-Home Pay</u>	<u>\$748.53</u>

*Based on the 2011 tax tables.

In this example, deferring \$100 only decreases your take-home pay by \$80 while saving \$20 on taxes.

Effects of Saving

Effect of Saving Over a 25 Year Period*				Effect of Saving Over a 30 Year Period*			
Monthly Deferral Amount	Assumed Earnings Rate			Monthly Deferral Amount	Assumed Earnings Rate		
	6%	7%	8%		6%	7%	8%
\$25	17,324.85	20,251.79	23,775.66	\$25	25,112.88	30,499.27	37,258.99
\$50	34,649.70	40,503.58	47,551.32	\$50	50,225.75	60,998.55	74,517.97
\$100	69,299.40	81,007.17	95,102.64	\$100	100,451.50	121,997.10	149,035.94
\$200	138,598.79	162,014.34	190,205.28	\$200	200,903.01	243,994.20	298,071.89
\$400	277,197.58	324,028.68	380,410.56	\$400	401,806.02	487,988.40	596,143.78

*These examples are provided for illustration purposes only and do not guarantee that the fund will perform at this level in the future.

Power of Compounding

Many retirees frequently say their biggest regret is that they did not start saving earlier. By committing to a savings plan early, you can contribute less but save more.

How does this work?

This financial phenomena is known as the Power of Compounding. As the years pass, the money you invest in the RSA-1 Deferred Compensation Plan will continue to earn tax-free monies. By reinvesting these monies, additional funds are earned, continuing this cycle year after year.

The following example illustrates the power of compounding*:

Will started deferring \$50 monthly into his RSA-1 Deferred Compensation Plan account when he was 25 years old. At age 55, Will's account balance will be \$50,226.

Katherine started deferring \$75 monthly into her RSA-1 Deferred Compensation Plan account when she was 35 years old. At age 55, Katherine's account balance will be \$34,653.

Both contributed a total of \$18,000 but Will contributed a smaller amount each month and still accumulated \$15,573 more than Katherine. This is the power of compounding.

** This example assumes a 6% rate of interest and is for illustrative purposes only. It is in no way indicative of the future performance of any of the investment options available through RSA-1.*

The Advantage of Beginning Early

The earlier you begin participating in RSA-1, the larger the difference in long-term accumulation. The chart below is an example based on a monthly contribution of \$100 earning an assumed interest rate of 7%, compounded monthly.

Beg. Age	Value at Age 65	Tot. Amt. Contrib.	Cost of Waiting 1 Yr.
25	\$264,012	\$48,000	
26	\$245,051	\$46,800	\$18,961
35	\$122,709	\$36,000	
36	\$113,274	\$34,800	\$ 9,435
45	\$ 52,397	\$24,000	
46	\$ 47,702	\$22,800	\$ 4,695

**This chart is for illustrative purposes only and should not be considered indicative of the future performance of any of the investment options available through RSA-1.*

Investing in RSA-1

Investment Options

Fixed Income and Stock Portfolios

RSA-1 funds are invested under the same authority and restrictions that govern investments made by the Teachers' and Employees' Retirement Systems. The RSA-1 Deferred Compensation Plan offers the option to invest in either fixed income investments, stocks, or a combination of both. The funds in both the RSA-1 fixed and stock investment option are not self-directed; rather they are invested as a pool.

The RSA-1 fixed portfolio is invested in fixed income investments such as corporate bonds, U.S. agency obligations, government national mortgage association securities, and commercial paper. The stock portfolio is invested in an S&P 500 Index Fund, which invests in the stock of America's 500 largest companies.

Earnings or losses are posted to your account monthly and your accounts are valued monthly at market value. The RSA-1 staff can further explain these options to you, but cannot advise you regarding which particular option to elect.

When it comes to risk and reward, stocks and bonds generally behave differently. When choosing between the stock and bond options, you should strive for an optimal blend of risk and reward — based on your age, years until retirement, and tolerance for risk.

For instance, members approaching retirement might consider allocating more of their assets to bonds than to stocks because bonds tend to have a more predictable income stream than stocks. Generally, bonds offer a level of security that stocks do not. The trade-off is that bonds traditionally provide more modest rates of return over the long term than stocks.

Historically, stocks have provided the highest returns over time, but stock prices fluctuate — sometimes dramatically. Most financial experts say that the younger you are, the more you should emphasize stocks. The longer your investment horizon, the more time you have to ride out the

inevitable ups and downs in the stock market. In fact, over periods of 20 years or more, stocks have historically provided positive returns.

New Participants

New participants must complete the RSA-1 ENROLLMENT, BENEFICIARY DESIGNATION, and INVESTMENT OPTION ELECTION FOR NEW ACCOUNTS forms to open an RSA-1 account. Those three forms are to be completed and returned to RSA-1. A fourth form, the AUTHORIZATION TO DEFER COMPENSATION, is to be completed and returned to your own Payroll Officer.

Existing Participants

Existing participants will be able to change their investment option every 365 days. The election will remain in effect until a subsequent eligible election is made, but it must remain in effect for 365 days.

If you do not wish to change your investment option, the election will remain in effect until you decide to make a change. You may stop deferrals at any time, but the election will remain in effect if you subsequently resume deferrals. The ANNUAL INVESTMENT OPTION ELECTION form is on the website or request it from Member Services.

Tax Information

You do not pay current federal or state income taxes on your investment earnings. RSA-1 deferrals and earnings are only subject to taxes when the deferrals are withdrawn from RSA-1.

Rates of Return

Your earnings are based on market conditions. For rates of return on investments, visit our website or call Member Services.

Deferral Limits

Annual Contribution Maximums

The maximum amount you may defer per year is 100% of your includable compensation reduced by other tax-deferred retirement contributions and pre-tax salary reductions, but not more than the following annual contribution maximums:

Annual Contribution Maximum		
Year	Under 50	50 and Over
2012	\$17,000	\$22,500

There is no minimum amount you must defer. Deferrals to RSA-1 do not affect retirement benefits because retirement benefits are calculated on your gross salary.

Participation in Other Plans

If you are making deferrals to another Section 457 plan, the annual contribution maximum applies to all 457 plans. For example, if you are deferring \$9,000 in 2012 to RSA-1, you are limited to a total of \$8,000 (or \$13,500 age 50 and over) with any other 457 plan in that calendar year. If you are contributing to a 403(b) or a 401(k), the limits to those plans will not be affected by deferrals to the RSA-1 Deferred Compensation Plan.

Catch-up Deferrals

Catch-up Maximums

If you did not defer the maximum deferral amount in the years beginning with 1986 and were eligible to participate, you may “catch-up” unused eligible amounts for one to three years if you are within three years of normal retirement age and are eligible for an unreduced pension.

The following limits apply:

Year	Catch-up Maximum
2012	\$34,000

The RSA-1 plan allows members to make catch-up deferrals during the three calendar years that **end prior to Normal Retirement Age (NRA)**. Normal Retirement Age is the age you choose solely for the purpose of initiating your catch-

up election. This age must occur no later than 70 ½ and be no earlier than the year you would be eligible for retirement benefits

To be eligible, the member must have unused eligible amounts from years in which the maximum amount was not contributed. Total deferrals during the three-year catch-up period, including current year deferrals, must not exceed the annual catch-up maximum per calendar year. **You cannot participate in the Age 50 and Over Catch-Up provisions at the same time.**

The following rules apply to the catch-up election:

- ◆ The NRA determines the three-year period during which you are eligible to make Special Catch-Up contributions.
- ◆ At NRA, you are able to receive benefits under the ERS or TRS pension plan.
- ◆ You cannot elect a NRA before you are otherwise eligible for retirement or after age 70 ½.
- ◆ You cannot use the Special Catch-Up in the calendar year in which you reach the NRA you elect.
- ◆ You may use the Special Catch-Up in the year you retire if your retirement occurs in one of the three calendar years immediately prior to the year in which you reach the NRA elected above.
- ◆ You can only make this election once and this election is irrevocable once you begin making Special Catch-Up contributions.
- ◆ The Special Catch-Up contributions cannot exceed the amounts determined on the Special Catch-Up Worksheet.

RSA-1 must approve the SPECIAL CATCH-UP ELECTION AND WORKSHEET before catch-up deferrals can be made.

Sick and Annual Leave Deferrals

If you are eligible to receive payment for sick and annual leave at termination of employment, you may defer up to the maximum limit in the year you terminate employment.

Distribution of Funds

Availability of Funds

RSA-1 funds cannot be assigned or alienated.

