

INDIAN RIVER COUNTY
MEMORANDUM

TO: Jason Brown
County Administrator

FROM: Suzanne Boyll
Human Resources Director

DATE: October 4, 2022

SUBJECT: Authorization of a Side by Side Recordkeeping Agreement with Nationwide Retirement Solutions Inc for Recordkeeping Services for Assets in the Nationwide Fixed Account, the Termination of the ProAccount, and the Application for Group Flexible Purchase Payment Deferred Fixed Annuity Contract

BACKGROUND:

At its May 3, 2022 meeting, the Board of County Commissioners awarded RFP 2022040 to Lincoln Financial Services and authorized the County to enter into an agreement for recordkeeping services with Lincoln Financial Services for the County's 457 (b) Deferred Compensation Plan.

During the plan transition, it was identified that assets in the Nationwide (NW) Fixed Account would be subject to either a Market Value Adjustment (MVA) payment or a 5 Year Put. Under the MVA, the cost in August 2022 was estimated to be \$1.2M to transfer all funds to Lincoln. Under the 5 Year Put, the assets in the Nationwide (NW) Fixed Account would transfer to Lincoln at 20% each year over a five year period. During the five year put period, the funds that remained with Nationwide in the fixed account would not be included in the Lincoln recordkeeping agreement because the propriety NW Fixed Account is not on the National Securities Clearing Corporation (NSCC). In order to provide recordkeeping services on the propriety funds' remaining with Nationwide, Nationwide provided the County with a recordkeeping services proposal (attached).

Under the terms of the recordkeeping services agreement, Nationwide would continue to provide a quarterly credit rating which will not fall below 1% for the life of the contract and is established at 2.5% for 4Q2022. The recordkeeping fee is .25 bps.

Under this agreement, participants in the NW Fixed Account will be provided the following options:

- 1) Participants can choose between 60 monthly payment or 20% of account balance annually to transfer to the Lincoln
- 2) Participants can choose to stay with NW Fixed Account under the terms of the amended recordkeeping agreement and not transition to Lincoln
- 3) Balances under \$1,000 can move over in full to Lincoln

CONSENT

The County Administrator in consultation with Chair of the Indian River County Deferred Compensation Committee, Jeffrey Smith, and as recommend by the County's Deferred Compensation Committee Consultant AndCo, accepted the Nationwide proposal in order to maintain recordkeeping services for participants in the NW Fixed Account and provide transition options to participants to include remaining in the NW Fixed Account and executed the required amendment (attached).

RECOMMENDATION:

Staff respectfully requests the Board authorize the amendment to the Administrative Services Agreement for the County's Governmental 457(b) Deferred Compensation Plan of Indian River County effective September 27, 2022 providing for Fixed Account recordkeeping services with Nationwide, the termination of the ProAccount option, and the application for Group Flexible Purchase Payment Deferred Fixed Annuity Contract under the terms outlined in the Nationwide proposal