Conditions for Withdrawal

RSA-1 is not a savings account from which you make periodic withdrawals. Rather, it is a retirement account that is available only after you have either retired or otherwise terminated employment.

You may not withdraw your account unless you meet one of the following conditions:

- ◆ Separation from service through retirement or termination from employment
- ◆ Attainment of age 70½
- ◆ Unforeseeable Emergency (contact RSA-1)
- ◆ Cash-out provision for small account balances (contact RSA-1)

Current IRS regulations require that distributions begin no later than April 1 of the calendar year following the calendar year in which the employee attains age 70½ or retires, whichever is later.

Unforeseeable Emergency

An unforeseeable emergency is defined as follows:

- ◆ You and/or your dependent are faced with a severe hardship resulting from a sudden and unexpected illness or accident.
- ◆ You are faced with a severe hardship resulting from loss of property due to flood, fire, or windstorm.
- ◆ Other similar and extraordinary circumstances arising as a result of events beyond your control.

In case of withdrawals due to unforeseeable emergencies, payment may not be made if:

- ◆ The loss was protected by insurance.
- ◆ The loss can be satisfied by liquidation of the participant's assets to the extent the liquidation of such assets would not in itself cause severe financial hardship.
- ◆ The loss can be satisfied by stopping payroll deductions to this plan.

In the event of emergency withdrawals described above, payments from your account can only be made to the extent reasonably necessary to satisfy the emergency.

Situations that **may** qualify as an unforeseeable emergency:

- ◆ Imminent foreclosure or eviction from one's primary residence
- ◆ Unreimbursed necessary medical expenses (excluding cosmetic procedures)
- ◆ Funeral expenses of a spouse, dependent, or beneficiary

Hardships that do not fall into the unforeseeable category described above do not qualify for withdrawal. Withdrawals will not be allowed for buying a home, college expenses, or other similar purposes.

After a distribution for an unforeseeable emergency, a participant must stop deferrals for a six month period.

If you think you qualify, complete the FINANCIAL HARDSHIP DISTRIBUTION REQUEST form located on our website or contact Member Services to request the form.

Cash-Out Provision

The Internal Revenue Service allows a cash-out provision if **ALL** the following conditions are met:

1. The account balance is \$5,000 or less.
2. There have been no deferrals into the account for 24 months prior to the cash-out distribution.
3. There have been no prior distributions other than hardship distributions.

Distribution Elections

If you have not retired or terminated from service, you are not required to take distribution(s) from your RSA-1 account. (See **Conditions for Withdrawal** on page 8.) The account(s) will continue to have interest posted to the balance each month. You may leave the balance in your account until you request a distribution or you retire or terminate service and reach age 70½ when it is necessary to start the Required Minimum Distribution (RMD).

At the time of retirement or separation from service, you may choose one or a combination of the following distribution elections:

1. Full Lump-Sum Payment

Receive a lump-sum payment consisting of the balance in the account(s). The IRS requires RSA-1 to withhold 20% of the lump-sum distribution for federal income tax.

2. Partial Lump-Sum Payment

Receive a partial lump-sum payment and leave the balance in the account. The IRS requires RSA-1 to withhold 20% of the partial lump-sum for federal income tax.

3. Periodic Payment

You may have your account funds distributed periodically. This can be a specific amount, an amount based on a

specific number of years, or an amount based on your life expectancy.

Members who elect to receive a periodic payment for a period of 10 years or more may choose the amount of federal tax they wish to have withheld from the monthly or annual disbursement. However, the member will be responsible for taxation on federal tax returns.

If the periodic payment is for a period less than 10 years, the IRS requires the RSA to withhold 20% for federal income tax.

4. Rollover

You may elect to roll over a portion or the entire balance to an eligible retirement plan.

5. Combination of Elections Two through Four

Participants may take a partial lump-sum payment and start periodic payments or a partial lump-sum payment and roll over a portion or the remaining balance to an eligible retirement plan.

Payment Information

Monthly and annual payments are mailed and electronic deposits are made the last business day of each month. Full lump-sum and partial payment checks are mailed on Fridays or are available for pickup at the Retirement Systems of Alabama, 201 South Union Street, Montgomery. No interest will be paid on the monthly interest posting date after the account has been distributed in full.

Required Minimum Distributions

Required minimum distributions (RMDs) are the minimum amounts that must eventually be distributed from the plan to participants and beneficiaries. Participants and beneficiaries who do not take timely RMDs from the plan will be subject to a 50% excise tax on the amount of the required minimum distribution that should have been distributed. Of course, distributions can

be made in greater amounts than the minimum required by law.

In general, a participant is required to begin distributions no later than April 1 of the calendar year following the later of:

- ◆ The calendar year the participant attains age 70½ or
- ◆ The calendar year the participant retires.

A participant's RMDs are generally distributed during a participant's lifetime based upon the participant's life expectancy. If, however, the participant's spouse is the sole beneficiary and at least 10 years younger than the participant, the RMD may be calculated based on the joint life expectancies of the participant and the sole surviving spouse beneficiary.

RMD rules continue to apply after the participant's death. However, when a beneficiary must begin receiving minimum distributions depends upon whether or not he or she is the surviving spouse, whether an estate or trust is the beneficiary, or whether the deceased participant had already begun receiving minimum payments before death.

Required minimum distributions made to a beneficiary when the participant has not begun to receive minimum distributions before death:

1. If the beneficiary is the surviving spouse, there are three options:

Five-Year Rule

- ◆ The entire death benefit amount must be distributed by December 31 of the calendar year containing the fifth anniversary of the participant's death.

Life Expectancy Rule

- ◆ The death benefit must begin to be paid out over the spouse's life expectancy beginning by December 31 of the year following the participant's death.
- ◆ The death benefit must begin to be paid out over the spouse's life expectancy

beginning by December 31 of the year in which the deceased participant would have reached age 70½.

2. If the beneficiary is a non-spouse, he or she has only two options:

Five-Year Rule

- ◆ The entire death benefit amount must be distributed by December 31 of the calendar year containing the fifth anniversary of the participant's death.

Life Expectancy Rule

- ◆ The death benefit must begin to be paid out over the non-spouse's life expectancy beginning by December 31 of the year following the participant's death.

If the beneficiary is a trust or the estate, the entire death benefit amount must generally be distributed by December 31 of the calendar year containing the fifth anniversary of the owner's death (Five-Year Rule). However, the IRS provides special rules for certain trusts where death benefit payments can be made over the life expectancies of the designated beneficiaries of the trust.

If minimum distributions had begun before the participant's death, annual distributions must continue based on the longest life expectancy (either the beneficiary's or participant's remaining life expectancy based on the age that the participant would have reached in the year that he or she died).

Transfers and Rollovers

Transfers to Purchase Permissive Service Credit

You may use your RSA-1 funds to purchase permissive service credit with a governmental defined benefit plan such as ERS and TRS. If you wish to purchase permissive service credit with the ERS or TRS, please contact the ERS or the TRS at 877.517.0020 for information on how to make this purchase. You must complete the IN-SERVICE TRANSFER form to purchase permissive service credit. This form is located on our Website or can be requested through Member Services.

Transfers/Rollovers to Other Plans

RSA-1 allows transfers to other 457 plans while you are still in-service. Once you are eligible for distributions due to retirement, termination, or death, you or your beneficiary may roll over your RSA-1 funds to a Section 401(k), 403(b), 457 plan, Roth IRA, or a Traditional IRA. The OUTGOING TRANSFER OR ROLLOVER TO ELIGIBLE PLANS form must be requested from Member Services.

457 Transfers to RSA-1

RSA-1 accepts trustee-to-trustee transfers from other Section 457 plans. An RSA-1 account must be established prior to the transfer. Funds transferred from other Section 457 accounts must never have been from any source other than 457(b).

To transfer these funds:

- ◆ Complete the INCOMING TRANSFER FROM OTHER SECTION 457 PLANS TO RSA-1 form and the INVESTMENT OPTION ELECTION FOR INCOMING TRANSFERS form.
- ◆ The Trustee of the previous 457 plan must complete and sign Part II of the INCOMING TRANSFER TO RSA-1 form.
- ◆ Send the completed forms to RSA-1.

DROP Rollovers to RSA-1

RSA-1 accepts rollovers from your RSA DROP account once you have terminated employment.

- ◆ If you are not a member of RSA-1, complete the RSA-1 ENROLLMENT form; BENEFICIARY DESIGNATION form; and the INVESTMENT OPTION ELECTION FOR NEW ACCOUNTS form, DROP ROLLOVER section. Return the notarized forms to RSA-1 prior to terminating employment.
- ◆ If you are already a member of RSA-1, complete the INVESTMENT OPTION ELECTION FOR NEW ACCOUNTS form (DROP Rollover section) and return it to RSA-1 prior to termination of employment.

For information about your DROP distribution, read the ERS or TRS DROP Distribution brochure on our website or request it from either the ERS or TRS.

Tax Information

Tax Withholding

- ◆ Distributions are subject to the withholding rules applicable to qualified plans.
- ◆ For lump-sum payments and partial lump-sum payments that are eligible for rollover distribution, federal law requires a 20% withholding.
- ◆ For periodic payments of less than 10 years' duration, the member will have 20% withheld for federal income tax as required by the IRS.
- ◆ For periodic payments of greater than 10 years' duration, the member may select the amount of federal tax they wish to have withheld from their monthly or annual disbursement.
- ◆ Generally, for payments to non-resident aliens, the IRS requires 30% withheld for federal tax.

Distribution

- ◆ Deferred income and investment earnings distributed from RSA-1 will be taxed to you or your beneficiary as ordinary income in the year of distribution. RSA-1 payments to you and your beneficiaries are reported on a form 1099R in the year of distribution. There is no penalty for early distribution from a Section 457 Deferred Compensation Plan such as RSA-1 regardless of your age at the time of distribution.
- ◆ For amounts deferred in 1996 and prior years, the principal and interest are subject to federal income tax upon distribution, while only interest is subject to state of Alabama income tax upon distribution.
- ◆ For amounts deferred in 1997 and years thereafter, the principal and interest are subject to federal and state of Alabama income tax upon distribution.
- ◆ Principal distribution from the DROP rollover account is not subject to state of Alabama income tax.

Forms

Enrollment

- ◆ RSA-1 ENROLLMENT (Submit to RSA-1)
- ◆ BENEFICIARY DESIGNATION (Submit to RSA-1) – Can also be used for change of beneficiary.
- ◆ INVESTMENT OPTION ELECTION FOR NEW ACCOUNTS (Submit to RSA-1)
- ◆ AUTHORIZATION TO DEFER COMPENSATION (Submit to your payroll office)

If completing this side of the form, do not forget to sign at the bottom.

Name _____ **Social Security Number** _____

MULTIPLE BENEFICIARIES DESIGNATION (Continued)

DESIGNATION OF PRIMARY BENEFICIARIES (Continued)

Name: _____ Relationship: _____ Date of Birth: _____
mm/dd/yyyy
_____ Address: _____
Social Security Number Street or P. O. Box City State Zip Code

Name: _____ Relationship: _____ Date of Birth: _____
mm/dd/yyyy
_____ Address: _____
Social Security Number Street or P. O. Box City State Zip Code

Name: _____ Relationship: _____ Date of Birth: _____
mm/dd/yyyy
_____ Address: _____
Social Security Number Street or P. O. Box City State Zip Code

Name: _____ Relationship: _____ Date of Birth: _____
mm/dd/yyyy
_____ Address: _____
Social Security Number Street or P. O. Box City State Zip Code

Name: _____ Relationship: _____ Date of Birth: _____
mm/dd/yyyy
_____ Address: _____
Social Security Number Street or P. O. Box City State Zip Code

DESIGNATION OF CONTINGENT BENEFICIARIES (Continued)

Contingent Beneficiaries will receive benefits only if all Primary Beneficiaries are deceased.

Name: _____ Relationship: _____ Date of Birth: _____
mm/dd/yyyy
_____ Address: _____
Social Security Number Street or P. O. Box City State Zip Code

Name: _____ Relationship: _____ Date of Birth: _____
mm/dd/yyyy
_____ Address: _____
Social Security Number Street or P. O. Box City State Zip Code

Name: _____ Relationship: _____ Date of Birth: _____
mm/dd/yyyy
_____ Address: _____
Social Security Number Street or P. O. Box City State Zip Code

Name: _____ Relationship: _____ Date of Birth: _____
mm/dd/yyyy
_____ Address: _____
Social Security Number Street or P. O. Box City State Zip Code

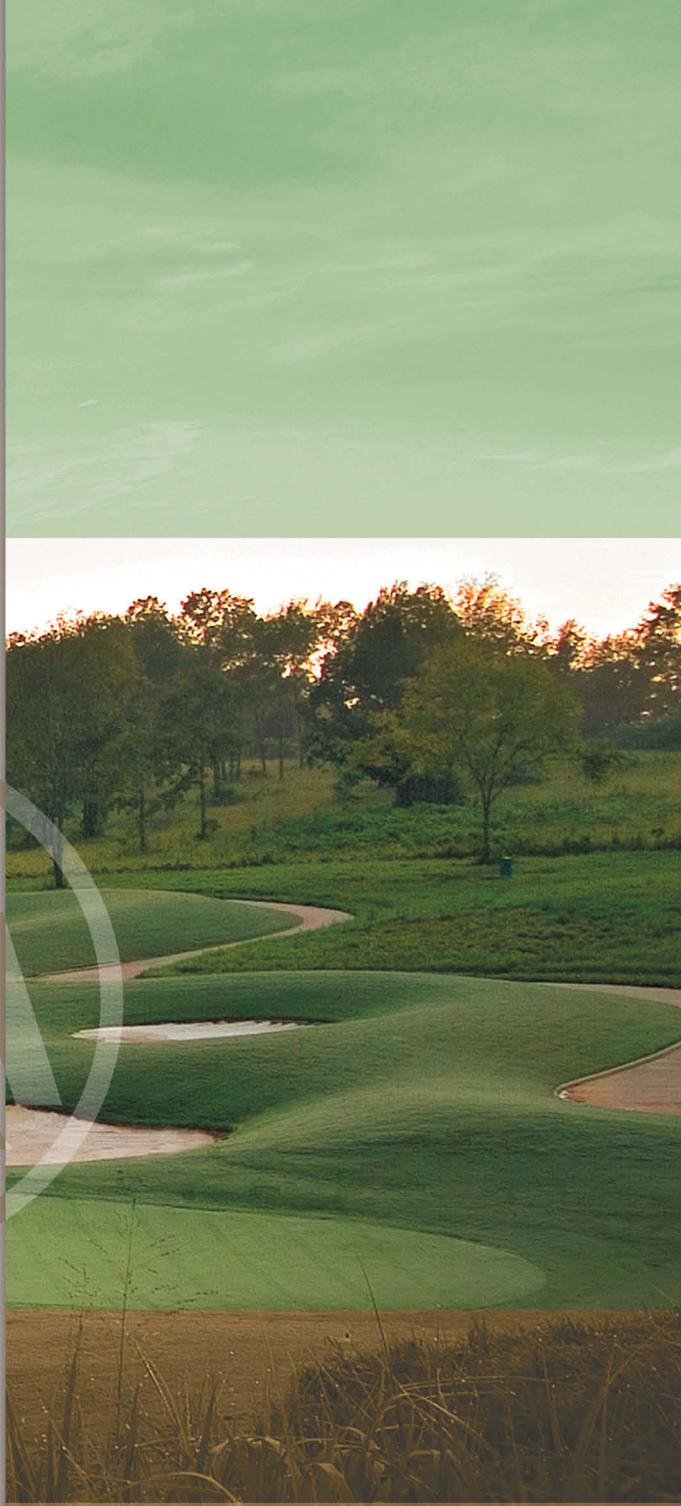
Signature* _____ **Date** _____

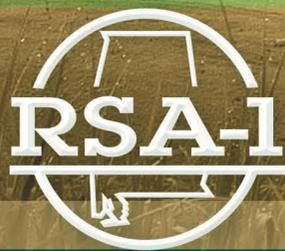
***Page two must be signed if any beneficiary information is submitted on this side of the form.**



Cover photo: RTJ The Shoals, Fighting Joe, Florence, Muscle Shoals
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2012





RSA-1
DEFERRED COMPENSATION PLAN
P. O. Box 302150
Montgomery, Alabama 36130-2150
www.rsa-al.gov



AMENDED AND RESTATED RSA-1 PLAN DOCUMENT

The State of Alabama has established a Deferred Compensation Plan for eligible public employees pursuant Alabama Code §§ 36-27A-1 et seq. as provided in this Plan Document. This Plan Document authorizes Alabama's public employers to implement the Plan on behalf of their employees under written agreements with employees which would qualify all deferred benefits in accordance with Section 457(b) of the Internal Revenue Code, as amended, applicable federal regulations and rulings, and Alabama law.

DEFERRED COMPENSATION PLAN

The State of Alabama, all employers participating in the Employees' Retirement System, the Teachers' Retirement System, and the Judicial Retirement Fund, and all employers eligible to participate in the Employees' Retirement System pursuant to Alabama Code § 36-27-6, hereby establish the RSA-1 Deferred Compensation Plan (the "Plan").

The Plan is adopted and administered by the Plan Administrator pursuant to Alabama Code §§ 36-27A-1 et seq. and will at all times comply with Section 457(b) of the Internal Revenue Code ("IRC") and applicable Internal Revenue Service Regulations. The Plan consists of the provisions set forth in this document and in the Participation Agreement and is applicable to each Eligible Employee. The Plan is effective for each Eligible Employee upon the date that each Eligible Employee becomes an Active Participant by executing a Participation Agreement with the Employer.

I. Definitions

- 1.01 **Account** shall mean the Account or Accounts maintained by the Plan Administrator reflecting the interest of a Participant or Beneficiary under the Plan.
- 1.02 **Active Participant** shall mean an Eligible Employee who has entered into a Participation Agreement with the Employer and has not terminated the Deferral of Compensation under the Participation Agreement, and shall include any Participating Employee as defined in Alabama Code § 36-27A-5.
- 1.03 **Beneficiary** shall mean the person or entity designated to receive Plan benefits in the event of the Participant's death, in accordance with Article V.
- 1.04 **Compensation** shall mean all payments made to a Participant by the Employer as remuneration for services rendered which would be includible in income for Federal tax purposes, subject to the provisions of the Internal Revenue Code. Compensation shall include accumulated sick and vacation pay and back pay paid before or after Severance from Employment, subject to the limitations of Treasury Regulation Section 1.457-4(d).
- 1.05 **Deferral** shall mean the amount of Compensation which a Participant agrees to contribute to an Account. With limited exceptions, such amounts are not subject to Federal and State income taxes until distribution.
- 1.06 **Effective Date** shall mean the date this amended and restated Plan is effective upon execution by the Plan Administrator.
- 1.07 **Eligible Employee** shall mean all individuals who perform services for an Employer and all persons who are eligible to participate under Alabama Code § 36-27A-5. Supernumeraries shall continue to be Eligible Employees until the end of their supernumerary service. Individuals who

have a Severance from Employment may not defer compensation under the Plan, unless reemployed as an Eligible Employee.

- 1.08 **Employer** shall mean an Employer of Eligible Employees.
- 1.09 **Inactive Participant** shall mean any Participant who is not currently having Compensation deferred or any Participant upon his or her Severance from Employment who leaves his or her contributions in the Account as set forth in Alabama Code § 36-27A-5. A Beneficiary is not and cannot be an Inactive Participant.
- 1.10 **Includible Compensation** shall mean the amount of an Eligible Employee's compensation, as defined in IRC Section 415(c)(3) for the taxable year that is attributable to services rendered for the Employer. Includible Compensation is reduced for employer pick-up contributions under IRC Section 414(h).
- 1.11 **Investment Exchange** shall mean the movement of existing funds between Investment Options. Investment Exchanges do not change the designated Investment Options for future Deferrals.
- 1.12 **Investment Options** shall mean the various financial products offered as investments under the Plan.
- 1.13 **Normal Retirement Age** shall mean (a) any age elected by the Participant for purposes of making a catch-up contribution and beginning no earlier than the earliest age at which a Participant has the right to retire under the Employer's applicable pension plan, if any, without the Employer's consent and to receive immediate retirement benefits without actuarial or similar reduction because of retirement before some later age specified in such pension plan and ending no later than age 70½, or (b) if no such election is made, age 70½. In the case of a Participant who does not participate in a pension plan, Normal Retirement Age shall be any age elected by the Participant which shall be no earlier than age 65 and no later than age 70½.
- 1.14 **Participant** shall include any Active Participant or Inactive Participant.
- 1.15 **Participation Agreement** shall mean an agreement in the form determined by the Plan Administrator, entered into between an Eligible Employee and the Employer pursuant to which an Eligible Employee elects to participate in this Plan and becomes an Active Participant.
- 1.16 **Plan Administrator** shall mean the RSA-1 Board of Control as defined by Alabama Code § 36-27A-2 (the "Board"), which may delegate to others the authority to perform the duties of Plan Administrator, in accordance with Section 7.06.
- 1.17 **Required Beginning Date or RBD** shall mean the date upon which a Participant or spousal Beneficiary must begin taking withdrawals or distributions from the Plan. For a Participant who has had a Severance from Employment, withdrawals must begin no later than April 1 of the calendar year following the calendar year in which the Participant attains age 70½. If the Participant has not had a Severance from Employment as of such date, then no later than April 1 of the calendar year following the calendar year in which the Participant has a Severance from Employment. For a spousal Beneficiary, distribution of the Account must begin by that later of December 31 of the year following the Participant's death or December 31 of the year in which the Participant would have attained age 70½.
- 1.18 **Severance from Employment** shall mean the employee ceases to be employed by any Employer or the employee is considered severed from employment pursuant to the Heart Act of 2008.
- 1.19 **Trust** shall mean the fund established pursuant to Alabama Code § 36-27A-5.

- 1.20 **Unforeseeable Emergency** shall mean severe financial hardship of the Participant or Beneficiary resulting from an illness or accident of a Participant or Beneficiary, the Participant's or Beneficiary's spouse, or the Participant's or Beneficiary's dependent (as defined in IRC Section 152(a), without regard to Section 152(b)(1), (b)(2) and (d)(1)(B)), loss of the Participant's or Beneficiary's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, as provided in regulations under IRC Section 457, which hardship is not eligible to be relieved by reimbursement or compensation (by insurance or otherwise), liquidation of the Participant's assets (to the extent the liquidation would not itself cause severe financial hardship), or cessation of Deferrals under the Plan. Except as provided in this Section, an Unforeseeable Emergency under the Internal Revenue Service Regulations applicable to this type of plan does not include money for college tuition or purchase of a home.
- 1.21 **Withdrawal Date** shall mean that date upon which withdrawal payments begin from an Account.
- 1.22 **Withdrawal Option** shall mean the withdrawal payment method selected by the Participant or Beneficiary from an Account.

II. Election to Defer Compensation

- 2.01 **Commencement of Participation.** Each Eligible Employee shall be permitted to participate under this Plan. An Eligible Employee shall elect to participate and become an Active Participant by signing a Participation Agreement with his or her Employer and filing such agreement with the Plan Administrator. The Participation Agreement shall specify:
- (a) The amount of the Active Participant's Compensation which the Employer and the Active Participant agree to defer, subject to the limitations of Section 2.02 and Section 2.03;
 - (b) The date as of which reduction and Deferral of Compensation pursuant to the Participation Agreement shall begin, which date shall be as early as administratively practicable but not earlier than the first day of the first calendar month following the execution of the Participation Agreement and the date that the Plan Administrator has received the Participation Agreement; and
 - (c) The Investment Options selected by the Participant.
- Deferrals shall not be accepted until the Plan Administrator has received the Participation Agreement authorizing the Deferrals.
- 2.02 **Deferral Limits.**
- (a) **Maximum Deferrals.** Except as provided in subsections (b) and (c), the maximum amount that may be deferred by an Active Participant in the Plan in any calendar year shall be the maximum allowed by IRC Section 457(b)(2).
 - (b) **Age 50-Plus Deferrals.** In addition to the Deferral provided in subsection (a), an Active Participant who has attained age 50 or older during the calendar year may defer an additional amount as allowed by IRC Section 414(v). This Section shall not be applicable for any taxable year in which subsection (c) is used.
 - (c) **Catch-Up Deferrals.** In any of an Active Participant's last three calendar years ending before the Participant attains Normal Retirement Age, the Active Participant may defer an amount not exceeding the lesser of:
 - (1) two times the maximum dollar limit in IRC Section 457(e)(15), or
 - (2) the sum of
 - (i) An amount equal to (A) the aggregate subsection (a) limit for the current year plus each prior calendar year beginning after December 31, 2001 during which the Participant was an Eligible Employee under the Plan, minus (B) the Participant's aggregate Deferrals under the Plan during such years (disregarding Deferrals under subsection (b)), plus
 - (ii) An amount equal to (A) the aggregate limit in IRC Section 457(b)(2) for each

prior calendar year beginning after December 31, 1978 and before January 1, 2002 during which the Participant was an Eligible Employee, minus (B) the aggregate contributions to Pre-2002 Coordination Plans for such years.

- (d) For purposes of this Section 2.02, the following rules shall apply:
- (1) If the Participant is or has been a participant in one or more other eligible plans within the meaning of IRC Section 457(b), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Section 2.02. For this purpose, the Employer shall take into account any other such eligible plan maintained by the Employer and shall also take into account any other such eligible plan for which the Employer receives from the Participant sufficient information concerning his or her participation in such other plan.
 - (2) In applying subsection (c), a year shall be taken into account only if the Participant was eligible to participate in the Plan during all or a portion of the year.
 - (3) For purposes of subsection (c)(2)(ii), "contributions to Pre-2002 Coordination Plans" means any employer contribution, salary reduction or elective contribution under any other eligible IRC Section 457(b) plan, or a salary reduction or elective contribution under any IRC Section 401(k) qualified cash or deferred arrangement, IRC Section 402(h)(1)(B) simplified employee pension (SARSEP), IRC Section 403(b) annuity contract, and IRC Section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in IRC Section 501(c)(18), including plans, arrangement or accounts maintained by the Employer or any employer for whom the Participant performed services. However, the contributions for any calendar year are only taken into account for purposes of subsection (c)(2)(ii)(B) to the extent that the total of such contributions does not exceed the aggregate limit referred to in IRC Section 457(b)(2) for that year.
 - (4) For purposes of Section 2.02, an individual is treated as not having deferred compensation under a plan for a prior taxable year to the extent excess deferrals under the plan are distributed, as described in subsection (e). To the extent that the combined deferrals for pre-2002 years exceeded the maximum deferral limitations, the amount is treated as an excess Deferral for those prior years.
- (e) If the Deferrals on behalf of a Participant for any calendar year exceed the limitations described above, or the Deferrals on behalf of a Participant for any calendar year exceed the limitations described above when combined with other amounts deferred by the Participant under another eligible IRC 457 deferred compensation plan for which the Participant provides information that is accepted by the Employer, then the Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant as soon as administratively practicable after the Plan determines that the amount is an excess Deferral.

2.03 **Minimum Deferrals and Allocation.** Effective on a prospective basis only from the date of this Plan, the minimum Deferral amount per pay period shall be \$50 per month. A minimum allocation to any Investment Option may be established by the Plan Administrator.

2.04 **Amendments of Participation Agreements.** The election of an Eligible Employee to participate under the Plan is irrevocable as to all amounts actually deferred under the Participation Agreement. The Participant may, by amendment of the Participation Agreement or by any manner as the Plan Administrator may prescribe, do any of the following: (i) change the Investment Options allocation of amounts to be deferred in the future as permitted by the Plan Administrator; (ii) terminate the election to be an Active Participant; or (iii) change the amount of Deferrals as permitted by the Plan Administrator. An amendment, termination, or change in Deferral amount shall be effective as early as administratively practicable and applied prospectively, subject to the timing requirements of Section 2.01(b).

2.05 **Investment Exchanges.** A Participant (or Beneficiary, if the Participant has died) may make

exchanges by any manner as the Plan Administrator may prescribe.

III. Maintenance of Accounts

- 3.01 **Maintenance of Accounts.** The Plan Administrator shall establish, on its books and records, an Account for each Participant to which shall be credited or charged, as the case may be, amounts deferred and rollovers and transfers received under the Plan and any increase or decrease of the Account value of the Investment Options specified in the Participation Agreement or any amendment thereto. Except as otherwise required by law, the full Account value shall be tax deferred until such time as withdrawal payments are issued. All Investment Options offered under this Plan must be offered by persons, companies, or entities authorized and duly licensed by the State of Alabama, and appropriate Federal agencies regulating such investments to do business in the State of Alabama. The Employer, Plan Administrator, and/or the Plan shall not be responsible for any decrease in value of an Account resulting from capital or market changes or any other changes occurring in the Investment Options or the Account.
- 3.02 **Crediting of Accounts.** Each Active Participant's Account shall be credited with amounts authorized for Deferral, and rollovers and transfers, only when such amounts are received by the Plan Administrator and invested in the Trust.
- 3.03 **Statements.** A statement showing the transactions and value of each Investment Option in an Account, in such form as the Plan Administrator determines shall be furnished to the Participant or Beneficiary not more than 60 days after the end of each calendar quarter to the extent such values are available to the Plan Administrator.
- 3.04 **Assets Held In Trust.** Plan assets are not the property of the Participants or Employers. All Plan assets and income shall be held by the Plan Administrator as trustee in trust on behalf of the Employers for the exclusive benefit of Eligible Employees and their Beneficiaries. All assets, whenever contributed to the Plan, are assigned to the Trust established by the Plan Administrator. The Plan Administrator shall be responsible only for such funds as shall actually be received by the Plan Administrator as trustee hereunder.
- 3.05 **Rollovers.**
- (a) Any Participant [or Eligible Employee] may roll over an eligible rollover distribution (excluding after-tax contributions and Roth IRAs) from another eligible IRC 457 deferred compensation plan of a governmental entity to the Plan, in accordance with procedures established by the Plan Administrator, subject to the requirements of the IRC.
 - (b) The Plan does not allow and will not accept any rollovers from any non-457 tax-qualified plan except for eligible rollover distributions from (1) the Participant's Deferred Retirement Option Plan known as "DROP" with an Eligible Employer, or (2) the Federal Thrift Savings Plan ("TSP"), as soon as administratively practicable. Any Participant or Eligible Employee may take an eligible rollover distribution from the Participant's DROP or TSP. Upon proper written request, the Participant or Eligible Employee may rollover the account value from the DROP or TSP to an Account in the Plan. Requests for amounts to be rolled into the Plan must satisfy the requirements of the Plan Administrator as to the eligibility of the rollover. Any such amounts rolled into the Plan, will be separately accounted for and may be subject to the same tax treatment as applicable in the original eligible retirement plan. Amounts rolled into the Plan will be allocated to Investment Options and will otherwise be subject to the same rules applicable to other inactive Accounts. A Participant may elect to receive distributions of all or any portion of the amount held in the rollover account in accordance with the terms of the Plan.
 - (c) Any Participant who has had a Severance from Employment or a spousal or non-spousal Beneficiary may, upon proper written request, rollover any portion of an eligible rollover distribution from his or her Account in the Plan if paid directly to an eligible

retirement plan. Requests for amounts to be rolled out of the Plan must satisfy the requirements of the Plan Administrator as to the eligibility of the receiving plan and acknowledgment of the plan's provision to accept such rollover. Eligible retirement plans and distributions will be as defined by the IRC and include a Roth IRA.

3.06 **Service Credit Purchase.** A Participant may use all or a portion of an Account balance as a direct trustee-to-trustee transfer to a governmental defined benefit system that permits the purchase of permissive service credit or the repayment of service credits, in accordance with the requirements of IRC Section 457(e)(17). Forms provided by the Plan Administrator and the defined benefit system that document the exact amount of transfer required must be used.

3.07 **In-Service Transfers.**

(a) If an Employer has adopted multiple IRC 457 deferred compensation plans, a Participant who has not had a Severance from Employment may, upon proper written request, transfer any portion of another eligible IRC 457 deferred compensation plan of that Employer into their Account. Requests for amounts to be transferred into the Plan must satisfy the requirements of the Plan Administrator as to the eligibility of the transfer and include an acknowledgment of the Plan Administrator as to eligibility and the Plan Administrator's authority to accept such a transfer. Any such amounts transferred into the Plan, will be separately accounted for and may be subject to the same tax treatment as applicable in the original eligible retirement plan. The amounts transferred into the Plan will be allocated to Investment Options and will otherwise be subject to the same rules applicable to other Accounts. A Participant may elect to receive distributions of all or any portion of the amount held in the transferred account in accordance with the terms of the Plan. An eligible IRC 457 deferred compensation plan that includes a Roth account(s) cannot be transferred into the Plan.

(b) If an Employer has adopted multiple eligible IRC 457 deferred compensation plans, a Participant who has not had a Severance from Employment or a spousal or non-spousal Beneficiary may, upon proper written request, transfer any portion of an Account to another eligible IRC 457 deferred compensation plan with the same Employer. Requests for amounts to be transferred out of the Plan must satisfy the requirements of the Plan Administrator, including acknowledgment of the receiving plan as to eligibility and authority to accept such a transfer.

3.08 **Post-Severance Transfers.**

(a) A Participant who has had a Severance from Employment from one Employer and is now an Eligible Employee of another Employer may transfer an account from the prior Employer's eligible IRC 457 deferred compensation plan into their Account. Requests for amounts to be transferred into the Plan must satisfy the requirements of the Plan Administrator as to the eligibility of the transfer and include an acknowledgment of the Plan Administrator as to eligibility and the Plan Administrator's authority to accept such a transfer. Any such amounts transferred into the Plan, will be separately accounted for and may be subject to the same tax treatment as applicable in the original eligible retirement plan. The amounts transferred into the Plan will be allocated to Investment Options and will otherwise be subject to the same rules applicable to other Accounts. A Participant may elect to receive distributions of all or any portion of the amount held in the transferred account in accordance with the terms of the Plan. An eligible IRC 457 deferred compensation plan that includes a Roth account(s) cannot be transferred into the Plan.

(b) A Participant who has had a Severance from Employment from one Employer and is now an Eligible Employee of another Employer or a spousal or non-spousal Beneficiary of a Participant may transfer an Account in the Plan from the prior Employer to another eligible IRC 457 deferred compensation plan of the new Employer. Requests for amounts to be transferred out of the Plan must satisfy the requirements of the Plan Administrator, including acknowledgment of the receiving plan as to eligibility and authority to accept such a transfer.

IV. Distribution of Benefits

- 4.01 **General Requirements.** All distributions are subject to the requirements of IRC Section 457(d) and the regulations thereunder and to a good faith interpretation of IRC Section 401(a)(9). The Plan Administrator will annually determine if the Participant's or Beneficiary's annual distributions meet the minimum distribution requirement of IRC Section 401(a)(9) and adjust the distribution amount if necessary to comply with those provisions. Initial benefit payment elections and subsequent changes will be effective only if made on forms provided or in the manner prescribed by the Plan Administrator and received by the date determined by the Plan Administrator. No Withdrawal Option shall be available that is not provided for under Section 4.09 of this Plan Document. With limited exceptions, withdrawal payments are taxable income to Participants and Beneficiaries in the year of distribution and may be subject to required tax withholdings, unless rolled over in accordance with Section 3.05(c).
- 4.02 **Participant Election of a Withdrawal Date and Option.**
- (a) Upon Severance from Employment, a Participant may elect a date to begin receiving withdrawals from the Plan. Withdrawals may begin after the Plan Administrator's receipt of the Employer's verification of severance, and the Withdrawal Election form. Withdrawals must begin no later than April 1 of the calendar year following the calendar year in which the Participant attains age 70½ or, if the Participant has not had a Severance from Employment as of such date, then no later than April 1 of the calendar year following the calendar year in which the Participant has a Severance from Employment ("Participant's RBD"). A Participant may elect a Withdrawal Option or change any such election previously made, subject to the requirements of IRC Section 401(a)(9).
 - (b) If a Participant who has had a Severance from Employment is reemployed by an Employer, all withdrawals must cease, except as permitted in Section 4.06 or 4.08. Notwithstanding the foregoing, if a Participant has a bona fide Severance from Employment with no prearranged reemployment and returns to part-time employment with an Employer after a break in service of at least three months, the Eligible Employee may continue to receive withdrawals under Option 1 or Option 2 of Section 4.09 pursuant to an election made before the Eligible Employee's reemployment but may not elect a new withdrawal, except as permitted in Section 4.06 or 4.08.
- 4.03 **Beneficiary Election of a Withdrawal Date and Option.** If the Participant or spousal Beneficiary dies before the Account has been exhausted, the remaining Account value shall be paid to the designated Beneficiary. The Beneficiary shall have the right to elect the time and method of withdrawals, subject to the limitations set forth by this Plan and the requirements of IRC Section 401(a)(9). The following will determine the Beneficiary's election requirements:
- (a) If a Participant dies on or after the Participant's RBD, withdrawals shall continue to be paid to the Beneficiary at least as rapidly as under the method of distribution in effect at the time of the Participant's death.
 - (b) If a Participant dies before the Participant's RBD, payments to a Beneficiary may begin after the Plan Administrator's receipt of the notice of the Participant's death, the death certificate, final Deferral, and the Withdrawal Election form. The Beneficiary must follow the requirement that applies:
 - (1) If the Beneficiary is the Participant's surviving spouse, distribution of the Account may be delayed until the later of December 31 of the year following the Participant's death or December 31 of the year in which the Participant would have attained age 70½ ("spouse's RBD"). The entire Account must then be withdrawn over a period not extending beyond the life expectancy of the spousal Beneficiary and an amount not less than the required minimum distribution amount must be withdrawn each year. In lieu of receiving withdrawals in accordance with the preceding sentence, the spouse may request a lump sum distribution at the spouse's RBD. The Spouse may elect to further delay distribution if the entire Account is withdrawn by the end of the calendar year that contains the fifth anniversary of the Participant's death. In

addition, withdrawals may commence before the spouse's RBD in accordance with Section 4.09, provided distributions after the spouse's RBD satisfy the foregoing rules.

- (2) If the Beneficiary is a person other than the Participant's spouse, distribution of the Account must begin on or before December 31 of the year following the Participant's death, the entire Account must be withdrawn over a period not extending beyond the life expectancy of the Beneficiary, and an amount not less than the required minimum distribution amount must be withdrawn each year. However, the Beneficiary may elect before the date set forth in the preceding sentence, to have the Account distributed by the end of the calendar year that contains the fifth anniversary of the Participant's death.
 - (3) If the Beneficiary is not a person, such as an estate, the entire Account value must be distributed by the end of the calendar year that contains the fifth anniversary of the Participant's death.
- (c) If a spousal Beneficiary dies after the Participant but before the full Account value is withdrawn, any remaining Account value will be paid to the spousal Beneficiary's designee(s), as determined in accordance with Section 5.01, in a lump sum payment as soon as practicable.
 - (d) If a non-spousal Beneficiary dies after the Participant but before the full Account value is withdrawn, any remaining Account value will be paid to the non-spousal Beneficiary's estate, in accordance with Section 5.01, in a lump sum payment as soon as practicable.
 - (e) Whenever distribution is made to a minor or person under legal disability, such distribution shall be made only pursuant to the order of the court having jurisdiction over the distributee, and in such case all costs, including court costs and attorneys' fees incurred by the Plan in securing the order of the court, shall be paid from the amounts available for distribution.

The Participant and/or spousal Beneficiary may designate more than one beneficiary and if more than one beneficiary is designated, the Participant and/or spousal Beneficiary must provide on their Beneficiary Form the percentage of the Account each beneficiary shall receive. Upon the death of the Participant, each Beneficiary's interest in the Account shall be held and distributed pursuant to this Section 4.03.

4.04 Default if Participant Fails to Elect a Withdrawal Date and Option. If a Participant does not elect a Withdrawal Date in the manner provided for by Section 4.02, withdrawals to the Participant shall begin by April 1 of the calendar year following the later of the calendar year in which the Participant attains age 70½ or the calendar year in which the Participant has a Severance from Employment (Participant's RBD). The withdrawals shall be for a Fixed Time Period as set forth in Option 2 of Section 4.09 for the maximum number of years allowed by the IRC required minimum distribution tables.

4.05 Default if Beneficiary Fails to Elect a Withdrawal Date and Option. If a spousal Beneficiary of a Participant, who dies before the Participant's RBD, does not elect a Withdrawal Date, withdrawals to the spousal Beneficiary shall begin by the later of December 31 of the year following the Participant's death or December 31 of the year in which the Participant would have attained age 70½ (spouse's RBD). If a non-spousal Beneficiary does not elect a Withdrawal Date, withdrawals to the non-spousal Beneficiary, shall begin no later than December 31 of the year following the Participant's death. Withdrawals shall be for a Fixed Time Period as set forth in Option 2 of Section 4.09 for the maximum number of years allowed by the IRC required minimum distribution tables.

4.06 In-Service Distributions.

- (a) **Unforeseeable Emergency Withdrawals.** A Participant may request an Unforeseeable Emergency withdrawal by submitting that request in writing on the approved form to the Plan Administrator's staff, who will review the request. The decision regarding what constitutes an Unforeseeable Emergency shall rest in the sole discretion of the Plan Administrator's staff and is final and not subject to further appeal. If at any time a request

of an Unforeseeable Emergency withdrawal is approved, the Plan Administrator may thereupon distribute so much of the Account as is necessary to provide the amount approved to meet the Unforeseeable Emergency, as determined by the Plan Administrator.

(b) **Age 70½ Withdrawal.** A Participant who has attained age 70½ but has not had a Severance from Employment may request an in-service withdrawal in accordance with Option 3 or 4 of Section 4.09 by submitting a request in writing on the approved form to the Plan Administrator's staff.

4.07 **Acceleration.** If upon a Participant's Severance from Employment, the Board's receipt of the last Deferral, and the Participant's Account value is less than \$1,000, the Plan Administrator may accelerate withdrawals otherwise due in the future and pay to such Participant (or Beneficiary, if the Participant has died) the full Account value in a lump sum unless the Participant (or Beneficiary) timely elects to rollover the Account.

4.08 **Small Balance Distribution.** Upon proper written request, a Participant may elect to receive a small balance distribution, payable in a lump sum, if all of the following conditions are met (i) the Participant's Account value is \$5,000 or less, (ii) the full value of the Account is to be distributed, (iii) the Participant has not deferred into the Plan for a period of two years prior to distribution, (iv) the Participant agrees not to recommence Deferrals to the Plan for a one-year period after the distribution, and (v) there has been no prior distribution under this provision.

4.09 **Withdrawal Options.** The following Withdrawal Options are available under the Plan. A Participant must designate on his or her Withdrawal Options Form the Investment Option account from which the withdrawal should be drawn.

Option 1: Fixed Dollar Amount - This option provides monthly or annual payments of a specified dollar amount until the Participant's Account is exhausted. The Account value and total payment period will fluctuate based upon the performance of the Participant's Investment Options. The final payment will be the balance of the Participant's Account when the Account is less than the Fixed Dollar Amount.

Option 2: Fixed Time Period - This option provides monthly or annual payments for the number of years the Participant chooses. The Participant may select any whole number of years. The payment amount will fluctuate based upon the performance of the Participant's Investment Options. The final payment will be the balance of the Participant's Account.

Option 3: Partial Lump Sum - This option provides for a single lump sum payment of a portion of the Participant's Account value. To select another Withdrawal Option after payment of the partial lump sum, a new Withdrawal Election Form must be completed.

Option 4: Lump Sum Payment - This option provides for the withdrawal of your full Account value in one single payment.

4.10 **Heart Act of 2008.** Pursuant to the Heart Act of 2008, the Plan will permit distributions to individuals in the uniformed services or qualified reservists while on active military duty, in accordance with and subject to the limits on contributions in IRC Section 414(u)(12)(B).

V. Beneficiaries

5.01 **Election of Beneficiaries.** A Participant may elect a Beneficiary or Beneficiaries for any benefits that the Participant is entitled to receive under the Plan and that are unpaid at the time of death, on a form filed with and accepted by the Plan Administrator. If a Participant dies without having a proper Beneficiary Form completed and on file, the amount payable on or after the Participant's death shall be paid to the fiduciary of the Participant's probate estate; provided, however, that if the Plan Administrator does not receive notice that a fiduciary has been appointed and qualified after the death of the Participant, payment shall be made to those persons entitled to receive the

Participant's property consistent with the intestacy laws of Alabama. If a Beneficiary dies while receiving withdrawals from a Participant's Account, any remaining Account value that the Beneficiary is entitled to receive under the Plan and that are unpaid at the time of death shall be paid in a lump sum amount to the fiduciary of the Beneficiary's probate estate; provided, however, that if the Plan Administrator does not receive notice that a fiduciary has been appointed and qualified after the death of the Beneficiary, payment shall be made to those persons entitled to receive the Beneficiary's property consistent with the intestacy laws of Alabama. After the death of the Participant, a spousal Beneficiary will have all rights given to a Participant within Section 5.01.

- 5.02 **Beneficiary Form.** A Participant or spousal Beneficiary may elect or change a Beneficiary at any time by filing with the Plan Administrator a signed and dated Beneficiary Form. All Beneficiary elections shall be on forms provided by the Plan Administrator and shall be effective on the date filed with and accepted by the Plan Administrator.
- 5.03 **Election of Trust as Beneficiary.** If a trust is elected as a Beneficiary, satisfactory evidence must be furnished to the Plan that the trust is a Beneficiary qualified to receive withdrawals and if no such satisfactory evidence is furnished to the Plan, withdrawals will be made as though the trust had not been designated as a Beneficiary. The Plan will be fully discharged of liability for any action taken by the trustee and for all amounts paid to, or at the direction of, the trustee and will have no obligation as to the use of the amounts. In all dealings with the trust, the Plan will be fully protected against the claims of every other person. The Plan will not be charged with notice of a change of trust as Beneficiary unless written evidence of the change is made on a signed and dated Beneficiary Form provided by the Plan Administrator and shall be effective on the date filed with and accepted by the Plan Administrator.

VI. INTENTIONALLY OMITTED

VII. Administration of the Plan

- 7.01 **Amendment of the Plan.**
- (a) The Plan Administrator may at any time alter or amend this Plan with or without the consent of any Employer, Participant, or Beneficiary. No Plan amendment shall divest any Participant of any portion of the balance then held in an Account, subject to the provisions of Section 3.01 or except as may be required to maintain the status of the Plan as an eligible deferred compensation plan under IRC Section 457(b).
 - (b) If the Plan is curtailed or terminated, or the acceptance of additional deferred amounts is suspended permanently, the Plan Administrator shall continue to be responsible for the supervision and payment of benefits in accordance with Article IV hereof until all amounts are distributed or transferred to another plan in accordance with IRC Section 457(b) and Alabama law.
- 7.02 **Distribution on Taxability.** Should the Internal Revenue Service determine and rule that the Plan is an ineligible Plan, the deferred amounts shall be distributed to the Participant upon written request.
- 7.03 **Questions of Fact.** The Plan Administrator is authorized to decide or to resolve any questions of fact regarding an Account necessary to decide the rights under this Plan. Any person may request an appeal of the final determination of the staff of the Plan by filing a written statement detailing the cause for grievance with the Plan Administrator's staff. If the person is entitled to an appeal as a matter of law, the Board's Secretary-Treasurer shall report each appeal to the Board. The Board or its designee shall review each appeal and notify the appellant if a hearing will be held. When approved by the Board, the decision of the Board or its designee shall be final

and shall not be subject to further appeal. The Secretary-Treasurer shall notify the appellant in writing of the Board's decision. This Section is not applicable to determinations made pursuant to Section 4.06(a) regarding claims of unforeseeable emergency withdrawals.

- 7.04 **Construction of Plan.** The Plan Administrator is authorized to construe the Plan and to resolve by its decision any ambiguity in the Plan; provided, that all such decisions are applied thereafter uniformly to all other Participants until the Plan is subsequently amended or unless the relevant facts and circumstances applicable to another Participant are different.
- 7.05 **Suspension of Withdrawals in Event of Dispute.** The Plan Administrator or its agents, if in doubt concerning the correctness of their action in making a withdrawal, may suspend the continuation of any such withdrawals until satisfied as to the correctness of the amount of withdrawal or the payee, or allow the filing in any court of competent jurisdiction of a suit in such form as the Plan Administrator deems appropriate, including an interpleader action, for a legal determination of the amounts to be paid and/or the payee. The Plan Administrator shall comply with the final orders of the court in any such suit, subject to any appellate review, and the Participant and any Beneficiaries consent to be similarly bound thereby.
- 7.06 **Delegation by the Plan Administrator.** The Plan Administrator may delegate its powers, duties, and responsibilities under this Plan to any agent or administrator, including any public or private agency or company. Such agent or administrator shall thereupon, and subject to the terms of any agreement with the Plan Administrator, be deemed to be, and have all of the powers, duties, and responsibilities of the Plan Administrator under this Plan for purposes of administering the Plan.
- 7.07 **Review of Employer and Plan Administrator Actions.** Any decision, determination, or other action, or non-action, of the Employer and or Plan Administrator shall be final and binding on all persons having or claiming any interest under the Plan, and may be reviewed only for arbitrary and capricious abuse of the wide discretion granted to the Employer and Plan Administrator by the Plan.
- 7.08 **Account Corrections.** Participants and Beneficiaries are responsible for checking the accuracy of their Quarterly Statements. If an incorrect investment, exchange, or transfer is made, the Participant or Beneficiary must notify the Plan Administrator within 180 days of the closing date of the statement that reported the incorrect transaction. Incorrect investments, exchanges, and transfers will not be adjusted if the request is not received by the Plan Administrator within 180 days of the closing date of the statement.
- 7.09 **Communications.**
- (a) **Communications from Participants.** All enrollments, elections, designations, applications and other communications by or from an Eligible Employee, Participant, Beneficiary, or legal representative of any such person regarding that person's rights under the Plan shall be made in the form and manner established by the Plan Administrator and shall be deemed to have been made and delivered only upon actual receipt by the person designated by the Plan Administrator to receive such communication. Neither the Plan Administrator nor the Employer shall be required to give effect to any such communication that is not made on the prescribed form and in the prescribed manner and that does not contain all information called for on the prescribed form. The Employer shall promptly furnish the Plan Administrator or its designee a copy of any such communication that is delivered or transmitted to the Employer.
 - (b) **Communications to Employers.** All notices, statements, reports, and other communications from the Plan Administrator to any Employer shall be deemed to have been duly given when emailed to, delivered to, or when mailed by first class mail, to the official representative of the Employer who has been designated by the Employer to receive such communications.
 - (c) **Communications to Participants.** All notices, statements, reports, and other

communications from the Plan Administrator or an Employer to any Eligible Employee, Participant, Beneficiary, or legal representative of any such person shall be deemed to have been duly given when emailed to, delivered to, or when mailed by first class mail, to such person at his or her last email or mailing address appearing on the Plan records.

- (d) **Time Periods.** As necessary or desirable to facilitate the proper administration of the Plan and consistent with the requirements of IRC Section 457, the Plan Administrator may further restrict the time periods during which a Participant or Beneficiary is required to make any election under the Plan, including the making or amending of a Participation Agreement, the making or amending of Investment Option selections, and the election of distribution commencement dates on distribution forms.

VIII. Miscellaneous

- 8.01 **Agencies Not Parties.** No person or entity issuing any policy, contract, or other Investment Options used by the Plan Administrator or any other employee, contractee, or agent utilized by the Plan Administrator shall be deemed to be a party to the Plan, and no such person or entity or any other person having an administrative or investment position relative to this Plan, shall have any responsibility or accountability to any Participant or Beneficiary with regard to the operation of this Plan.
- 8.02 **No Contract of Employment.** This Plan and any Participation Agreement between the Employer and the Participant shall not be construed as a contract of employment, as an amendment to an existing employment contract of the Participant, if in fact one exists, or as affording to the Participant any right to, or representation or guarantee regarding, continued employment.
- 8.03 **Tax Effects.** Neither the Employer, the Plan Administrator, the State of Alabama or any agency thereof, nor any firm, person or corporation, represents or guarantees that any particular Federal, State or local tax consequences will occur as a result of any Participant's initial or continued participation in this Plan. Each Participant or Beneficiary shall consult with his own advisors regarding the tax consequences of participation in this Plan.
- 8.04 **Governing Law.** The laws of the State of Alabama shall apply in determining the construction and validity of the Plan and all rights and obligations under it, except as required by IRC Section 457 and the regulations thereunder.
- 8.05 **Non-Alienation.** Except as otherwise required by law, the rights of any Participant or Beneficiary, including any Compensation deferred or withdrawn under this Plan, shall not be subject to the rights of creditors of the Participant or Beneficiary, and shall be exempt from execution, attachment, garnishment, prior assignment, transfer by operation of law in the event of the bankruptcy or insolvency, or any other judicial relief or order for creditors or other third persons. The Participant or Beneficiary agrees that in the event of the Participant's or Beneficiary's bankruptcy or insolvency, application will be timely made to secure exemption for all funds maintained in the Account. No Participant or Beneficiary shall have any right to commute, sell, assign, encumber, hypothecate, transfer, or otherwise convey the right to receive any withdrawals hereunder, which withdrawals and the rights thereto are expressly declared to be non-assignable and nontransferable, and any such attempted assignment or transfer shall not be recognized by the Employer or the Plan Administrator. Except as required by law, the right to exercise any power of any Participant or Beneficiary shall be personal and shall not be exercisable by any trustee in bankruptcy, court of law, or other person or entity seeking to act in the name of or by the right of the Participant or Beneficiary except as follows:
- (a) When a guardian has been appointed by a probate court of competent jurisdiction for a Participant or Beneficiary;
 - (b) When the designee of a Participant or Beneficiary has a lawfully executed and currently valid power of attorney in circumstances where the Participant or Beneficiary is

- documented to be incapacitated by reason of illness, injury, age, or military service; or
- (c) When a guardian has been appointed by a probate court of competent jurisdiction for a Beneficiary who has not reached his or her majority.

8.06 Employer Obligations and Representations.

- (a) By executing a Participation Agreement, an Employer agrees to adhere to all terms and conditions of the Plan, to invest all Deferrals, transfers and rollovers in the Trust, to accept the terms and conditions of the Investment Options, and to follow all administrative procedures established by the Plan Administrator. Except as otherwise provided herein, the terms of this Plan shall apply on a uniform basis to all Employers participating hereunder.
- (b) In the event that an Employer ceases to participate in the Plan, all amounts credited to the Accounts of the Employer's Eligible Employees will continue to be held in the Trust and will be distributed in accordance with the terms of the Plan, except to the extent of any transfers from the Plan.
- (c) In accordance with the procedures established by the Plan Administrator, the Employer shall be responsible:
- (1) to assure that participation in the Plan is limited to Eligible Employees of the Employer, to make the Plan available to all Eligible Employees, and to follow the procedures for the establishment and amendment of Participation Agreements set forth in the Plan;
 - (2) to assure that Deferrals are properly calculated and deducted from the Compensation of Participants and remitted as soon as administratively practicable to the Trust, but in no event later than 10 days after deducted from the Participant's Compensation;
 - (3) to transmit to the Plan Administrator all Participation Agreements within 10 days of receipt from the Eligible Employee;
 - (4) to report the amount of Deferrals and any excess Deferrals on the Eligible Employees' wage statements in the manner required under applicable law;
 - (5) to assure that Deferrals, taking account of amounts deferred under any other eligible deferred compensation plan maintained by the Employer, do not exceed the limitations described in Article II;
 - (6) to verify that a Participant who seeks a withdrawal has had a valid Severance from Employment or has attained age 70½;
 - (7) to provide the Plan Administrator with such information and in such form as the Plan Administrator deems necessary for the proper administration of the Plan; and
 - (8) to carry out such other responsibilities as the Employer and the Plan Administrator may agree.

8.07 INTENTIONALLY OMITTED.

8.08 Entire Agreement; Successors. This Plan, including the Participation Agreement and any subsequently adopted amendments, shall constitute the entire agreement between the Employer, the Plan Administrator and the Participant regarding the Plan. No verbal statement regarding the Plan may be relied upon by the Participant. This Plan and any amendment shall be binding on the parties hereto and their respective heirs, administrators, trustees, successors, and assignees, and on all designated Beneficiaries of the Participant. If any provision of this agreement is found by a court of law to be invalid, the remaining provisions shall survive and continue to be of full force and effect.

8.09 Intent of Plan. This Plan is intended to be an eligible deferred compensation plan as described in IRC Section 457. This Plan shall be construed in accordance with such intent, and no provision hereof that is inconsistent with IRC Section 457 shall be valid.

8.10 Participant Acknowledgments. By electing to participate in the Plan and by completing the Participation Agreement, the Participant specifically understands and acknowledges that the

Participant's Account will be charged with any investment loss or other loss arising from the use of the Participant's Investment Options and that such loss will reduce the amounts available for withdrawal to the Participant under this Plan. The Participant also understands and acknowledges that the choice of Investment Options may have collateral effect, such as limiting the amount, time, and manner of withdrawals. The Participant also understands and acknowledges that the Plan will be administered in accordance with the terms of the Plan and that all distributions will be administered in accordance with and subject to the limitations of the Plan.

- 8.11 **Remedies; Standard of Care.** To the extent permitted by law, the Participant specifically agrees not to seek recovery against the Employer, the Plan Administrator, or any other person for any loss sustained by the Participant as a result of negligence or any other misconduct other than fraud or wrongful taking.
- 8.12 **Indemnification.** The Employer, the Plan Administrator and their agents shall be indemnified and held harmless from and against all court costs, attorneys' fees, and other expenses arising from any action brought by any person under this Plan or to enforce rights under this Plan.

IN WITNESS THEREOF, the Plan Administrator has pursuant to its authority granted under Alabama Code §§ 36-27A-1 et seq. duly executed this Plan this ^{27th} day of August, 2013.

WITNESS:

Heather Ham
Tonia Woodruff

PLAN ADMINISTRATOR:

BY

[Signature]